

**MANAGEMENT COMPANY:**  
JS Investments Limited  
Registered Office:  
7<sup>th</sup> Floor, The Forum, G-20,  
Khayaban-e-Jami, Clifton, Block 9, Karachi

**TRUSTEE:**  
MCB Financial Services Limited (Formerly Muslim  
Commercial Financial Services Limited)  
Business Office:  
3rd Floor, Adamjee House, I. I. Chundrigar Road ,  
Karachi – 74400

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# **JS CASH FUND**

(Money Market Scheme)

# **OFFERING DOCUMENT**

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**Managed by JS Investments Limited**

Issue of Units at NAV plus applicable Front-end Load during and after the  
Initial Offering Period

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**Initial Offering Period: March 29, 2010 to March 31, 2010**  
**(both days inclusive)**

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This Offering Document contains necessary information for prospective investors to make an informed decision to invest in the Fund described herein. Prospective investors are advised in their own interest to carefully read the contents of this Offering Document and in particular the risk factors mentioned in Clause 6.6 and warning and disclaimer in Clause 6.7 before investing. Investors may note that this Offering Document remains effective until a material change occurs and they should retain this Offering Document for future reference. Material changes shall be subject to prior approval from the Securities and Exchange Commission of Pakistan (SECP) and shall be circulated to all Investors or may be publicly notified by advertisements in the newspapers subject to the applicable provisions of the Trust Deed, the Rules and the Regulations.

Investors should realize that all investments involve risk. It should be clearly understood that the portfolio of JS Cash Fund is subject to market risks inherent in all such investments. The value of the Units in the Fund may appreciate as well as depreciate as well as the level of dividend declared by the Fund may go down as well as up.

If you have any doubt about the contents of this Offering Document, you should seek independent professional advice from your legal, financial and/ or other professional adviser.

The particulars of this Fund under this Offering Document have been prepared in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and filed with SECP. It must be distinctly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document.

This Offering Document is dated as at March 19, 2010.

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**MANAGEMENT COMPANY**

**JS Investments Limited**

Registered Office:

7<sup>th</sup> Floor, The Forum, G-20,  
Khayaban-e-Jami, Clifton, Block 9, Karachi

**TRUSTEE**

**MCB Financial Services Limited  
(Formerly Muslim Commercial Financial Services Limited)**

Business Office:

3rd Floor, Adamjee House,  
I. I. Chundrigar Road, Karachi – 74400

**TRANSFER AGENT**

**Technology Trade (Private) Limited**

Registered Office:

Dagia House, 241 C,  
Block 2, PECHS, Karachi.

**AUDITORS TO THE FUND**

**Ernst & Young Ford Rhodes Sidat Hyder  
(Chartered Accountants)**

Registered Address:

Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530

**LEGAL ADVISER**

**Bawaney & Partners**

Registered Address:

Room No. 404, 4th Floor, Beaumont Plaza,  
Beaumont Road, Civil Lines, Karachi.

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## **PART I - INTRODUCTION TO JS CASH FUND**

Established in Karachi, Pakistan as an open-end unit trust by a Trust Deed, dated October 16, 2009 registered under the Trusts Act, 1882 between JS Investments Limited, as the Management Company and MCB Financial Services Limited (Formerly Muslim Commercial Financial Services Limited), as the Trustee and registered under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

## **PART II - REGULATORY APPROVAL AND CONSENT**

### **2.1 Approval of the Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (SECP) has registered **JS Cash Fund (JS CF)** under Regulation 44 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide letter No. NBFC/MF-RS/JD-VS/JSIL/966/2009 dated October 29, 2009. The SECP has approved this Offering Document under Regulation 54 of the Regulations vide its letter No. NBFC/MF/JD-VS/JSCF/222/2010 dated March 19, 2010.

**It must be distinctly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document.**

**Investors should realize that all investments involve risk. It should be clearly understood that the portfolio of the Fund is subject to market risks inherent in all such investments. The value of the Units in the Fund may appreciate as well as depreciate as well as the level of dividend declared by the Fund may go down as well as up.**

**If you have any doubt about the contents of this Offering Document, you should seek independent professional advice from your legal, financial and/ or other professional adviser.**

### **2.2 Governing Law**

The Trust Deed and this Offering Document of the Fund shall be subject to and be governed by the laws of Pakistan including the Ordinance, the Rules, the Regulations and all other applicable rules and regulations as amended or replaced from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Regulations are incorporated in the Trust Deed of the Fund as a part and parcel thereof and in the event of any conflict between the Trust Deed of the Fund and the Regulations, the latter shall supersede and prevail over the provisions contained in the Trust Deed of the Fund. In case the Rules or Regulations are amended or any directives are issued or any relaxations or exemptions are allowed thereunder, such amendments, directives, relaxations and exemptions shall deem to have been included in the Trust Deed and this Offering Documents. In the event of any conflict between this Offering Document and the Trust Deed of the Fund, the latter shall supersede and prevail over the provisions contained in the Offering Document. The Management Company, Trustee and the Fund shall be subject to full compliance of the Rules, the Regulations, the Trust Deed and this Offering Document.

### **2.3 Filing of the Offering Document**

The Management Company has filed a copy of this Offering Document signed by the Chief Executive along with the Trust Deed [document (1) below] with SECP. Copy of these documents along with documents (2) to (8) below can be inspected at the registered office of the Management Company or the place of business of the Trustee, at their addresses provided in the Clause 3.1 of this Offering Document.

1. Trust Deed (Deed) of the Fund dated October 16, 2009 between JS Investments Limited, as the establisher and the Management Company, and MCB Financial Services Limited, as the Trustee;

2. SECP's letter No. NBFC-II/13/JSIL/AMS/09/2009, dated May 15, 2009, renewing the license of JS Investments Limited, to undertake asset management services;
3. SECP's letter No. NBFC/MF-RS/JD-VS/JSIL/966/2009 dated October 29, 2009 registering the Fund;
4. SECP's letter No. NBFC-II/Vs/JSIL/940/2009 dated October 13, 2009 approving the appointment of MCB Financial Services Limited as the Trustee of the Fund;
5. SECP's letter No. NBFC/MF/JD-VS/JSCF/222/2010 dated March 19, 2010, approving this Offering Document;
6. Letter from Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Auditors of the Fund, dated September 30, 2009 via letter No. AC3/080/09 consenting to the issue of statements and reports appearing in Part XIII of this Offering Document;
7. Letter of consent by the Transfer Agent, Technology Trade (Private) Limited dated September 28, 2009, via letter No. TTPL\PRO\2009\104 to act as the transfer agent for the Fund;
8. Letter of consent by the Legal Adviser, Bawaney & Partners, advocates & investment & corporate advisers for the Fund dated September 29, 2009 via letter No. JSIL-297/1398/09/777.

## **PART III - CONSTITUTION OF THE SCHEME**

### **3.1 Constitution**

**JS Cash Fund** is constituted by a Trust Deed entered into at Karachi on October 16, 2009 between:

1. **JS INVESTMENTS LIMITED (JSIL)**, a listed public limited company incorporated in Pakistan under the Companies Ordinance 1984, with its registered office at 7th Floor, The Forum, Block-9, G-20, Khayaban-e-Jami, Clifton, 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. **MCB FINANCIAL SERVICES LIMITED (Formerly MUSLIM COMMERCIAL FINANCIAL SERVICES LIMITED)**, an unlisted public limited company incorporated in Pakistan under the Companies Ordinance, 1984, having its business office at 3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi – 74400 (hereinafter called the "**Trustee**" which expression where the context so permits shall include its successors in interest and assigns) of the other part.

### **3.2 Trust Deed**

The Trust Deed shall be subject to and governed by the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (Regulations) and all other applicable laws, rules and regulations.

**The terms and conditions in the Trust Deed including any Supplemental Deed shall be binding on each Unit Holder as if he has been a party to it.**

### **3.3 Modification of Trust Deed**

The Trustee and the Management Company, acting together and with the approval of the SECP, shall be entitled by Supplemental Deed to modify, alter or add to the provisions of the Trust Deed, in such manner and to such extent as they may consider expedient on any of the following grounds:



1. To the extent required to ensure compliance with any applicable laws, any fiscal or statutory requirement and regulations or any amendment of such laws and regulations;
2. To enable the provisions of the Deed to be more conveniently or economically managed;
3. To enable the Units to be dealt in or quoted on a Stock Exchange; or
4. Otherwise for the benefit of the Unit Holders.

Provided that in case (2), (3) and (4) above, such alteration or addition shall not prejudice the interest of the Unit Holders; and that in any event, it shall not release the Trustee or the Management Company of their responsibilities.

Where the Trust Deed has been altered or supplemented, the Management Company shall notify the Unit Holders immediately by publication in two widely circulated newspapers in Pakistan, one in English and one in Urdu.

### 3.4 Fund Structure

JS Cash Fund is an open-end “Money Market Scheme”. It is divided into Units having Par Value of One Hundred Rupees (PKR 100/-) each. All Units and fractions thereof represent an undivided share in the Fund and rank pari-passu as to their rights in the Net Assets, earning and receipt of dividend and distributions.

### 3.5 Core Investors

The Core Investors have subscribed to Core Units representing the seed capital of the Scheme aggregating to one hundred million Rupees (PKR 100 million), out of which at least fifty million Rupees (PKR 50 million) shall remain invested in the Scheme for at least two years from the date of issue of such Units (“**Restricted Core Units**”). The remaining Core Units (“**Unrestricted Core Units**”) amounting to fifty million Rupees (PKR 50 million) may be redeemed starting from the day following the last date of the Initial Offering Period. The detail of Core Investors is as follows:

S. No.	Name of the Investor	Amount (PKR)
<b>Restricted Core Units</b>		
1	JS Investments Limited	40,000,000/-
2	JS Global Capital Limited Staff Provident Fund	5,000,000/-
3	JS Bank Limited Staff Provident Fund	5,000,000/-
<b>Unrestricted Core Units</b>		
4	JS Investments Limited	30,000,000/-
5	Invisor Securities (Private) Limited	10,000,000/-
6	Soneri Bank Limited	5,000,000/-
7	N.U.A Securities (Private) Limited	5,000,000/-
		<b>100,000,000/-</b>

### 3.6 Units

The Fund shall offer Units to investors on a continuing basis during and after the Initial Offering Period. The Units shall be fully paid before they are issued. The liability of Unit Holders shall be limited to the Offer Price for the Units purchased by them. Unit Holders may redeem Units or fractions thereof for cash by redeeming to the Fund provided in case of fractions the number of Units redeemed is greater than one. Units will be issued in registered, un-certificated form and will be confirmed to investors by means of an Account Statement issued by Transfer Agent. Certificate(s) will be issued as per Clause 12.7, if so requested by Unit Holder (except for Certificates issued to the Core Investor).

### **3.7 Initial Offer**

The initial offering will be for Class "A" Units. During the Initial Offering Period, Units will be offered at the Offer Price. The initial offer is made during the Initial Offering Period, which will be for Three (3) Business Days and will commence at the start of the banking hours on March 29, 2010 and shall close at the end of the Cut-Off time as specified by the Management Company on March 31, 2010. During the Initial Period the Units will not be redeemed.

### **3.8 Transaction in Units after Initial Period**

After the Initial Period, the public sale of Units shall continue at the Offer Price. The redemption of Units will then commence after the closure of Initial Period at the Redemption Price as per Clause 5.6 of this Offering Document. The Management Company shall announce and make available the Offer Price to the public through its web-site and at the office(s) of JSIL and Authorized Branches of the Distribution Company(ies) on each Subscription Day calculated on the basis of previous day NAV. The Management Company shall also announce the Redemption Price on a daily basis on all Business Days calculated on the basis of previous day NAV. The Offer and Redemption Prices shall be determined by the Management Company under the provisions of the Trust Deed and this Offering Document. The Offer and Redemption Price so calculated shall be applicable for the earlier same day transactions pursuant to Clause 5.6.

### **3.9 Offering Document**

The provisions of the Trust Deed and the Regulations govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in any Unit. Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors and Warning and Disclaimer and should also consult their legal, financial and/ or other professional adviser before investing.

### **3.10 Modification of Offering Document**

This Offering Document will be updated to take account of any relevant material changes relating to the Fund. Such changes shall be subject to prior approval from the Securities and Exchange Commission of Pakistan (SECP) and shall either be circulated to all Unit Holders or publicly notified by advertisements in the newspapers subject to the applicable provisions of the Trust Deed, the Rules and the Regulations.

### **3.11 Duration**

The duration of the Fund is perpetual. However, it can be wound up by the SECP or by the Management Company on the occurrence of certain events as stated in Part XVI of this Offering Document under the heading "Cancellation of Registration, Termination and Winding up of the Fund".

### **3.12 Responsibility of the Management Company for information given in this Document**

JS Investments Limited accepts the responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

## **PART IV - OPERATORS AND PRINCIPALS**

### **4.1 Management Company**

The Management Company is engaged, inter alia, in the business of providing asset management services and has been licensed by the Securities and Exchange Commission of Pakistan (SECP) under

then applicable Rule 5 (2) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 which has been renewed under letter No. NBFC-II/13/JSIL/AMS/09/2009, dated May 15, 2009, JS Investments Limited is a public limited company listed on the Karachi Stock Exchange with a paid up capital of PKR 1,000 million.

Founded in 1995, JS Investments Limited (JSIL) is the oldest and one of the largest private sector asset management companies in Pakistan with assets under management spread across fourteen (14) mutual funds (eleven (11) open-end and three (3) closed-end), two (2) pension funds and various separately managed accounts. JSIL's successful track record, creative and diverse thinking and product offering has helped set the asset management industry standards in Pakistan by always endeavoring to innovate and be the first to bring new financial products to Pakistan, providing investors the opportunity to better manage their wealth. JSIL has successfully done this by being the first to offer Balanced, Islamic, Fund of Funds, Asset Allocation, Free-Float Based Index, Capital Protected and Aggressive Income open-end funds.

JSIL is listed on the Karachi Stock Exchange and is associated with the Jahangir Siddiqui (JS) Group, which is one of the leading financial services groups of Pakistan maintaining a strong presence in the nation's banking, corporate finance, equity market operations and insurance sectors.

## 4.2 Board of Directors - Synopsis

Name, Occupation and Address	Other Directorships
<p><b>1. Mr. Munawar Alam Siddiqui, Chairman</b> Business Executive</p> <p>House No. 113, Khayaban-e- Muhafiz, Phase VI, DHA, Karachi</p>	<p><b>Director</b> JS Value Fund Limited Eye Television Network Limited (Hum TV)</p>
<p><b>2. Mr. Ali Raza Siddiqui, Executive Director</b> Business Executive,</p> <p>House # D-185, Block -5, Shahrah-e-Firdousi, Clifton, Karachi</p>	<p><b>Director</b> Jahangir Siddiqui &amp; Co. Limited Bank Islami Pakistan Limited Pakistan International Container Terminal Limited</p>
<p><b>3. Mr. Nazar Mohammad Shaikh, Non-Executive Director</b> Business Executive</p> <p>H# 51A/4, Street 14-A, Gulshan-e-Faisal, Bath Island, Karachi</p>	<p><b>Director</b> JS Value Fund Limited</p>
<p><b>4. Lt. General (Retd.) Masood Parwaiz, Non-Executive Director</b> Business Executive</p> <p>House No. 14, Askari VIII, Airport Road, Near Islamabad International Airport, Rawalpindi</p>	<p>None</p>
<p><b>5. Mr. Sadeq Sayeed, Non-Executive Director</b> Business Executive</p> <p>16 Phillimore Place London W87BU, United Kingdom</p>	<p><b>Director/Major Shareholder</b> Silk Bank Limited</p>
<p><b>Mr. Suleman Lalani,</b> Company Secretary &amp; Chief Financial Officer</p> <p>B-601, Clifton Belle View Apartments, Block 5, Clifton, Karachi</p>	

## **Board of Directors - Particulars**

### **Air Commodore (R) Munawar Alam Siddiqui, TI (M), SI (M) – Chairman**

Mr. Siddiqui retired as an Air Commodore from the Pakistan Air Force in 2003. His last post was as the Assistant Chief of Air Staff (Administration) at Pakistan Air Force Headquarters. For his meritorious services to the PAF, he was awarded Tamgha-e-Imtiaz (Military) and Sitara-e-Imtiaz (Military).

He was commissioned in the GD(P) Branch of the Pakistan Air Force in 1974. He has served as a VVIP and Presidential pilot during his tenure of service and has held various key Command and Staff appointments in the PAF. He served as Director of Air Transport at Air Headquarters from 1996 to 1998 and commanded an operational air force base with over 8,500 personnel from 2000 to 2002.

Mr. Siddiqui holds an M.Sc. in Defence and Strategic Studies from Quaid-e-Azam University, a M.Sc. in Strategic Studies from Karachi University, a B.Sc. (Honours) in War Studies from Karachi University and B.Sc. Avionics from Peshawar University. He is also an alumna of the National Defence College.

He serves on the boards of JS Value Fund Limited, Mahvash and Jahangir Siddiqui Foundation (Formerly Siddiqui Foundation), JS Air (Private) Limited and Eye Television Network Limited.

### **Mr. Ali Raza Siddiqui – Executive Director**

Mr. Siddiqui joined JS Investments as an Executive Director in 2005. Previously, he was Assistant Vice President at AIM Investments in Houston, a wholly-owned subsidiary of INVESCO plc.

At AIM, Mr. Siddiqui was part of a 5-person team responsible for the management of USD 60 billion in mutual fund assets. These included the AMVESCAP Global Portfolios (USD 4+ billion), Brown Brothers Investment Trust (USD 1+ billion) and STIT Treasury Portfolio (USD 10+ billion).

Mr. Siddiqui holds a Bachelors Degree from Cornell University, USA, with double majors in Economics and Government.

### **Mr. Nazar Mohammad Shaikh – Non-Executive Director**

Mr. Shaikh is a former senior civil servant and has held many senior positions in the Government of Pakistan. He joined the Pakistan Audit Department in 1966 and served in various capacities. He served the Provincial Governments at various levels and also served as the Secretary of Finance Department, Secretary of Education Department, Secretary of Housing & Town Planning Department and Secretary of Communication & Works Department. He has also held the position of Additional Secretary of the Social Sector Wing, Prime Minister's Secretariat. He was the Vice Chairman of PNSC from January 1992 till August 1993 and was later the chairman of Port Qasim Trust from October 1998 till July 2000. Mr. Shaikh has also held the position of secretary of Communications Division, Ministry of Communications & Railways from July 2000 to March 2001.

### **Lt. General (Retd) Masood Parwaiz – Non-Executive Director**

Mr. Masood Parwaiz joined the Pakistan Army in 1968 and retired as a Lieutenant General in 2001. He held the most coveted staff, instructional and command assignments in the Army. He was awarded the Hilal-e-Imtiaz in the military and was appointed as the Managing Director of the Army Welfare Trust (AWT) in September 2001 which he continued till December 2005.

As the Managing Director of AWT, he successfully managed the affairs and served as Vice Chairman and Director on AWT Board of Directors, Chairman Executive Committee and Director on ACBL Board of Directors, Chairman BOD of Askari Leasing Company, Askari General Insurance Company, Askari Investment Management Company and all, fully owned, AWT Projects.

His major achievements include the Financial and Corporate restructuring of AWT and erection of Second line at Nizampir Cement Project.

Mr. Masood Parwaiz holds an M.Sc degree in Strategic Studies from the Quaid-e-Azam University, Islamabad and a B.Sc (Hons) degree in War Studies from the University of Balochistan, Quetta.

#### **Mr. Sadeq Sayeed – Non-Executive Director**

Mr. Sadeq Sayeed is a London based business executive associated with Nomura International as a special advisor. He is looking after International Business Strategy, Alternative Investment Management, Asset Management and Capital Structure and Risk Management. Additionally, he is also on board of various committees namely Executive Committee, Audit Committee, Capital Allocation Committee and Risk & Credit Management Committee.

Previously he was engaged with Credit Suisse First Boston, London, England as Managing Director & Head of Group Leveraged Funds Group, Member of Senior Management and Group Head, European Foreign Exchange, Money Market and Commodities Group and Global options group; Credit Suisse First Boston, New York as Managing Director, Fixed Income Department; Credit Suisse, First Boston, London England as Managing Director, Arbitrage Group and as Director Financiere CSFB Treasury and Group Finance and WORLD BANK, Washington DC as Research Associate and Internal Consultant.

Mr. Sayeed holds S.M. with majors in Finance from MIT, Sloan School of Management and S.B also from MIT with majors in Economics and Electrical Engineering. He has also taught weekly financial seminars at MIT in 1993.

#### **4.3 Founding Institutional Investors**

The sponsor of JS Investments Limited is Jahangir Siddiqui & Company Limited. Other founding institutional investors included INVESCO Plc. and the International Finance Corporation.

#### **Jahangir Siddiqui & Company Limited ([www.js.com](http://www.js.com))**

Jahangir Siddiqui & Co. Limited (“JSCL”) is the holding company of JS Investments Limited. It is currently rated AA+ (“Double A plus”) long-term and A1+ (“A one plus”) short-term by the PACRA. JSCL was the first Pakistani financial services company to boast a Wall Street pedigree as it was previously a joint venture with Bear Stearns and Co. (JSCL was previously known as Bear Stearns Jahangir Siddiqui Ltd.).

#### 4.4 Performance of the Listed Companies where Directors are holding similar office

	2004	2005	2006	2007	2008	2009
	(millions of Rupees)					
<b>JS Value Fund Limited</b>						
EPS (Rs.)	3.24	1.24	4.42	5.55	7.24	(10.94)
Shareholders Equity (Rs. mn)	1,625	1,621	1,789	2,153	2,655	1,237
Total Assets (Rs. mn)	1,675	1,702	1,840	2,379	2,678	1,255
Distribution (%)	12.5B	12.5	30	25	30	10
<b>Eye Television Network Limited</b>						
EPS (Rs.)	-	(20.48)	1.00	2.01	4.51	4.82
Shareholders Equity (Rs. mn)	-	211	407	507	732	726
Total Assets (Rs. Mn)	-	259	529	695	1,025	1,199
Distribution (%)	-	-	-	-	-	53
<b>Jahangir Siddiqui &amp; Co. Limited</b>						
EPS (Rs.)	23.43	25.86	31.13	63.16	22.96	(18.88)
Shareholders Equity (Rs. mn)	3,366	3,664	5,382	8,277	31,028	19,279
Total Assets (Rs. Mn)	4,990	7,259	11,509	15,601	37,494	23,184
Distribution (%)	15	25	25	25,100B	159B	244B
<b>Pakistan International Container Terminal Limited</b>						
EPS (Rs.)	0.43	3.30	3.61	4.13	5.62	10.09
Shareholders Equity (Rs. mn)	682	1,207	1,495	1,809	2,320	2,965
Total Assets (Rs. Mn)	1,935	2,540	3,662	4,392	5,754	7,723
Distribution (%)	-	-	-	20B	30	20B
<b>Silk Bank Limited (Formerly Saudi Pak Commercial Bank Ltd.)<sup>1</sup></b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>3Q FY09</b>
EPS (Rs.)	1.37	0.23	(0.68)	(5.49)	(2.83)	(1.48)
Shareholders Equity (Rs. mn)	1,466	3,206	2,985	1,101	3,089	1,762
Total Assets (Rs. mn)	42,837	47,748	59,200	53,661	55,645	66,409
Distribution (%)	-	-	-	-	-	-
<b>Bank Islami Pakistan Limited</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
EPS (Rs.)	-	-	(0.04)	(0.13)	(0.12)	(0.91)
Shareholders Equity (Rs. mn)	35	1,471	2,003	3,845	5,192	4,740
Total Assets (Rs. Mn)	12	1,477	4,025	14,447	19,089	34,287
Distribution (%)	-	-	-	-	-	-

<sup>1</sup> Financial Year end - December 31

#### 4.5 Performance of Funds (Open and Closed-end) Under Management

##### Open-End Funds

	UTP	JS IF	JS ISF <sup>1</sup>	JS AAA	JS FoF	JS KSE30 <sup>2</sup>	JS CPF	JS CPF IV	JS AIF	JS PSF-I	JS PSF II	
Fund Launch Date	27 Oct 97	26 Aug 02	27 Dec 02	28 Jun 05	31 Oct 05	29 May 06	21 Feb 07	17 Apr 08	22 Jan 08	24 Apr 09	16 Oct 09	
Investment Strategy	Balanced	Income	Shariah Compliant Equity	Asset Allocation	Fund of Funds	Index	Capital Protection	Capital Protection	Aggressive Fixed Income	Capital Protection	Capital Protection	
Listing	LSE	LSE	LSE	LSE	LSE	LSE	LSE	LSE	LSE	LSE	LSE	
Trustee	CDC	MCB FSL	CDC	CDC	CDC	MCB FSL	CDC	MCB FSL	CDC	CDC	MCB FSL	
Auditors	Ernst & Young Ford Rhodes SHC	KPMG Taseer Hadi	M. Yousuf Adil Saleem	KPMG Taseer Hadi	KPMG Taseer Hadi	Ernst & Young Ford Rhodes SHC	Ernst & Young Ford Rhodes SHC	Ernst & Young Ford Rhodes SHC	M. Yousuf Adil Saleem	M. Yousuf Adil Saleem	Ernst & Young Ford Rhodes SHC	
Risk Profile	Medium	Low	High	High	Medium	High	Low	Low	Medium	Low	Low	
Net Assets (PKR in mn) <sup>3</sup>	3,358.84	4,016.83	466.48	181.32	932.60	94.14	608.05	658.92	168.74	2,623.61	591.48	
Par Value (PKR)	100	100	100	100	100	100	100	100	100	100	100	
Net Assets Value (PKR) <sup>3</sup>	114.51	103.18	382.27	47.93	98.31	34.87	109.27	109.22	97.44	110.96	100.29	
Average Annualized Returns (%) <sup>4</sup>	21.53	10.51	11.21	9.34	7.59	(1.32)	8.66	6.76	5.08	18.10	5.96	
Distributions (% of Par Value)	Max	40.21	12.10	37.50	65.00	15.10	25.00	8.01	1.75	6.25	5.80	n/a
	Min	-	6.20	-	-	-	0.50	3.00	0.50	5.00	n/a	n/a

##### Closed-End Funds

	JS VFL	JS LCF	JS GF
Fund Launch Date	14 Jan 96	14 May 04	06 June 06
Investment Strategy	Equity	Equity	Equity
Listing	KSE	KSE, LSE and ISE	KSE, LSE and ISE
Trustee	MCB FSL	CDC	MCB FSL
Auditors	M. Yousuf Adil Saleem	M. Yousuf Adil Saleem	KPMG Taseer Hadi
Risk Profile	High	High	High
Paid-up Capital (PKR in mn)	1,185.75	3,295.50	3,180.75
Net Assets (PKR in mn) <sup>3</sup>	1,272.81	2,512.66	3,549.17
Distributions (% of Par Value)	Max	31.00	35.00
	Min	10.00	-

<sup>1</sup> Formerly UTP - Islamic Fund

<sup>2</sup> Formerly UTP - A30+ Fund

<sup>3</sup> As at December 31, 2009

<sup>4</sup> Since inception of the Fund as at December 31, 2009



#### **4.6 Duties and Responsibilities of the Management Company**

1. The responsibility of the Management Company is to promote the sale of Units in the Fund through the network of Authorized Branches of Distribution Companies in addition to the offices of the Management Company for sale of Units from the date of registration of the Fund. The Management Company shall be responsible to invest and manage the assets of the Fund according to the provisions of the Deed, this Offering Document, the Rules, and the Regulations and to comply with the directives of SECP, in good faith, to the best of its ability and without gaining any undue advantage for itself or any Connected Persons.
2. The Management Company shall maintain at its principal office, proper accounts and records of the Fund to enable a complete view of assets and liabilities, income and expenditure and amounts received in respect of Units and paid out on redemptions of Units and by way of distribution.
3. The Management Company shall within four (4) months of closing of the Accounting Period (as defined in Clause 20.2), prepare and transmit to Unit Holders, SECP and the Trustee the annual report of the Scheme together with balance sheet, income statement, cash flow statement and statement of movement in Unit Holder's Fund and auditors report for the Accounting Period. The Management Company shall also prepare and transmit to Unit Holders and SECP the balance sheet, income statement, cash flow statement, statement of movement in Unit Holder's Fund and statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise, within one (1) month after the close of the first quarter and third quarter and within two (2) months after the close of the second quarter of the year or within the time frame prescribed by the SECP from time to time. The Management Company shall transmit the quarterly accounts to the Holders by placing them on its web-site. The Management Company shall make the printed copy of the said accounts available to any Holder, free of cost, as and when requested, subject to SECP requirements.
4. The Management Company shall make available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
5. The Management Company shall account to Trustee for any loss in value of the assets of the Fund caused by its negligence.
6. The Management Company shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance 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 Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.
7. The Management Company shall instruct the Trustee on purchases and redemptions, including placement of cash and sale of investments.
8. The Management Company shall, if it considers necessary, instruct the Trustee in writing for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith.
9. The Management Company shall not be under any liability except such liability as may be expressly assumed under the Rules, the Regulations and the Deed nor shall the Management Company (save as otherwise provided) be liable for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty.

10. The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit's prices and for producing financial reports, from time to time, as provided in the Regulations and the Trust Deed.
11. The Management Company shall obtain a rating of the Fund as required under the Regulations, once the Fund becomes eligible for rating and such rating shall be updated once every financial year and published in the annual and quarterly reports of the Fund.
12. The Management Company on behalf of the Fund shall not at any time rollover the investments of the Fund where the Management Company and the Trustee are of the opinion that the Fund shall not be able to meet a complete redemption request of any Unit Holder within the time period stipulated in the Regulations; provided that the Fund has already fully utilized the borrowing limit for the purpose of meeting such redemptions.
13. The Management Company in relation to the Fund shall not allow redemption and re-issuance of Units to a Unit Holder based on different Net Asset Values without involvement of payment instrument, unless permitted otherwise by the Commission. Provided that this sub-clause shall not apply to issuance of Bonus Units and re-investment or issuance of Units against gains realization on the same NAV or transaction date.
14. The Management Company in relation to the Fund shall not net-off any transaction (adjustment of assets of the Scheme against the investment of the Unit Holders) within the Scheme.
15. The Management Company may offer different Administrative Plan(s) to investors and may market the Unit Trust or any other Administrative Plan(s) subject to the approval of SECP. Where such plans are offered, the Management Company shall advise the Trustee of the allocation of funds between the respective scheme(s) on the basis of Administrative Plan(s) as determined by the Management Company.
16. The Management Company shall determine from time to time the various class(es) of Units to be issued pursuant to the Deed and the rights and conditions that attach to each class of Units, subject to the consent of the Trustee and approval of SECP, including the Front-end Load, Back-end Load or Contingent Load to be charged to each class of Units as well as the dividends payable in respect of each class and the form and timing thereof.
17. And any other duty or responsibility as is specified in the Trust Deed or the Regulations.

#### **4.7 Trustee – MCB Financial Services Limited (Formerly Muslim Commercial Financial Services Limited)**

MCB Financial Services Limited (MCB FSL), an unlisted public limited company incorporated in Pakistan under the Companies Ordinance 1984, with its business office at 3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi – 74400, has been appointed as the Trustee for the Fund. The Trustee has considerable experience of trusteeship of open-ended Schemes which are successfully functioning in the country.

#### **4.8 Duties and Responsibilities of Trustee**

1. The Trustee shall comply with the provisions of the Deed, this Offering Document, the Rules and the Regulations 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 under intimation to the Management Company.
2. The Trustee will take into custody and under its control all the property of the Fund and hold it in trust for the Unit Holders in accordance with the Regulations, the Trust Deed and all applicable laws, rules

and regulations and the cash and registerable assets shall be registered in the name of, or to the order of the Trustee.

3. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposal of the Deposited Property, unless they are in conflict with the Deed, the Offering Document(s) and the Regulations.
4. The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders.
5. The Trustee shall ensure that all issues and cancellations of Units of the Fund and the method adopted by the Management Company in valuing Units for the purposes of determining the Offer and Redemption Prices are carried out in accordance with the provisions of the Deed.
6. The Trustee shall issue a report to the Unit Holders to be included in the annual and the second quarter reports to be sent to the Unit Holders, whether in its opinion, the Management Company has in all material respect managed the Fund in accordance with the provisions of the Regulations and the 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.
7. The Trustee shall institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders action in respect of the Deposited Property or any part thereof if so instructed by the Management Company in writing. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Scheme and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence, or breach of its duties in connection with the Scheme under the Deed or the NBFC Regulations. For the avoidance of doubt it is clarified that notwithstanding any thing contained in the Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages or other liabilities shall be borne by the Scheme.
8. The Trustee shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions.
9. The Trustee shall account for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.
10. The Trustee shall not be under any liability on account of anything done or suffered by the Fund in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provision of the Deed or the Regulations. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed, the Trustee 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. Notwithstanding removal/ resignation of Trustee, the Trustee shall remain entitled to the benefit of this Clause.
11. The Trustee shall ensure that the sale, issue, repurchase, redemption, transfer and cancellation of Units effected by the Scheme are carried out in accordance with the provisions of the Deed and this Offering Document.
12. The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations and the Constitutive Documents are complied with.

13. The Trustee shall ensure that Units are not issued until subscription money is received.
14. The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of offering of the Fund and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.
15. The Trustee shall arrange for an annual system audit and provide the report to this effect to the Commission and the Management Company, as provided in the Regulations.
16. The Trustee shall immediately inform the SECP if any action of the Management Company contravenes the Ordinance, Rules, Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.
17. The Trustee shall not invest in the Units of the Fund.
18. And any other duty or responsibility as specified under the Trust Deed and the Regulations.

#### **4.9 Transfer Agent**

The Transfer Agent for the Fund:

Technology Trade (Pvt.) Limited,  
Dagia House,  
241 C, Block 2,  
PECHS, Karachi

Technology Trade (Pvt.) Limited will be responsible for maintaining the Unit Holder's Register, preparing and issuing Account Statements, Unit Certificate(s) and dividend warrants, and providing related services to the Unit Holders. Technology Trade (Pvt.) Limited has the facilities to provide efficient Transfer Agent services to the Fund and its Unit Holders.

#### **4.10 Distribution Company**

1. The Distribution Function for the Fund will be performed at the offices of JS Investments Limited and the Authorized Branches of Distribution Company(ies) appointed by the Management Company.
2. The Distribution Company(ies) and the Management Company will be responsible for the Distribution Function including receiving applications for issuance of Units and redemption/ transfer applications. They will be interfacing with and providing service to Unit Holders, including receiving application for change of address and other particulars or application for issuance of duplicate Unit Certificates for immediate transmission to the Management Company or Transfer Agent as appropriate. The address of the Authorized Branches of the Distribution Company(ies) are given in Part XXI.
3. The Distribution Company(ies) are equipped with the necessary support staff, computer hardware and software to provide service to the investors and have established an efficient communication link with the Trustee, Management Company and the Transfer Agent.

#### **4.11 Auditors**

1. The first independent Auditors for the Fund are:

Ernst & Young Ford Rhodes Sidat Hyder,  
(Chartered Accountants)  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530

2. The Management Company shall appoint an Auditor for the Fund with the consent of the Trustee from the approved list of Auditors circulated by SECP from time to time, who shall be independent of the Auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed as Auditor for more than five consecutive years, unless permitted otherwise by SECP. Thereafter, the Auditors shall only be eligible for appointment after the lapse of one year.
3. The Auditor shall hold office until the transmission of the annual reports and accounts and may be re-appointed by the Management Company as provided in the Regulations.
4. 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 or Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian or Transfer Agent and their officers and agents such information and explanations as considered necessary for the performance of the audit.
5. The Auditor shall prepare a written report to the Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including note, statement or schedule appended hereto.
6. The contents of the Auditors report shall be as required in the Regulations.

#### **4.12 Legal Adviser**

The legal adviser for the Fund is:

Bawaney & Partners,  
Advocates & Investment & Corporate Advisers,  
Room No. 404, 4th Floor,  
Beaumont Plaza,  
Beaumont Road, Civil Lines,  
Karachi.

#### **4.13 Bankers**

The Bankers of the Fund are Bank Alfalah Limited and Habib Metropolitan Bank Limited. The Trustee may open new accounts or close existing accounts with one or more Banks as required by the Management Company. The Trustee will operate the Bank Accounts on instructions of the Management Company.

#### **4.14 Bank Accounts**

1. The Trustee shall open separate Bank Accounts titled "MCB FSL-Trustee JS Cash Fund " at such branches of scheduled commercial Banks and at such locations (including outside Pakistan), subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authorities in Pakistan, as may be required by the Management Company, from time to time.
2. The Management Company may also require the Trustee to open separate Bank Accounts with scheduled Commercial Banks titled "MCB FSL-Trustee JS Cash Fund – Div (number)" for each dividend distribution out of the Fund.
3. The amounts received from the Investors up to the commencement of the Initial Period shall be deposited in a separate Bank Account titled "MCB FSL-Trustee JS Cash Fund – Pre-IPO". Income

earned in this account up to the day immediately preceding the Initial Period shall, after deducting all expenses that may be incurred by the Management Company, be paid to the Investors in proportion to their respective investments in the form of additional Units. Provided that the additional Units, so issued, shall be issued at Par-Value and shall not be charged a Front-End Load. The total amount available in the account at the commencement of the Initial Period shall be transferred to the main Bank Account of the Fund.

4. The Trustee shall, if requested by the Management Company at its discretion, also open separate Bank Account(s) titled "MCB FSL – Trustee JSIL Funds" at Bank(s) designated by the Management Company to facilitate investment in each of the Administrative Plan(s). These account(s) shall be temporary collection accounts, where collections received on account of subscription of Units by investors of various Unit Trusts and the Administrative Plan(s) that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent Unit Trust(s) in accordance with the Administrative Plan(s) selected by the investors. Such account(s) may also be used for redemption purposes where funds are transferred prior to the payment of the redemption proceeds to the Holders.
5. Notwithstanding anything in this Offering Document the beneficial ownership of the balances in the Account shall vest in the Unit Holders.

## **PART V - CHARACTERISTICS OF THE FUND**

### **5.1 Eligibility**

Applications for the issue of Units of the Fund may be made by any investor or any related group of investors qualified or authorized to purchase the Units pursuant to the procedures described in sub-clause (1) of Clause 5.7 below, including but not limited to:

- (a) Citizens of Pakistan resident in Pakistan. In respect of minors below 18 years of age, applications should be made by their guardians.
- (b) Companies, corporate bodies, Financial Institutions, Banks, modarabas, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and/or by-laws.
- (c) Non-residents of Pakistan, foreign nationals and companies incorporated outside Pakistan, subject to the regulations of the State Bank of Pakistan and the Ministry of Finance.
- (d) Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time. (The Fund will obtain listing on one of the Stock Exchanges in Pakistan).
- (e) Provident, Pension and Gratuity Funds constituted by organizations other than companies under section 20(h) of the Trusts Act 1882, (11 of 1882).
- (f) Insurance companies under the Insurance Ordinance, 2000.
- (g) Non Profit Institutions, funds, trusts, societies or other organizations established in Pakistan for religious or charitable and community service purposes under Rule 213(1)(i) of Income Tax Rules, 2002.
- (h) And any other person, natural or artificial, who is allowed to invest in this Fund under the applicable laws.

## 5.2 Minimum and Maximum Subscription Amount

Subject to the discretion of the Management Company, a potential investor may open a Unit Holders account without any initial investment. Initially, the Minimum Subscription Amount for investment in the Fund shall be the price for purchasing one (1) Unit of the Fund at the Initial Price or the Offer Price, whichever is applicable. The maximum investment allowed per Unit Holder for purchasing Units of the Fund shall be at the discretion of the Management Company. The Management Company may from time to time amend the minimum and the maximum investment amount with prior notice to the Unit Holders through its web-site.

## 5.3 Classes and Types of Units

1. The Management Company may issue any of the following classes of Units:
  - (i) **Class “A” Units** which shall be charged with a Front-end Load, if any.
  - (ii) **Class “B” Units** which shall be charged with a Back-end Load, if any.
  - (iii) **Class “C” Units** which shall be charged with a Front-end Load and Back-end Load, if any.
  - (iv) **Class “D” Units** which shall be charged with a Contingent Load, if any.

The detail of the current level of Front-end Load charged on these Units is outlined in **Annexure “A”** of this Offering Document.

2. The Management Company does not intend to initially offer Class “B”, “C” and “D” Units at the time of publication of this Offering Document, which may be offered at the discretion of the Management Company at a subsequent stage through newspaper announcements having wide circulation in Pakistan.
3. The Management Company may issue additional class(es) of Units with such attached rights and conditions as determined from time to time, pursuant to the provisions of the Deed and subject to the consent of the Trustee and approval of the SECP. The description, rights and conditions applicable to such offer of Units shall be stated in the Supplementary Offering Document(s) with the approval of the SECP. The Management Company may also issue Units pursuant to different Administrative Plans under distinct administrative arrangement with differing levels of Front-end Load, Back-end Load or Contingent Load, which may also vary according to other criteria as determined by the Management Company.
4. Irrespective of the different class(es) of Units as set out in this Clause, all Units shall rank pari-passu inter se and shall have such rights as are set out in the Deed and the Offering Document. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
5. Fractions of a Unit will be issued up to four (4) decimal places of a whole Unit, and any amount remaining (if any) may be distributed to the Unit Holder. Certificates will not be issued for fractions of Units.
6. The Management Company may issue different types of Units to investors. The different types of Units shall include different features offered by the Management Company on such conditions or privileges as may be specified in the Supplementary Offering Document. Such conditions or privileges may be with respect to purchase or redemption of Units, distribution of profits (cash dividend and/ or Bonus Units), fixed or flexible timing of such redemption or distribution at the option of the Unit Holder and/or the Management Company.

#### **5.4 Purchase and Redemption of Units**

1. Units can be purchased at the Offer Price on any Subscription Day and redeemed at the Redemption Price on any Business Day in accordance with the procedure set out in Clauses 5.7 and 5.8 of this Offering Document. Redemption of Units will commence after the closure of the Initial Period. For investor convenience, the Management Company may make arrangements for acceptance of redemption requests on non Business Days and after Cut-Off time on Business Days provided these are treated as redemption requests for the following Business Day.
2. During the period the Register is closed, as mentioned in Clause 12.4 of this Offering Document, the sale and redemption of Units will be suspended.
3. The Management Company may at its discretion decline to accept investments from any applicant, if in its opinion it will not be possible to invest the inflow of funds efficiently or to effectively meet any regulatory requirement.

#### **5.5 Cut-off Timings**

The Cut-off Time of the Fund before which Unit transactions shall be effectuated in the Fund including receiving applications for issuance, redemption and transfer of Units shall be 3:00 p.m. on the applicable Business Day. However, for the month of Ramadan, the Cut-off Time shall be 12:30 p.m. on the applicable Business Day.

The Cut-off Time shall be specified on the web-site of the Management Company. The Management Company may revise such timings under prior intimation to the Unit Holders and the Trustee without the need to amend this Offering Document. The revised Cut-off Time shall be displayed prominently on the web-site of the Management Company.

The Management Company shall forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within twenty-four (24) hours of the receipt of such requests, provided that in case of same day redemption requests stated in sub-clause (b) of sub-clause (2) of Clause 5.8 such requests shall be sent immediately to the Trustee.

#### **5.6 Offer and Redemption Prices**

1. Prior to the commencement of the Initial Period, the Units shall be offered at the Initial Price.
2. From the commencement of the Initial Period, the Management Company shall announce the Offer Price on all Subscription Days and Redemption Price on all Business Days, calculated on the basis of previous day NAV.
3. The Offer Price shall be equal to the sum of the:
  - (i) Net Asset Value (NAV) as of the close of the preceding Subscription Day (in the event there are closed days, for any reason whatsoever, following that Subscription Day the NAV so determined shall be adjusted for the accrual of income or losses, if any, for such closed days);
  - (ii) Front-end Load, as outlined in Annexure "A" of this Offering Document; and
  - (iii) Any such amount as the Management Company may consider as an appropriate provision of Duties and Charges;

Such sum shall be adjusted upward to the nearest Paisa.



The Management Company may, from time to time, revise the Front-end Load, subject to consent of the Trustee and after prior intimation to the Unit Holders and SECP. Such information shall be published in at least one newspaper, either in English or in Urdu, circulating in Pakistan.

4. Unit purchase requests, complete in all respects, received at the Authorized Branch(es) of the Distributor including payment instrument, before the Cut-off Time on any Subscription Day shall be priced at the Offer Price applicable for the Subscription Day when funds from the purchase payments are realized. Provided that in cases purchase payment(s) are realized on Saturday(s), which is not a Subscription Day, Units purchase request shall be priced at the Offer Price based on the Net Asset Value calculated as per details in sub-clause 5.6(3)(i) above of this Clause.
5. After the Initial Period the Redemption Price shall be equal to the:
  - (i) Net Asset Value (NAV) as of the close of the preceding Business Day (in the event there are closed days, for any reason whatsoever, following that Business Day the Net Asset Value so determined shall be adjusted for the accrual of income or losses, if any, for such closed days), less:
  - (ii) Any Back-end Load or Contingent Load disclosed in this Offering Document, but not exceeding five percent (5%) of the NAV;
  - (iii) Such amount as the Management Company may consider as an appropriate provision of Duties and Charges.

Such sum shall be adjusted downwards to the nearest Paisa.

The Management Company may, from time to time, revise the Back-end Load or Contingent Load, subject to consent of the Trustee and after prior intimation to the Unit Holders and SECP. Such information shall be published in at least one newspaper, either in English or in Urdu, circulating in Pakistan.

6. The Offer and Redemption Price so determined by the Management Company shall be made available to the public at the office(s) and branches of the Distribution Company(ies) as listed out in Part XXI, at the web-site of the Management Company ([www.jsil.com](http://www.jsil.com)) and at the discretion of the Management Company may also be published in at least one newspaper, either in English or Urdu, circulating in Pakistan.
7. If on any Subscription or Business Day, as the case may be, the variation of the NAV exceeds two percent (2%) of the NAV calculated pursuant to sub-clauses (3) and (5) of Clause 5.6 above, for the current Offer and Redemption Prices, the Management Company shall suspend any issuance and redemption of Units and calculate forthwith a new Offer Price and a new Redemption Price. The revised prices will be published on the following Business Day in the manner described in sub-clause (6) of Clause 5.6 above and will be applicable to that Subscription or Business Day.
8. In the event the amount recovered as provision for payment of Duties and Charges pursuant to sub-clauses (3) and (5) of Clause 5.6 above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of the provisions. However, the Management Company will not be responsible for imposition of any Duties and Charges with retrospective effect and such amount will be recovered from Deposited Property.
9. In the event the amount recovered as provision for payment of Duties and Charges pursuant to sub-clauses (3) and (5) of Clause 5.6 above exceeds the relevant amount of such Duties and Charges, the Management Company shall issue additional Units or fractions thereof to the relevant Holders based on the price applicable to the Units issued against the relevant application in case of sub-

clause (3) of Clause 5.6 above and the excess amount in case of sub-clause (5) of Clause 5.6 above shall form part of Deposited Property.

## 5.7 Procedure for Purchase of Units

### 1. Application Procedure

a) Fully completed purchase of Units form, accompanied by a cheque/ demand draft/ pay order, with the full amount of purchaser's payment, as specified in sub-clause (2) of Clause 5.7 and copies of the documents mentioned in sub-clauses (a), (b) and (c) of this sub-clause (1) of Clause 5.7 should be delivered at any of the Authorized Branch(es) of the Distribution Company(ies) on any Subscription Day before the Cut-off Time. **Only Authorized Branch(es) of Distribution Company(ies) (after the last day of Initial Offering Period) and the Management Company through its Authorized Branch(es) are authorized to collect application and payment for issue of Units as laid down in sub-clause (2) of Clause 5.7 of this Offering Document.**

i. In case of individual applicants:

- a. Copy of the Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) of the applicant or any other form of identification acceptable to the Management Company;
- b. Zakat Affidavit (incase exemption is sought from Zakat deduction); and
- c. Specimen signature of the applicant.

ii. In case of a body corporate or a registered society or a trust;

- a. Copy of the memorandum and articles of association/ charter/ bye-laws or rules and regulations;
- b. Copy of the certificate of incorporation/ registration;
- c. Copy of the relevant resolution of the board of directors approving the investment;
- d. Copy of power of attorney and/ or relevant resolution of the board of directors delegating any of its officer to invest the funds and/or to realize the investment; and
- e. Copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.

iii. In case of existing Holders, if any of the documents have previously been deposited and are acceptable to the Management Company fresh submission of documents will not be required.

- b) The Distribution Company or Transfer Agent shall verify the particulars given in the application for issue of Units and after ensuring that the documentation required is complete in all aspects forward the application to the Management Company for further processing.
- c) If the application is incomplete or incorrect in any way the Distribution Company/ Transfer Agent will advise the applicant in writing to remove the discrepancy within a period of fifteen (15) days, failing which and subject to Management Company's discretion the application may be rejected and the amount refunded, after subtracting any costs, or payment instrument returned to the applicant.
- d) The Distribution Company or Transfer Agent will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected.

- e) The applicant will receive a note confirming the receipt of the application from the Authorized Branch of the relevant Distribution Company, where application for purchase of Units was submitted.
- f) The Management Company may make arrangements to accept issue requests through electronic (that is, web based), IVR (Interactive Voice Response) or other means. The Management Company may make arrangements through branches of banks to facilitate the issue and redemption of Units through the ATM/ debit card and any other facility including, but not limited to other electronic facilities such as direct debits.

## 2. **Payment**

- (a) Payment for Units can be made by cheque or bank draft or pay order, made payable to the "MCB FSL-Trustee JS Cash Fund " and crossed "Account Payee only" and must be drawn on a Bank in the same town as the Authorized Branch of the relevant Distribution Company to which the application form has been submitted is located. **Payment for Units in cash or through bearer instruments will not be accepted.**
- (b) The Management Company may make arrangements to accept electronic forms of payments, such as bank auto debit instructions, credit cards and debit cards or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favor of the Trustee at the Authorized Branch(es) of any Distribution Company on any Subscription Day. It is reiterated that only Authorized Branch(es) of Distribution Company(ies) are authorized to collect application and payment for issue of Units for non electronic applications and payment methods. Any surcharge/ additional costs payable to third parties during such transactions shall be charged to the Applicant.

## 3. **Joint Application**

- (a) Joint application can be made by up to four related applicants. Such persons shall be deemed to hold Units on first Holder basis. However, each person must sign the application form and submit a copy of their proof of identification as stated in sub-clause (a) of sub-clause (1) of Clause 5.7 of this Offering Document.
  - (i) The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption requests, or dividend or fractional payments. His receipt shall be considered as a valid discharge by the Trustee of its obligations.
  - (ii) In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the application form shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or dividend or payments. His receipt shall be considered as the valid discharge by the Trustee of its obligations.

## 4. **Allotment (Issue) of Units**

If an application duly delivered at or posted to the Authorized Branch(es) of any of the Distribution Company(ies) is accompanied by a cheque, bank draft or pay order, the application will be processed on the same day and the Units applied for will be allotted (issued) on the date that the cheque, bank draft or pay order is realized. In the case of an electronic payment request, the Units will be allotted (issued) on the date that the Trustee bank account is credited with the payment.

## 5. **Issue of Units Outside Pakistan**

- (a) Subject to exchange control, approvals from State Bank of Pakistan, SECP and other relevant authority, applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan the price at which such Units may be issued at the discretion of the

Management Company include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover all additional cost relating to issue of Units outside Pakistan including but not limited to any currency exchange fluctuation or any risk cover, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates or any additional costs in connection therewith or the remittance of money to Pakistan. However, prior approval shall be obtained from the relevant foreign regulatory body before inviting foreign investment. The investor shall invest in Base Currency of the Fund.

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

## **5.8 Procedure for Redemption of Units**

### **1. Application Procedure**

- (a) Requests for redemption can be made by the applicant by completing the prescribed application form and endorsing the relevant Certificate, if issued, and submitting the same to any Authorized Branch of the relevant Distribution Company on any Business Day before the Cut-off Time.
- (b) The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Company/Transfer Agent.
- (c) The Management Company may request the Trustee to make arrangements to accept redemption requests electronically (i.e., web based), IVR (Interactive Voice Response) or by any other means. The Management Company may also request the Trustee to make arrangements through branches of Banks to facilitate the redemption of Units through the ATM facility.
- (d) In case of submission of electronic on-line redemptions the Holder's user ID and password will authenticate the Holder's identity.
- (e) The Management Company shall not redeem and re-issue Units to a Unit Holder based on different NAVs without involvement of a payment instrument, unless permitted otherwise by SECP. However, this shall not be applicable to issuance of Bonus Units and re-investment or issuance of the Units against realisation of gains on the same NAV or transaction date.
- (f) The Management Company shall not net-off any transaction - i.e., adjustment of Fund's assets against the investment of the Holder.

### **2. Payment of Redemption Proceeds**

#### **(a) Terms and Conditions for other than same day redemption facilitation**

- (i) The amount payable on redemption shall be paid to the Unit Holder or first named Joint Holder or any other joint Holder specified in the application for redemption of Units, by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Holder or other means, as specified by the Unit Holder, within six (6) Business Days from the date of presentation of the duly completed redemption application, electronic or otherwise, at the Authorized Branch(es) of the Distribution Company(ies) or Transfer Agent, provided that the redemption is not suspended before the Business Day on which application is submitted or if the application is received on a Business Day on which the redemption was suspended (Please refer to sub-clauses (1) and (2) of Clause 5.10) or the Register is closed (Please refer to Clause 12.4).

- (ii) However, if so instructed by the Unit Holder, payment of the redemption proceeds may be transferred to the Unit Holder's (or first-named Joint Holder or any other joint Holder specified in the application for redemption of Units, in the event of Joint Holders) designated bank account or by crediting the Holder's credit or debit card, within six (6) Business days after the receipt of a properly documented request for redemption of Units, provided that the redemption is not suspended. The Management Company may under special circumstances agree to pay the redemption amount to the Holder's authorized representative as instructed by the Unit Holder at the time of redemption of Units. All bank charge(s) for such mode of payment to the holder, if levied, shall be borne by the Unit Holder.

(b) Terms and Conditions for same day redemption facilitation

- (i) To receive payment/redemption proceeds within the same Business Day, duly completed prescribed application for redemption of Unit(s) must be received by the Management Company before 10:00 AM, failing which the redemption request(s) shall be processed in the normal course and shall not be entertained for same day redemption. Every Holder submitting the prescribed application for redemption of Unit(s) will be given an acknowledgement of the application that shall carry time and date. Provided that redemptions by the Fund is not suspended (Please refer to sub-clauses (1) and (2) of Clause 5.10) or the Register is closed (Please refer to Clause 12.4).
- (ii) In case of same day redemption requests:
  - (a) where the mode of payment is through cheque /bank draft/ pay order, the payment shall be dispatched the same Business Day to the Unit Holder or first named Joint Holder or any other joint Holder specified in the prescribed application for redemption of Units; OR
  - (b) where the mode of payment is through on-line transfers or by crediting the Holder's credit or debit card (where such facility is offered by the Management Company), the payment instructions shall be initiated before the end of banking hours on the same Business Day to the designated bank account of the Unit Holder or first named Joint Holder or any other joint Holder specified in the prescribed application for redemption of Units. This mode of payment shall be subject to timings of the Unit Holder designated bank(s), which may vary from bank to bank. All bank charge(s) for such mode of payment to the holder, if levied, shall be borne by the Unit Holder.
  - (c) It is clarified that the Management Company and the Trustee shall not be responsible for any acts or omissions on the part of the concerned Bank and/ or delays that may emanate due to the Bank's internal or external clearing systems.
- (iii) The Management Company shall endeavor to honor same day redemption, if redemption requests are received in accordance with sub-clause (b) of sub-clause (2) Clause 5.8 depending upon the monetary limit for same day clearing as imposed by the State Bank of Pakistan. If such a case arises, the Management Company shall have the right to accept or defer any redemption request beyond the same Business Day to a maximum of three (3) Business Days from the date of receipt of the duly completed redemption request, provided that the redemption is not suspended before the Business Day on which application is submitted or if the application is received on a Business Day on which the redemption was suspended (Please refer to sub-clauses (1) and (2) of Clause 5.10) or the Register is closed (Please refer to Clause 12.4).
- (c) In the event of redemption of Units that are pledged, for any reason whatsoever, the proceeds shall be paid to the order of the lien holders through the designated bank account or posted to the registered address mentioned in the pledge/ lien application form submitted.

### **3. Joint Holders**

Unless the Joint Holders of Units have specified otherwise, requests for redemption of such Units shall be signed or in case of a web-based redemption request endorsed by all the Joint Holders.

### **4. Partial Redemption**

Partial redemption of Units covered by a single Certificate is permitted subject to the procedures as are determined by the Management Company from time to time for this purpose. The remaining Units will be re-issued under a new Certificate (Certificate charges may apply for the reissued Certificate subject to the Management Company's discretion), by the Management Company to the Unit Holders, subject to such procedures as are determined by the Management Company from time to time. In case where Units are maintained on book only and Certificates are not issued, any number of Units may be redeemed by the Holder.

### **5. Redemption Requests in Excess of 10% of Units in Issue**

Please refer to sub-clause (1) of Clause 5.10 of this Offering Document.

### **6. Redemption of Units outside Pakistan**

- (a) In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided all additional costs for redeeming Units outside Pakistan, including but not limited to a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption and/or any bank or other charges in arranging such payment or redemption. Only those investors investing in foreign currency shall be entitled to redeem units in foreign currency subject to the approvals of the concerned regulatory authorities. It is clarified that the Redemption Price will be in the Base Currency (Pakistani Rupees) and the Fund shall not carry any exchange risk.
- (b) The currency of transaction of the Fund is Pakistani Rupees and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any foreign currency and shall not be held liable, save as may be specifically undertaken by the Management Company in accordance with relevant international and local laws, for receipt or payment in any foreign currency or for any obligation arising therefrom.

## **5.9 Procedure for Transfer of Units**

### **1. Application Procedure**

- (a) A Unit Holder can transfer Units held by him by:
  - (i) Completing the prescribed application form for transfer of Units (account to account transfer) to be signed by the transferor and transferee;
  - (ii) Paying applicable Duties and Charges; and
  - (iii) Submitting to any Authorized Branch(es) of the relevant Distribution Company(ies), or the Transfer Agent, or the Management Company the prescribed application form for transfer of Units and relevant Certificate, if issued.
- (b) Any person becoming entitled to hold the Units as a consequence of the death, insolvency or winding up of any sole Holder or the survivors of Joint Holders shall be registered as the Holder or Joint Holder as the case may be upon:

- (i) Paying any applicable Duties and Charges; and
  - (ii) Submitting to any of the Authorized Branch(es) of the relevant Distribution Company(ies), or Transfer Agent, or the Management Company the duly completed prescribed application for transfer of Units and relevant Certificate, if issued, with such evidence, which may prove his entitlement to the Units.
- (c) Application for transfer can be submitted on any Business Day before the Cut-Off time.
- (d) The Management Company may make arrangements to accept transfer requests through electronic means provided the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.

## 2. Partial Transfer

Partial transfer of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for such transfer.

## 3. Verification of application form for transfer of Units

The Transfer Agent will verify:

- (i) The holding stated on the prescribed application for transfer of Units; and
- (ii) Signature of the Holder.

## 5.10 Suspension of Receipt of Applications and Payment of Redemption Requests

### 1. Queue System, Winding Up, Suspension of Dealing

Under the extraordinary circumstances mentioned in sub-clause (2) of this Clause 5.10, the Management Company may announce a change in the method of dealing in Units.

- (i) **Queue System** - In the event redemption requests on any day exceed ten percent (10%) of the outstanding Units, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first-come-first-served basis for up to ten percent (10%) of the outstanding Units. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the outstanding Units will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Business Day still exceeds ten percent (10%) of the outstanding Units, 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 (10%) of the outstanding Units.
- (ii) **Winding up in view of major Redemption** - In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after disposing the assets and determining the final Redemption Price.

However, the interim distributions of the proceeds may be made if the Management Company finds it feasible.

2. **Suspension Due to Extraordinary Circumstances** - The Management Company may suspend the issue or redemption of Units at any time during extraordinary circumstances including:
  - (i) During any period when the money markets or scheduled commercial Bank(s) on which any of the Investment is dealt are closed or when dealings in Investment of the Fund are restricted or suspended;
  - (ii) During the existence of any state of affairs or force majeure, which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or Unit Holders;
  - (iii) During a breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
  - (iv) During any period when remittance of money which will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time;
  - (v) During any period when the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;
  - (vi) During any period when the Management Company is of the view that the investment of inflow of substantial fund shall be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.

In case of suspension of redemption of Units due to extraordinary circumstances as stated above, the issue of Units shall also remain suspended till the time redemption is not resumed.

3. The Management Company may suspend the issue of Units at any time for an indefinite period:
  - (i) If the Net Asset Value of Fund falls below the Par Value of the Units in issue; and
  - (ii) Any other reason deemed appropriate by the Management Company in the interest of the Unit Holders.
4. In case of suspension and/or invoking of a queue system and end of suspension and/or queue system, the Management Company shall immediately notify the SECP and the Trustee and publish the same in the newspaper in which the Fund's prices are normally published. Such suspension of queue shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue shall, in the opinion of the Management Company, have ceased to exist.

#### 5. **Suspension of fresh Issue of Units**

If the Management Company is of the view that further inflow of funds may affect the quality of Investments, it may at its discretion decline applications in full or in part for issue of new Units. The Management Company may announce a suspension or deferral of sale in such a case. Such a measure shall be taken to protect the interest of the existing Unit Holders and shall not affect the existing subscribers or the 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 immediately notify the SECP if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.



## PART VI - INVESTMENT OBJECTIVES, PERFORMANCE BENCHMARK, POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

### 6.1 Investment Objective

The Fund aims to seek reasonable rate of return while maintaining high liquidity by investing primarily in low risk short term instruments including money market instruments.

### 6.2 Performance Benchmark

1. The benchmark of the Fund for any period of return shall be a 50/50 composition of the:
  - (a) Average return of 3-month deposit rates of AA and above rated scheduled commercial Bank(s), and
  - (b) Average 3-months T-Bill rate.
2. The Management Company may, if deemed appropriate, determine another performance benchmark for the Fund under prior intimation to the Unit Holders, the Trustee and the SECP without the need to amend this Offering Document. Such notice shall be given in at least one (1) newspaper, either English or Urdu, with circulation in Pakistan. The said notice shall be deemed to be duly served on the Holder and shall be sufficient for the purpose of meeting notice requirements set out in the Fund's Constitutive Documents.

### 6.3 Investment Policy

1. Consistent with its Investment Objective, the Fund shall invest in low risk and highly liquid, short duration assets including money market instruments. The Fund may hold some or even all of its assets in cash to either provide liquidity or for defensive purposes. The Fund shall be able to alter weightings between various types of Authorised Investments, subject to limits specified below, to take benefit of macro and microeconomic directional trends. The Fund shall not invest in term finance certificates or sukuks, continuous funding system (CFS) or spread transactions.

Authorised Investments	Minimum Rating		Exposure Limit (%age of Net Assets)	
	Entity	Instrument	Minimum	Maximum
Current and savings account with scheduled commercial Banks and development Financial Institutions (DFIs)	AA	-	0%	100%
Government securities issued by the Federal or Provincial Government	-	AAA	0%	100%
Debt securities issued by corporation wholly owned or controlled, directly or indirectly by the Federal or a Provincial Government and guaranteed by the Federal Government and declared by the Federal Government as a Government security by notification in the official gazette	AA	-	0%	50%
Any other security declared by the Federal Government as a Government security by notification in the official gazette	AA	-	0%	50%

Authorised Investments	Minimum Rating		Exposure Limit (%age of Net Assets)	
	Entity	Instrument	Minimum	Maximum
Deposits with scheduled commercial Banks and DFIs	AA	-	0%	80%
Clean placement of funds with scheduled commercial Banks and DFIs under Letter of Placement (LoPs) and other similar arrangements	AA	-	0%	50%
Certificates of Deposit (CoD) issued by NBFC(s) and , Certificates of Musharaka (CoM) issued by Modaraba(s)	AAA	AA	0%	20%
Reverse repurchase (Reverse REPO) agreements against: a) Government securities, or b) Other allowable securities with time to maturity not exceeding one year.  Provided that in case of default in a Reverse REPO transaction by the counter party, which results in assumption of ownership of the underlying security with a time to maturity greater than six (6) months, the Management Company shall dispose the same within three (3) months of assuming ownership to comply with Regulations or SECP directives related to the time to maturity requirements related to each Authorised Investment and the Fund's Net Assets.	A	AA	0%	50%
Commercial paper	AA	-	0%	30%
Foreign investments in Authorised Investments including money market funds	AA or equivalent by a reputed international rating agency	AA or equivalent by a reputed international rating agency	Upto 30%, subject to a cap of USD15mn or such other cap imposed by SECP or SBP	
Any other Authorised Investment that maybe allowed by Commission from time to time	AA	AA	0%	20%

**NOTE:**

Where an instrument is guaranteed by the Government of Pakistan, the instrument shall be deemed to be AAA and the entity rating shall be ignored.

- The Management Company may modify the minimum and/ or maximum limit for each Authorised Investment from time to time subject to the prior approval of SECP and after giving prior notice of at least fourteen (14) days to the Trustee and the Unit Holders. Such notice shall be given in at least one (1) newspaper, either English or Urdu, with circulation in Pakistan. The said notice shall be deemed to be duly served on the Holder and shall be sufficient for the purpose of meeting notice requirements set out in the Fund's Constitutive Documents.

## 6.4 Investment Restrictions

1. The Fund will be subject to the investment restrictions as are provided in the Regulations, unless otherwise allowed by the Rules, Regulations or SECP;
2. The Fund will not at any time (unless otherwise allowed by the Rules, Regulations or SECP):
  - a) Purchase or sell:
    - (i) Bearer Securities;
    - (ii) Securities on margins;
    - (iii) Securities which result in assumption of unlimited or undetermined liability (actual or contingent);
    - (iv) Commodities or commodity contracts;
    - (v) Real estate or interest in real estate save and except that the Management Company may invest in listed securities secured by the real estate or interest therein or securities issued by companies that invest in real estate such as Real Estate Investment Trusts (REIT) or interest therein, unless prohibited; and
    - (vi) Any investment other than Authorized Investments as defined herein.
  - b) Participate in a joint account with others in any transaction except as allowed in the Regulations;
  - c) Make short sales of any security or maintain a short position;
  - d) Purchase any security in a forward contract;
  - e) Invest in securities of the Management Company;
  - f) Invest in any security of a company; if
    - (i) any director or officer of the Management Company owns more than five per cent of the total amount of securities issued by that company; or
    - (ii) the directors and officers of the Management Company collectively own more than ten per cent of those securities;
  - g) Take direct or indirect exposure in equities – i.e., no exposure in equities, CFS and spread transactions;
  - h) Invest in any asset with time to maturity exceeding six (6) months;
  - i) Invest in a manner such that the weighted average time to maturity of the Net Assets exceeds ninety (90) days;
  - j) Invest in any security or place funds with any Bank/ DFI with a rating of lower than Double A (AA);
  - k) Place funds with any NBFC/ modaraba with a rating of lower than triple A (AAA);
  - l) Take exposure in any other collective investment scheme, except for investments outside Pakistan;
  - m) Invest more than ten (10) percent of its Net Assets in a single entity, subject to the conditions that exposure in any debt issue shall not exceed ten (10) percent of that issue;
  - n) Invest more than twenty-five (25) percent of its Net Assets in securities of any one sector as per classification of the Stock Exchange;

- o) Invest more than thirty-five (35) percent of its Net Assets in any single group;
- p) Invest more than ten (10) percent of its Net Assets in listed group companies of the Management Company and such Investment shall only be made through the secondary market; and
- q) Enter into underwriting or sub-underwriting contracts.

## **6.5 Borrowing Restrictions**

### **1. Limit**

Subject to any regulatory requirements for the time being in force and to the terms and conditions herein contained, the Management Company shall arrange finance with the approval of the Trustee for the account of the Trust. Provided that the borrowing shall not be resorted to except for meeting redemption requests and such borrowing shall not exceed fifteen percent (15%) or such other limit as specified by the Commission of the total Net Assets of the Scheme at any time and shall be repayable within a period of ninety (90) days as under the Regulations. Provided further that the charges payable to such Bank or institution are not higher than the normal bank charges. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Regulations but if subsequent to such borrowing, the Net Assets have reduced as a result of depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

### **2. Pledge**

For the purpose of securing any such borrowing, the Trustee on the instruction of the Management Company may mortgage, charge or pledge in any manner all or any part of the Deposited Property provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.

### **3. Guarantees**

Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.

### **4. Liability of Trustee and Management Company**

The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

## **6.6 Risk**

**Investors should realize that all investments in mutual funds and securities involve risk. It should be clearly understood that the portfolio of the Fund is subject to market fluctuations and risks inherent in all such investments. The value of the Units in the Fund may appreciate as well as depreciate as well as the level of dividend declared by the Fund may go down as well as up. Past performance does not necessarily indicate future performance. Therefore, before you invest in the Fund you should carefully evaluate the risks.**

**Some of the factors which add to the risk of the Fund include but are not limited to the following factors:**

- (a) **Credit Risk:** The risk that a security's issuer or the counter party in the case of reverse repurchase or other arrangement, may not meet its obligation in full and/or on time to pay interest and repay capital or other financial obligations. If the issuer fails to pay interest, the Fund's income might be reduced and if the issuer fails to repay principal, the value of that security and Fund's Units may be

reduced. The Management Company shall help mitigate this risk by investing in securities or with Financial Institutions with a minimum long-term credit rating of Double A ("AA") at the time of such investment.

- (b) **Market Risk:** The prices of and the income generated by the securities held by the Fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the Fund, general economic and market conditions, regional or global economic instability, or currency and interest rate fluctuations. However, the risk is minimal owing to the highly liquid and short duration Fund's investments.
- (c) **Interest Rate Risk:** A rise in interest rates during the investment period may result in reduced prices of the held securities, thus reducing the overall return in terms of opportunity cost. However, this risk shall be minimal owing to the diversified portfolio of the Fund with weighted time to maturity not exceeding ninety (90) days.
- (d) **Sovereign Risk:** Payment of debt securities may be effected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.
- (e) **Country or Political Risk:** The uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as, but not restricted to, break down of law and order, war, terrorism, natural disasters and any governmental actions, legislative changes or court orders restraining payment of principal or income.
- (f) **Government Regulation Risk:** The Fund's investments may be affected due to change in Government policies or regulations, which directly or indirectly affect the structure of the security in the Fund's portfolio or the entity issuing such security.
- (g) **Portfolio Performance Risk:** A risk related to the uncertainty relating to the performance of the Fund with respect to its ability to earn consistent income stream. The NAV of the Fund might go down. Redemption Prices of the Fund Units shall be available on every Business Day.
- (h) **Event Risk:** There may be adjustments to the performance of the Fund due to events such as market disruptions, mergers, nationalization, insolvency and changes in taxation law.

#### 6.7 Warning and Disclaimer

- (a) **If you are in any doubt about the contents of this Offering Document, you should consult your legal, financial, tax and/ or other professional adviser.**
- (b) **The price of Units and the income from them (in case income is distributed) may increase or decrease.**
- (c) **It should be noted that the Units of the Fund are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, the Stock Exchanges, any Government agency, the Trustee, the Management Company, any of the sponsors, affiliates, shareholders or employees of the Management Company, any of the Core or Pre-IPO Investors of the Fund or any other Bank or Financial Institution.**
- (d) **The target return or dividend range for the Fund cannot be guaranteed. It should be clearly understood that the portfolio of the Fund is subject to market fluctuations and risk inherent in all such investments.**

**Investment in this Fund is suitable for investors with low risk appetite who have the ability to take the risks associated with financial and other market investments whether listed or otherwise. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund or any similar fund managed by the Management Company, the financial and other markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.**

**Investors are requested to read the Risk Disclosure and Disclaimer statement contained in Clause 6.6 and 6.7 of this Offering Document.**

## **6.8 Valuation of Deposited Property**

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

- (a) Security listed on a stock exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date on which it is valued or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date the security shall be valued at an amount neither higher than the closing asked price nor lower than the closing bid price;
- (b) An unlisted debt security and a debt security listed but not traded regularly on a stock exchange shall be valued in the manner specified by SECP;
- (c) An investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- (d) An investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (e) Mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (f) Any other income accrued upto the date on which computation was made shall also be included in the assets;
- (g) All liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under the Regulations and taxes shall be deducted from the value of the assets;
- (h) The remuneration accrued up to the date of computation payable to the Management Company for providing management and other services shall be included as an expense;
- (i) A security not listed or quoted on a stock exchange, other than Government Securities or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower;
- (j) Government Securities not listed on a stock exchange and traded in the inter-bank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security; and
- (k) Any such method of valuation of assets and liabilities as may be specified or modified by SECP from time to time.

## **PART VII - SPECIAL CONSIDERATIONS**

1. The Management Company has not authorized any person to give information or make any representations, either oral or written, not stated in this Offering Document in connection with issue of

Units under the Scheme. Prospective investors are advised not to rely upon any information or representation not incorporated in this Offering Document as the same have not been authorized by the Management Company. Any investment made by any person on the basis of statements or representations which are not contained in this Offering Document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

2. The Management Company is committed to complying with all applicable anti-money laundering law and regulation in all of its operations. The Management Company recognizes the value and importance of creating a business environment that strongly discourages money launderers from using the Management Company.
3. The Management Company may seek information or obtain and retain documentation used to establish identity. It may re-verify identity and obtain any missing or additional information for this purpose.
4. The Management Company shall have absolute discretion to reject any application or prevent further transaction by an investor, if after due diligence, the person making the payment does not fulfill the requirements of the "Know Your Customer" or the Management Company believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Management Company reserves the right to reject any application and affect a mandatory redemption of Units allotted at any time prior to the expiry of thirty (30) Business Days from the date of the application.

## **PART VIII - FEES, CHARGES AND EXPENSES**

### **8.1 Front-end Load and Contingent Load**

1. The Management Company may charge up to a maximum Front-end Load of five percent (5%) of the Par Value or Net Asset Value, whichever is applicable, on application for issue of Units received from investors. The details of the current level of Front-end Load being charged is outlined in Annexure "A" of this Offering Document.
2. The rate of Front-end Load specified may change, from time to time at the discretion of the Management Company under prior intimation of not less than seven (7) days to the Unit Holders, the Trustee and SECP.
3. The Management Company, at its sole discretion, may choose to reduce or waive the Front-end Load to any particular investor. Once the Management Company has made an exception to reduce or waive the Front-end Load for a particular application for issue of Units, the Management Company may not later re-charge that Front-end Load. However, the decision by the Management Company to reduce or waive a Front-end Load for one investor does not obligate the Management Company to reduce or waive the Front-end Load for other investors.
4. The Management Company may charge up to a maximum Contingent Load of five percent (5%) of the Net Asset Value on application for redemption of a certain class of Units received from investors. The details of the current level of Contingent Load being charged is outlined in Annexure "A" of this Offering Document.
5. The rate of Contingent Load specified, as applicable to a certain class of Units, may change from time to time at the discretion of the Management Company under prior intimation of not less than seven (7) days to the Unit Holders, the Trustee and SECP.
6. The Management Company, at its sole discretion, may choose to reduce or waive the Contingent Load to any particular investor. Once the Management Company has made an exception to reduce or waive the Contingent Load for a particular application for redemption of Units, the Management Company may not later re-charge that Contingent Load. However, the decision by

the Management Company to reduce or waive the Contingent Load for one investor does not obligate the Management Company to reduce or waive the Contingent Load for other investors.

7. The remuneration of Distribution Company(ies), Investment Facilitators and Sales Agents and the Management Company, other than the management fee, shall be paid exclusively from any Front-end Load or Contingent Load received by the Trustee and no charges shall be made against the Deposited Property in this respect. The remainder of any Front-end Load or Contingent Load, after such disbursement, shall be paid by the Trustee to the Management Company. If the Front-end Load or Contingent Load received by the Trustee is insufficient to pay the remuneration of the Distribution Company(ies) and Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.
8. Such payments shall be made to the Distribution Company(ies), Investment Facilitators and Sales Agents and the Management Company by the Trustee or to the Trustee for onward payments to them on account of the Management Company on a mutually agreed periodic basis in arrears.

## **8.2 Back-end Load**

Back-end Load, if any, shall be deductible on redemption of certain class of Units. Any such charge shall be treated as part of the Deposited Property. The rate of Back-end Load specified, as applicable to a certain class of Units, may change from time to time at the discretion of the Management Company under prior intimation of not less than seven (7) days to the Unit Holders, the Trustee and SECP.

The current Back-end Load being charged is outlined in Annexure "A" of this Offering Document.

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

1. The Management Company shall be entitled to be paid out of the Deposited Property monthly in arrears of the accrued remuneration of an amount as outlined in Annexure "A" of this Offering Document of the average annual Net Assets of the Fund calculated on a daily basis during the year. The remuneration of the Management Company may be revised from time to time, subject to the consent of the Trustee and prior intimation of not less than fourteen (14) days to the Unit Holders and SECP. Such notice shall be given in at least one (1) newspaper, either English or Urdu, with circulation in Pakistan. The said notice shall be deemed to be duly served on the Holder and shall be sufficient for the purpose of meeting notice requirements set out in the Fund's Constitutive Documents.
2. The remuneration shall begin to accrue from the date of commencement of Initial Period. In respect of any period other than a full Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued during such Accounting Period.

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

1. The Trustee shall be entitled to a monthly remuneration out of that part of the Deposited Property based on an annual tariff of charges as per schedule outlined in Annexure "B" of this Offering Document. The annual tariff shall be applied to the average of the annual Net Assets of the Trust as calculated on a daily basis during the year.
2. The remuneration shall begin to accrue from the date of commencement of Initial Period. For any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned. Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.



3. Any upward increase in Trustee remuneration would require SECP approval. However, any downward shift in the Trustee remuneration will not require such approval.

### **8.5 Formation Cost**

All expenses incurred in connection with the establishment and registration of the Scheme including execution and registration of the Constitutive Document(s), issue, legal costs, printing, circulation and publication of the Constitutive Document(s) and Offering Document(s), announcements describing the Fund and all expenses incurred during the Initial Period shall be borne by the Management Company and shall be immediately reimbursable by the Fund, subject to the audit of the expenses. The said formation cost shall be amortized by the Fund over a period of not less than five years or any other period as specified by the Commission. Details of these expenses shall be reported to the Commission and the Trustee in accordance with the requirements specified in the Regulations.

Provided such expenses do not exceed one percent (1%) of the Pre-IPO money or five million Rupees (PKR 5,000,000/-), whichever is lower.

### **8.6 All other Material Fees & Expenses**

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

- (a) All expenses incurred by the Trustee effecting the registration of all registerable property in the trustee's name;
- (b) Charges and levies of the exchange, national clearing and settlement company and central depository company, if any;
- (c) Brokerage and transaction costs related to investing and disinvesting of the assets of the Fund, including any pre-maturity costs/penalties imposed by Banks;
- (d) Legal and related costs incurred in protecting or enhancing the interests of the Trust or the collective interests of the Unit Holders;
- (e) Bank charges and borrowing/ financial charges;
- (f) Auditor's fees and out of pocket expenses as billed by them;
- (g) Fees payable to the Commission ;
- (h) Listing fee, including renewals payable to Stock Exchanges;
- (i) Rating fee of the Fund payable to an approved rating agency;
- (j) Hedging costs including forward cover, forward purchase or option purchase costs;
- (k) Taxes, fees, duties and other charges applicable to the Fund on its income or its properties, including taxes, fees, duties and other charges levied by foreign jurisdiction on investments outside Pakistan;
- (l) Any printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports etc; and
- (m) Any other expenses or charges as may be permitted by the Commission.

Any cost associated with sales, marketing and advertisement shall not be charged to the Deposited Property, unless otherwise approved by the Commission.

## **PART IX - INCOME DISTRIBUTION**

### **9.1 Declaration of Dividend**

1. The Management Company shall decide not later than forty-five (45) days after the Accounting Date whether to distribute among Holders, profits if any, available for distribution in the form of cash dividends or Bonus Unit(s) to the Unit Holders. The Management Company shall distribute by way of cash dividend or Bonus Units, not less than ninety percent of Fund's income as per the provisions of the Regulations and the Trust Deed. The balance of the net income will be retained for re-investment in the Fund. The Management Company may, pay the Unit Holders interim dividend; if it considers that the income for the Accounting Period would justify such distribution.
2. The Management Company may decide to distribute, wholly or in part, the distributable income in the form of cash or Bonus Units. Where such distribution comprises only of Bonus Units of the Fund such Units would rank pari-passu as to their rights in the Net Assets, earning and the receipt of the dividends and distributions, with the existing Units of the Fund from the date of issue of these Units. The Bonus Units will be issued at the ex-bonus NAV, as laid down in Clause sub-clause (3) of Clause 9.1.
3. In case of distribution in form of Bonus Units the Management Company may at its discretion offer the Holders the option to receive the amount equivalent to their share of the annual distribution in cash. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim dividend) cause to redeem such number of Units that equate value of the Bonus Units for the period. The Redemption Price shall be determined on the basis of the NAV at the distribution date after appropriation of the dividend. The payment of the cash equivalent shall be made, net of taxes and Zakat that the Management Company and/ or the Trustee is obliged to recover, by the way of transfer of amount to the Unit Holder's designated bank account or to the Holder's registered address.

### **9.2 Dividends (Cash and/or Bonus)**

The Fund may distribute dividends as Bonus Units at its discretion for reasons that, inter alia, include tax efficiency in accordance with the income tax law (Income Tax Ordinance, 2001) applicable in respect of the Fund. For details please refer to Part X of this Offering Document. The Fund shall comply with regulatory and taxation requirements and the dividend policy may be amended accordingly.

All Units shall have the same rights with respect to dividend.

### **9.3 Determination of Distributable Income**

The amount available for distribution in respect of any Accounting Period shall be in accordance with the provisions of the Trust Deed and shall comprise of the revenues earned by the Fund less all taxes and expenses, incurred or accrued attributable to the Fund and the adjustment of any capital gains or losses.

### **9.4 Payment of Dividend/Redemption Proceeds through Bank**

Where an instruction has been received in such form as the Management Company shall consider sufficient, payment of dividend on the total number of Units held by the Unit Holder may be arranged via the Holder's designated bank account or by crediting the Holder's credit or debit card. Currently, for payment of redemption proceeds through bank account or any other means, instruction to this effect shall be given at the time of redemption by indicating in the application for redemption. For risk management purposes, the Management Company may make it mandatory for the Unit Holders to communicate their redemption instructions for payment of proceeds at the time of account registration and not at the time of redemption. Under such an arrangement only written requests for any change in redemption instructions will be entertained. All bank charge(s) for such mode of payment to the holder, if levied, shall be borne by the Unit Holder.

## **9.5 Dispatch of Dividend Warrants**

Dividend warrants shall be dispatched and/or Bonus Units shall be credited into the investors account within thirty (30) days after the declaration of dividend.

## **PART X - TAXATION**

The following is a brief description of the Income Tax Law (Income Tax Ordinance, 2001) applicable in respect of the Fund.

### **10.1 Liability for Income Tax**

Under the Income Tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income - 10%.
- (b) Capital gains arising on sale of securities listed on any Stock Exchange in Pakistan – tax exempt up to June 30, 2010.
- (c) Return from all other sources/ instruments are taxable at the rate of 35%, applicable to a public company.

### **10.2 Liability for Income Tax, if 90% of Income is distributed as Dividend**

Notwithstanding the tax rates and withholding tax stated under sub-clause 1 of this Part above, the income of the Fund will be exempt from tax, if not less than 90% of the income for the year, is distributed amongst the Unit Holders as dividend (cash or stock). The 90% of the income shall be calculated after excluding capital gains and capital appreciation.

For achieving tax efficiency, the Fund shall strive to distribute at least 90% of the income as dividend, calculated after excluding capital gains whether realized or unrealized. Please also refer to Clause 9.2 of this Offering Document.

**Note:** In terms of the Regulations the Management Company, on behalf of the Fund, for every annual Accounting Period, is required to distribute by way of dividend to Holders not less than ninety per cent (90%) of the accounting income of the Fund earned from sources other than unrealized capital gains as reduced by such expenses as are permitted to be charged to the Fund.

For the purpose of the Regulations the expression “accounting income” means income calculated under the International Accounting Standards and verified by the auditors.

**The Management Company intends to comply with the requirement of the Regulations.**

### **10.3 Withholding Tax**

Under the provisions of Clause 47 (B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, return from term finance certificates or corporate papers, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.

#### 10.4 Taxation of Unit Holders and Liability to Zakat

- (a) **Disclaimer:** The information set forth in this Part is included for general information purposes only. In view of the individual nature of tax consequences, each investor is advised to consult with his tax adviser with respect to the specific tax consequences to him of investing in the Fund.
- (b) **Withholding Tax:** Unless exempted from such taxation or at reduced rate under any law or avoidance of double taxation agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax @ ten percent (10%) according to the present rates, which may change in future.
- In terms of the provisions of the Income Tax Ordinance, 2001, withholding tax shall be deemed to be full and final liability in respect of such distribution.
- (c) **Exemption from Capital Gains:** Capital Gains on disposition of Units of the Fund will be subject to capital gains tax at the applicable rate. The Units of the Fund shall be listed on a Stock Exchange. Consequently, subject to such listing, the profit on disposal of the Units shall be exempt from tax up to June 30, 2010 or for such other period as may be notified by tax authorities from time to time.
- (d) **Tax Credit:** Subject to obtaining the listing on any Stock Exchange in Pakistan, a person other than a company as defined in the Income Tax Ordinance, 2001, shall be entitled to a tax credit under section 62 (1) and (2) of the Income Tax Ordinance, 2001 on purchase of new Units. The amount on which tax credit will be allowed shall be lower of (a) amount invested, (b) ten percent of the taxable income of the Unit Holder, and (c) three hundred thousand Rupees (PKR 300,000/-) , and will be calculated by applying the average rate of tax of the Unit Holder for the tax year. If the Units so acquired are disposed by the Unit Holder within twelve (12) months, the amount of tax payable by the Unit Holder for the tax year shall be increased by the amount of the tax credit allowed to the Unit Holder.
- (e) **Zakat:** Units held by resident Pakistani Holders shall be subject to Zakat at 2.5% of the Par Value or Redemption Price of Units, whichever is lower at the time of determining Zakat under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount payment or from the redemption payment, if Units are redeemed during the Zakat year before payment of dividend.

#### 10.5 Disclaimer:

The tax and Zakat information given above is based on the Management Company's interpretation of the law, which to the best of the Management Company's understanding is correct but investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the Fund. Furthermore, tax and Zakat laws, including rates of taxation and of withholding tax are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

All information contained in Part X is based on current taxation status. The exemptions and rates of taxation are subject to change from time to time, as may be announced by the Government.

### PART XI - REPORTS AND ACCOUNTS

#### 11.1 Financial Year

The Accounting Period will commence from the date on which the Deposited Property is first paid or transferred to the Trustee of the Fund for the first period and from July 1, for all the following years to

June 30. Provided however, the Management Company may with the consent of the Trustee and after intimation to SECP, change such date to any other date.

## **11.2 Financial Reporting**

The following reports will be sent to the Unit Holders physically (or through electronic means or on the web-site subject to SECP approval):

- (a) Audited financial statements, together with the auditors report, the report by the Management Company (Director's report) and the report by the Trustee within four months of the close of each Accounting Period.
- (b) Un-audited financial statements (subject to limited scope review by auditors), together with the report by the Management Company and by the Trustee within two months of the close of the second quarter of the Accounting Period, as per the Regulations.
- (c) Un-audited financial statements, together with the report by the Management Company within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by SECP or the Regulations.
- (d) The Trustee shall issue a report to the Unit Holders to be included in the annual and second quarter report, or at such times as directed by the SECP, in accordance with the applicable laws, whether in its opinion, the Management Company has in all material respects managed the Deposited Property in accordance with the provisions of the Regulations and the 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.

The regularity of reporting may change if so required by the SECP or under the Regulations and the Ordinance.

## **PART XII - SERVICES TO UNIT HOLDERS**

### **12.1 Availability of Forms**

All the forms mentioned in this Offering Document will be available at all the Authorized Branches of all Distribution Companies and offices of the Management Company. The Management Company has also made arrangements to provide web-based access to all the forms mentioned in this Offering Document.

### **12.2 Transfer of Account**

- (a) Once a Unit Holder has purchased a Unit from an Authorized Branch of the Distribution Company, a copy of his records/ forms will be kept and maintained at that Authorized Branch. However, for the convenience of the Unit Holder, the Account may be transferred to another Authorized Branch of the same Distribution Company on application by the Unit Holder for transfer of account.
- (b) Notwithstanding the provision in sub-clause (a) of Clause 12.2 above, any Unit Holder may physically or electronically (if such facility is available) submit the application for purchase, redemption or transfer or any application for change in Register directly to the Management Company or Transfer Agent and the application will be processed.

### **12.3 Register of Unit Holders**

- (a) A Register of Unit Holders shall be maintained by Technology Trade (Pvt.) Limited, in their capacity as the Transfer Agent, at Dagia House, 241 C, Block 2, PECHS, Karachi.

- (b) Every Unit Holder will have a separate account. The Management Company may make arrangements for the Unit Holders convenience by allowing the Holder to transact any of the Management Company's funds within one client account, without the Holder having to open a new account for each fund.
- (c) The Holder will be entitled to inspect his record in the Register and request copies thereof on any Business Day from 10.00 A.M. to 1.00 P.M., except during the days when the Register is closed in accordance with the provision of the Deed, with the prior arrangement with the Management Company or the Transfer Agent.

#### 12.4 Closure of Register

The Management Company may close the Register under intimation to the Trustee by giving at least seven (7) days notice to Holders and for period not exceeding six (6) working days at a time and whole forty-five (45) days in a year. During this period the Register is closed, sale, redemption or transfer applications will not be entertained.

#### 12.5 Information in the Register

The Register will contain the following information:

##### (a) About Unit Holders

1. Name of Unit Holder/ Joint Holders;
2. Address of Unit Holder/ first named Joint Holder;
3. Computerized National Identity Card (CNIC) including National Identity Card for Overseas Pakistanis (NICOP) Number(s) or Passport Number(s) or Registration Number(s) of Unit Holder/ Joint Holders;
4. Father's/ Husband's name of Unit Holder/ Joint Holders;
5. Occupation of Unit Holders/ Joint Holders;
6. Tax/ Zakat status of Holder;
7. Record of signature of Holder;
8. Incorporation/Registration Number in case of a company, institution, body corporate, etc;
9. Names and designations of authorized signatories in case of a company, institution or a body corporate;
10. Registered office address, in case of a company, institution or a body corporate; and
11. Such other information as is required under the Rules or Regulations or determined by the Management Company.

##### (b) About Units

1. Class;
2. Type;
3. Registration Number;
4. Certificate number(s), if applicable;
5. Date of purchase/ redemption/ transfer and the reference number, if any;
6. Number of Units held;
7. Number of electronic Units held;
8. Record of verification of transfer forms/ redemption forms;
9. Information about lien/pledge/charge on Units; and
10. Such other information as is required under the Rules or Regulations or determined by the Management Company.

**(c) Instructions**

1. Redemption and dividend payment instructions, as offered by Management Company, that will include the mode of payment (crediting the Holder's bank account, credit and debit card or by payment to the Holder's registered address) and the relevant details;
2. Instruction about re-investment of dividend in Units;
3. Instructions if redemption application is to be signed by first-named Joint Holder only;
4. Information and instruction about pledge/ charge/ lien of Units; and
5. Information and instruction about nominees in case of death of the Unit Holder.

Any change of name or redemption instructions as specified in the form prescribed for client registration shall forthwith be notified in writing by the Holder to the Distribution Company or Transfer Agent. The Distribution Company will forward such application to the Management Company or Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder. At the discretion of the Management Company, any change in address may be updated electronically or in writing to the Transfer Agent.

**12.6 Account Statement**

1. Units will be issued in registered, un-certificated form and will be confirmed to the investors by means of an Account Statement issued by the Management Company or the Transfer Agent in electronic or such other form and for such period as may be determined by the Management Company from time to time and selected by the Unit Holder; provided that where the Unit Holder does not have access to electronic means the same shall be sent in physical form.
2. The minimum periodicity of issuing the Account Statement to the Holder shall be annually, unless the Holder has requested any other periodicity which shall not be less than monthly.
3. Upon confirmation that the Offer Price for each Unit has been received in full from the applicant, the Transfer Agent shall record the same in accordance with sub-clause (4) below and the Account Statement issued in accordance with sub-clause (5) shall constitute evidence of the number of Units registered in the name of the Holder.
4. The Transfer Agent will record directly for each Unit Holder a non-transferable Account Statement each time there is a transaction in the Units, i.e.:
  1. Issued/ subscribed;
  2. Redeemed;
  3. Transferred in favor of third person;
  4. Transferred from third person in favor of the Unit Holder;
  5. Consolidated/ split;
  6. Conversion of Units;
  7. Additional Units are issued against re-investment of dividend;
  8. Bonus Units; and
  9. Such other information as is required under the Regulations or determined by the Management Company.
5. The Management Company shall send, within fifteen (15) Business Days after close of the Accounting Period or such other period, as may be determined by the Management Company and selected by the Holder, an Account Statement containing information mentioned in sub-clause (3) above for such period.
6. The Management Company may, in the interest of Unit Holders, send a transaction confirmation statement within fifteen (15) Business Days after each transaction, notifying each Holder of any

activity in his/her account. The form, content and frequency of such statement shall be determined by the Management Company in its discretion and as selected by the Holder.

7. The Unit Holder at any time, on an application or instructions in writing, shall be entitled to receive proof of any transaction related to his Account. The Management Company may prescribe reasonable Duties and Charges for servicing any additional requests.

#### 12.7 Certificates

- (a) Unit Certificates will be issued only if requested by the Unit Holders except for Core Units subscribed by Core Investors, for which Unit Certificates shall be issued by Management Company without the need of any request by the Core Investors.
- (b) Certificate may be issued for whole Units provided the minimum denomination will not be for less than one Unit.
- (c) Unit Holders can apply for the issue of Certificate by completing the prescribed application form and submitting it to the relevant Distribution Company together with a fee at the rate of hundred Rupees (PKR 100/-) per Certificate of any denomination or any other amount as determined by the Management Company from time to time.
- (d) Certificates shall only be issued for Units that have been fully paid for, in such denomination as may be required by the Holder.
- (e) Certificates, where requested, shall be issued as herein provided not later than fifteen (15) Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post or by any other means determined by the Management Company.
- (f) In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such Joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all Joint Holders. All payments required (i.e. redemption and dividend) will be made in accordance with the provisions of Clause 5.8 of this Offering Document.
- (g) Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a Certificate number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- (h) The same Unit shall not be represented by more than one Certificate at any one time.
- (i) Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorized signatory.



## 12.8 Replacement of Certificates

- (a) Subject to the provisions of the Trust Deed and in particular to the limitations of the denomination of Certificates as may be fixed by the Management Company and subject to any set of policies from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- (b) In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
  - (i) Returned the mutilated or defaced Certificate or furnished to the Distribution Company/ Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
  - (ii) Paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspaper inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent; and
  - (iii) Furnished such indemnity as the Management Company and the Trustee may require.
- (c) The Management Company, the Trustee, the Distribution Company(ies) and/or the Transfer Agent shall not 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 Unit Holders before issuing any new Certificates.
- (d) Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company/ Transfer Agent may require from the applicant the payment of a fee of one hundred Rupees (PKR 100/-) for each Certificate, subject to revisions of fee from time to time by the Management Company together with a sum sufficient (if any) in the opinion of Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

## 12.9 Pledge/ Charge/ Lien of Units

- (a) Any Unit Holder/ Joint Holder(s) may pledge/ lien all or any of his Units as security for any debt to any third party and request the Transfer Agent to record a pledge/ lien of all or any of his/ their Units in favor of any third party, legally entitled to invest in such Units in its own rights. The Transfer Agent shall take a note of the pledge/ lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company, Trustee and the Transfer Agent along with a joint request from the Unit Holder and the pledge is submitted physically or electronically on the application form prescribed by the Management Company. None of these parties, the Trustee, the Management Company, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge/ charge/ lien. The disbursement of any loan against the constitution of such pledge/ lien/ charge shall be at the entire discretion of the lender and neither the Trustee nor the Management Company and the Transfer Agent take any responsibility in this matter.
- (b) Subject to the provision of the sub-clause (a) above, Core Investors may pledge/lien on all or any of Core Units to any third party, subject to an undertaking in writing from the pledgee that he/she shall comply with the requirements and conditions related to Core Units as stipulated under the provisions of this Trust Deed.
- (c) Partial pledge/ lien of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for such partial pledge/ lien.

- (d) Save any legal bar or court order requiring otherwise, any cash dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any Bonus Units that the pledged Units are entitled to automatically be marked under the lien of the lien holder, if it is mentioned in the terms of the contract, and in the event the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.
- (e) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent shall be liable for ensuring the validity of any such pledge/charge/lien.

#### 12.10 Nomination

A single Unit Holder can nominate a successor to receive the Units upon his death by completing the prescribed form and submitting the same to the Authorized Branch of the relevant Distribution Company. Such nomination shall always be subject to provisions of the applicable laws and procedures determined by the Management Company from time to time. Provided that the Management Company will require the nominated successor to provide succession certificate or other such mandate from a court or lawful authority.

#### 12.11 Financial Reporting

The following reports will be sent to the Unit Holders:

- (a) Audited financial statements, together with the auditors report, the report by the Management Company and the report by the Trustee within four months of the close of each Accounting Period.
- (b) Reviewed financial statements, together with the report by the Management Company and by the Trustee within two months of the close of the second quarter of each Accounting Period.
- (c) Un-audited financial statements, together with the report by the Management Company within a month of the close of the first and third quarter of each Accounting Period.

For the quarterly and half yearly reports, the Management Company shall transmit/ send the accounts to the Holders electronically (via website [www.jsil.com](http://www.jsil.com) and/or e-mail) or in physical form if so requested by the Holders subject to SECP requirements.

### PART XIII - FINANCIAL INFORMATION

#### 13.1 Auditors Certificate on Core Investors' Investment in the Units of JS Cash Fund

AC2/220/10  
15 March 2010

The Chief Financial Officer  
JS Investments Limited (the Management Company)  
Karachi

Dear Sir,

**JS CASH FUND (THE FUND)**  
**RECEIPT OF CORE CAPITAL**

This has reference to your letter dated 11 March 2010. As desired, we are pleased to confirm that as per the bank statement of the Fund and other information provided to us by the Management Company, a sum of Rs. 100,000,000/- has been received by the Fund in its bank account upto 12 March 2010 in respect of core capital, as per the attached statement prepared by the management, and duly initialed by us for identification purposes only.

This letter is being issued on specific request of the Management Company for onward submission to Securities and Exchange Commission of Pakistan.

Yours faithfully

-sd-

Ernst & Young Ford Rhodes Sidat Hyder

S. No.	Name of the Investor	Amount (PKR)
1	Soneri Bank Limited	5,000,000.00
2	JS Global Capital Limited Staff Provident Fund	5,000,000.00
3	JS Bank Ltd Staff Provident Fund	5,000,000.00
4	N.U.A Securities (Private) Limited	5,000,000.00
5	JS Investments Limited.	40,000,000.00
6	JS Investments Limited.	30,000,000.00
7	Invisor Securities (Private) Limited	10,000,000.00
		<b>100,000,000.00</b>

### 13.2 Auditors Certificate on Net Asset Value of Units in JS Cash Fund

AC2/221/10

15 March 2010

The Chief Financial Officer  
JS Investments Limited (the Management Company)  
Karachi

Dear Sir,

#### **JS CASH FUND (THE FUND)** **NET ASSET VALUE OF UNITS**

This has reference to your letter dated 11 March 2010. As desired, we are pleased to confirm that the net assets [as computed in the manner prescribed under Rule 66 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008] of the Fund as of 12 March 2010 amounted to Rs. 105,309,951/- as per the un-audited books and records of the Fund and as also reflected in the enclosed statement prepared by the management (which has been initialed by us for identification purposes only). The net asset value of each unit amounted to Rs. 100.30/-, which was arrived at by dividing the net assets value by the number of units in issue as of that date.

This letter is being issued on specific request of the management company for onward submission to the Securities and Exchange Commission of Pakistan.

Yours faithfully

-sd-

Ernst & Young Ford Rhodes Sidat Hyder

## **PART XIV - TRANSACTIONS WITH CONNECTED PERSONS**

- 14.1 The Management Company on behalf of the Scheme, as provided in the Regulations, shall not purchase from, or sell any securities to any Connected Person or its employees without the approval of its Board of Directors in writing and consent of the Trustee. Provided that such condition shall not apply to issue, sale or redemption of Units issued by the Scheme.
- 14.2 All transactions with Connected Persons carried out by the Management Company on behalf of the Scheme shall be made as provided in the Deed and this Offering Document and shall be disclosed in the Scheme's annual report as prescribed in the Rules and Regulations.

## **PART XV - COMPLAINTS**

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

## **PART XVI - CANCELLATION OF REGISTRATION, TERMINATION AND WINDING UP OF THE FUND**

### **16.1 By the Management Company and the Trustee**

1. The Fund may be terminated by the Management Company by giving at least three (3) month's notice in writing to the Holders and the Trustee on the grounds given in sub-clause (ii) of sub-clause (1) of Clause 5.10 of this Offering Document.
2. Subject to the Regulations, the Trustee and the Management Company may announce winding-up of the Trust without notice to the Unit Holders and SECP if redemptions of Units of unmanageable level would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust is wound up.

### **16.2 By the Securities and Exchange Commission of Pakistan (SECP)**

If SECP considers that further continuation of the registration of the Fund will not be in the interest of Unit Holders, it will give a three (3) months notice to the Trustee and the Unit Holders about its intention to cancel such registration, provided that no notice shall be served without offering an opportunity of hearing to the Management Company. The SECP may specify any ground(s) or process for winding up of the Fund in the Rules and/ or Regulations which shall be applicable on the Fund.

### **16.3 Winding Up**

In case of the termination of the Fund the Management Company shall be required to wind-up the Fund and refund the proceeds to the Unit Holders in such a manner and within such time as may be required by the applicable laws and/ or specified by SECP.

## **PART XVII - DISTRIBUTION OF PROCEEDS ON CANCELLATION OF REGISTRATION, TERMINATION AND WINDING UP OF THE FUND**

- 17.1 Upon the termination of the Fund, the Management Company shall suspend the issue and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Deposited Property and shall repay any borrowing effected by the Fund together with any mark-up remaining unpaid.
- 17.2 The Trustee on the recommendation of the Management Company from time to time distribute to the Holders pro rata to the number of Units held by them respectively, all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in Clause 17.1 above and retaining such amount as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

## **PART XVIII - GENERAL INFORMATION**

### **18.1 Inspection of Constitutive Documents**

The copies of Constitutive Documents, that is Trust Deed and Offering Documents, can be inspected free of charges at the registered office of the Management Company or the registered office and place of business of the Trustee or at any of the Authorized Branches of the Distribution Company(ies).

### **18.2 Date of Publication of Offering Document**

The Offering Document has been published on March 19, 2010. The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

### **18.3 Responsibility of Management Company for information given in this Document**

The Management Company accepts responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

## **PART XIX - STATEMENT OF RESPONSIBILITY BY THE MANAGEMENT COMPANY**

The Commissioner  
Specialized Companies Division  
Securities & Exchange Commission of Pakistan,  
NIC Building, Jinnah Avenue,  
Blue Area,  
Islamabad

JS Investments Limited, in its capacity as the Management Company, accepts the responsibility for the information contained in this Offering Document of JS Cash Fund as being accurate at the date of publication.

Signed by:

Mr. Munawar Alam Siddiqui	Chairman
Mr. Ali Raza Siddiqui	Executive Director
Mr. Nazar Mohammad Shaikh	Director
Lt. General (Retd.) Masood Parwaiz	Director
Mr. Sadeq Sayeed	Director

## PART XX - DEFINITIONS & INTERPRETATIONS

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

20.1	<b>Accounting Date</b>	The thirtieth day of June in each year and any interim date(s) at which the financial statements of the Trust are drawn up. However, the Management Company may, with the consent of the Trustee and after intimation to the Commission, change such date to any other date.
20.2	<b>Accounting Period</b>	A period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the day following the preceding Accounting Period.
20.3	<b>Account Statement</b>	Statement of transactions in Units in the account of the Holder.
20.4	<b>Administrative Plans</b>	Investment plans offered by the Management Company, where such plans allow investors a focused investment strategy in any one or a combination of Schemes managed by the Management Company.
20.5	<b>Annual Fee</b>	Any fee payable to the SECP under the Regulations.
20.6	<b>Auditor</b>	The Auditor of the Trust appointed by the Management Company with the consent of the Trustee, as per the Regulations and the Trust Deed.
20.7	<b>Authorized Branch</b>	Those branches of the Distributor(s)/Distribution Company(ies) authorized by the Management Company. It also includes the distribution centers established by the Management Company to perform the Distribution Function.
20.8	<b>Authorized Investment</b>	Investments transacted, issued, traded whether listed or other wise, inside or outside Pakistan and includes any of the following: <ul style="list-style-type: none"> <li>(a) Government securities, cash and near cash instruments which include cash in banks (excluding term deposit receipts), treasury bills, money market placements, deposits, certificate of deposits, certificate of musharakas, term deposit receipts, commercial papers and reverse repurchase transactions;</li> <li>(b) Investment outside Pakistan in such permitted Authorised Investments stated in this Clause, subject to such terms and conditions as are specified by any competent authority including the State Bank of Pakistan and the SECP; and</li> <li>(c) Any other investments permitted by SECP, the Rules and Regulations, as amended or substituted from time to time.</li> </ul>
20.9	<b>Back-end Load</b>	Processing charge(s) deductible from the Net Asset Value of the Unit to determine the Redemption Price. Such load, not exceeding five percent (5%) of the Net Asset Value, shall be determined by the Management Company from time to time and disclosed in this Offering Document. Any such charges shall be treated as part of the Deposited Property.
20.10	<b>Bank</b>	A banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.

20.11	<b>Bank Accounts</b>	Those accounts in the name of the Trustee of the Fund, the beneficial ownership of which rests with the Unit Holders.
20.12	<b>Bonus Units</b>	The Units issued, on distribution of the distributable income, in the form of a stock dividend.
20.13	<b>Business Day</b>	Any day of the week from Monday to Friday but does not include any day which is a gazetted Government of Pakistan holiday or on which the Bank(s) in Pakistan are closed for business.
20.14	<b>Certificate</b>	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 Clause 12.7.
20.15	<b>Companies Ordinance</b>	The Companies Ordinance, 1984, as amended or substituted from time to time.
20.16	<b>Connected Person</b>	The same meaning as in the Rules and Regulations.
20.17	<b>Constitutive Documents</b>	The Trust Deed, this Offering Document and other principal documents governing the formation of the Trust, and all other related material agreements.
20.18	<b>Contingent Load or Deferred Sales Load</b>	<p>Processing charges deductible from the Net Asset Value of the Unit to determine the Redemption Price in case of redemption of Units within the Minimum Holding Period and/ or at a rate decreasing for every period the Units are held.</p> <p>Such load shall not exceed five percent (5%) of the Net Asset Value and shall be determined by the Management Company from time to time and disclosed in the Offering Document. Any such charges shall be payable to the Management Company and/or its distributors, as the case may be, and shall be charged to Unit Holders in instances where no Front-end Load is charged.</p>
20.19	<b>Core Investors</b>	The initial investors, who shall be required to subscribe to and to hold number of Units of an amount to be in compliance with the Regulations for such period from the issuance of such Units as is specified in the Regulations.
20.20	<b>Core Units</b>	Such Units of the Trust that are issued to Core Investors at such price as may be determined by the Management Company with the condition that these Units shall only be redeemable to the extent as specified in the Regulations within such period from their issuance as is specified in the Regulations. Such Units are transferable with this condition and shall rank pari-passu with all other Units. Any transfer of the Core Units during the period referred to in this Clause shall be affected only on the receipt by the Transfer Agent of a written acceptance of the restriction on redemption by the transferee.
20.21	<b>Custodian</b>	Shall have the same meaning as in the Rules.
20.22	<b>Cut-Off Time</b>	Any time on any Business Day as may be determined by the Management Company and communicated to the Trustee and the Unit Holders, as per Clause 5.5, before which Unit transactions shall be effectuated. The Management Company may change such timings under prior intimation to the Unit Holders and the Trustee without the need to amend this Offering Document.
20.23	<b>Deed or Trust Deed</b>	"Deed" means the Trust Deed of the Fund and any Supplemental Deed.
20.24	<b>Deposited Property</b>	The aggregate proceeds of the sale of all Units after deducting therefrom or providing thereout any applicable Front-end Load, Duties and Charges and transaction costs and any other expenses chargeable to the Fund and after adding thereto any Back-end Load as specified in this Offering Document; and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to the Trust Deed.
20.25	<b>Distribution Account</b>	The Bank Account which may be a current or saving or deposit account maintained by the Trustee with a scheduled commercial Bank, approved by the Management Company, in which the amount required for the distribution of income to the Holders shall be transferred and held till such time the entire amount of dividend is distributed to the Holders. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the Fund's Bank Account from time to time as part of the Deposited Property for the benefit of the Unit Holders.
20.26	<b>Distributor/ Distribution Company</b>	A company, firm, individual, sole proprietorship concern or a Bank appointed by the Management Company under intimation to the Trustee for performing the Distribution Function and shall also include the Management Company, if the Management Company performs the Distribution Function.

20.27	<b>Distribution Function</b>	<p>With regard to:</p> <ul style="list-style-type: none"> <li>(a) Receiving applications for issue of Units;</li> <li>(b) Issuing of receipts in respect of (a) above;</li> <li>(c) Interfacing with and providing services to the Holders including receiving redemption applications, transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission, in accordance with the instructions given by the Management Company or the Trustee, to the Management Company or the Transfer Agent as appropriate; and</li> <li>(d) Accounting to the Management Company for all (1) payment instruments received from the applicants for issuance of Units; (2) payment instruments delivered to the Holder(s) on redemption of Units; and (3) all expenses incurred in relation to the Distribution Functions.</li> </ul>
20.28	<b>Duties and Charges</b>	In relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property on the creation, issue, sale, transfer, redemption or purchase of Units or on the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any commission, charges or costs (including Front-End Load, Back-end Load or Contingent Load) which may have been taken into account in ascertaining the Net Asset Value.
20.29	<b>Financial Institutions</b>	Any person defined as a financial institution in the Companies Ordinance.
20.30	<b>Formation Cost</b>	All preliminary and floatation expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document, legal costs and all other expenses including advertisement and invitations costs incurred during and up to the Initial Period.
20.31	<b>Front-end Load</b>	The sales and processing charges (excluding Duties and Charges) that is received by the Management Company and/ or its Distributors, if any, that is included in the Offer Price of the Units as per Clause 5.6 of this Offering Document.
20.32	<b>Holder or Unit Holder</b>	The investors for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provisions of the Trust Deed.
20.33	<b>Initial Period or Initial Offering Period</b>	A period determined by the Management Company not exceeding sixty (60) days from the date of approval of the Offering Document during which Units shall be offered at the Offer Price as per this Offering Document.
20.34	<b>Initial Price</b>	The price per Unit upto the commencement of Initial Offering Period determined by the Management Company, which shall be equal to the Par Value and a Front-end Load as may be determined by the Management Company.
20.35	<b>Investment</b>	Any Authorized Investment forming part of the Deposited Property.
20.36	<b>Investment Facilitator/ Sales Agent</b>	An Individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme as its agents. The Management Company may compensate the Investment Facilitators/Sales Agents out of the Front-end Load collected by it in the Initial or Offer Price or from the Management Company's own resources.
20.37	<b>Minimum Holding Period</b>	Such minimum period of investment by the Unit Holder in the Trust from the date of issue of certain class(es) of Units as may be determined by the Management Company and disclosed in the Offering Document.
20.38	<b>Minimum Subscription Amount</b>	The price for purchasing one (1) Unit of the Fund at the Initial Price or Offer Price, whichever is applicable or any other minimum subscription amount specified in the Offering Document.
20.39	<b>Net Assets</b>	The excess of assets over liabilities of the Trust, such excess being computed in the manner specified under the Regulations and stated in Clause 6.8 of this Offering Document.
20.40	<b>Net Asset Value or</b>	Per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units



	<b>NAV</b>	outstanding, rounded to two (2) decimal places.
20.41	<b>Offer Price</b>	The sum to be paid to the Trustee for issuance of one (1) Unit, such price to be determined pursuant to Clause 5.6 of this Offering Document.
20.42	<b>Offering Document</b>	The prospectus, advertisement or other document (with the written consent of the Trustee and approved by SECP), which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Regulations and is circulated to invite offers by the public to invest in the Unit Trust, and includes any Supplementary Offering Document.
20.43	<b>Ordinance</b>	The Securities and Exchange Ordinance, 1969, as amended or replaced from time to time
20.44	<b>Par Value</b>	The face value of a Unit that shall be Pakistani Rupees One Hundred (PKR. 100/-) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
20.45	<b>Pre-IPO Investors</b>	Investors, other than the Core Investors, in the Fund that invest prior to the Initial Offering Period.
20.46	<b>Pre-IPO Units</b>	Units of the Trust, other than the Core Units, issued at the Initial Price between the period starting from the date of registration of this Scheme and ending before the date of commencement of the Initial Period and this arrangement will be disclosed to Pre-IPO investors.
20.47	<b>Redemption Price</b>	The amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined as per Clause 5.6 of this Offering Document.
20.48	<b>Register</b>	The Register of the Holders kept pursuant to the Regulations and the Trust Deed.
20.49	<b>Registrar Functions</b>	The functions with regard to: <ul style="list-style-type: none"> <li>(a) Maintaining the Register;</li> <li>(b) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;</li> <li>(c) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledge or for recording of changes in information/ particulars/ data with regard to the Holders;</li> <li>(d) Issuing Account Statements to Holders;</li> <li>(e) Issuing Certificates including Certificates in lieu of undistributed income to Holders;</li> <li>(f) Dispatching income distribution warrants and allocating Units to Holders on re-investment of dividends;</li> <li>(g) Cancelling old Certificates on redemption or replacement;</li> <li>(h) Maintaining records of lien/ pledge/ charge on Units, transfer/switching of Units, Zakat; and</li> <li>(i) Keeping record of change of addresses/ other particulars of the Holders.</li> </ul>
20.50	<b>Regulations</b>	The Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time.
20.51	<b>Reporting Currency/ Base Currency</b>	The currency used in pricing of Units and presenting the financial statements of the Fund which shall be the Pakistani Rupee.
20.52	<b>Rules</b>	The Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended or substituted from time to time.
20.53	<b>SECP or Commission</b>	The Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.
20.54	<b>Stock Exchange</b>	Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Ordinance.
20.55	<b>Subscription Day</b>	Every Business Day on which any class of Units is available for subscription provided that the

Management Company may with the prior written consent of the Trustee and intimation to SECP upon giving not less than seven (7) days notice in at least one newspaper, either English or Urdu circulating in Pakistan in which the Fund's prices are normally published, declare any particular Business Day not to be a Subscription Day. Such notice shall be deemed to be duly served on the Holder and shall be sufficient for the purposes of meeting requirements set out in the Trust Deed.

- 20.56 **Supplemental Deed** A deed supplemental to the Trust Deed executed by the Management Company and the Trustee, after seeking approval of the SECP, to modify, add to, alter and amend or amend and restate the provisions of the Trust Deed or any other Supplemental Deed, in such manner and to such extent as may be considered expedient for all purposes, which shall be consolidated, read and construed together with the Trust Deed.
- 20.57 **Supplementary Offering Document** A document issued to modify, add to, alter and amend or amend and restate the Offering Document, by the Management Company, with the consent of the Trustee, after seeking approval of the SECP, by making any amendment to the Offering Document in such manner and to such extent as considered expedient for all purposes, which shall be consolidated, read and construed together with this Offering Document.
- 20.58 **Transfer Agent** Any company including a scheduled commercial Bank that the Management Company may appoint for performing the Registrar Function.
- 20.59 **Trust, Unit Trust, Fund, or Scheme** The JS Cash Fund, an open-end Unit Trust, constituted under the Trust Deed executed between the Trustee and the Management Company for continuous offer for sale of Units of the Fund.
- 20.60 **Unit** One undivided share in the Trust and where the context so indicates a fraction thereof.
- 20.61 **Zakat** Has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

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

## **PART XXI – AUTHORIZED BRANCHES OF DISTRIBUTION COMPANIES**

### **21.1 JS Investments Limited**

#### **Karachi**

7<sup>th</sup> Floor, the Forum, Block 9, Clifton, Karachi, Pakistan.  
UAN: 021-111-222-626

#### **Lahore**

307, Ground Floor, Upper Mall, Lahore, Pakistan  
UAN: 042-111-222-626

#### **Islamabad**

Office # 413, 4th Floor, ISE Building, Jinnah Avenue Islamabad.  
UAN: 051-111-222-626

### **21.2 IGI Investment Bank Limited**

#### **Karachi**

**Head Office**, Suit 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan.  
UAN: (92-21) 111-234-234

#### **Lahore**

**Registered Office**, Ground Floor, 5 F.C.C, Syed Maratib Ali Road, Gulberg, Lahore.  
Phone: (92-42) 111-234-234

#### **Multan**

Mezzanine floor,  
Abdali Tower, Abdali Road,  
Phone: (+92-61) 4500180-81

#### **Islamabad**

Mezzanine Floor, Razia Sharif Plaza, 90 – Blue Area, G-7, Islamabad.  
Phone: (92-51) 111-234-234

#### **Faisalabad**

9th Floor, State Life Building,  
Faisalabad.  
Phone: (92-41) 2540811-14, 2540841-45

### **21.3 AI Habib Capital Markets (Private) Limited**

GF 01, Techno City Mall,  
Hasrat Mohani Road, Karachi.  
Phone: (92-21) 2270809

**ANNEXURE A - CURRENT LEVEL OF FRONT-END LOAD AND BACK-END LOAD AND THE MANAGEMENT FEE EFFECTIVE FOR THE FUND**

**Front-end Load:**

Upto 1.00% of Par Value or Net Asset Value, whichever is applicable, on Class "A" Units

**Back-end Load:**

**Nil.**

The Management Company does not intend to initially offer Class "B" and "C" Units at the time of publication of this Offering Document, which may be offered to at the discretion of the Management Company at a subsequent stage through newspaper announcements having wide circulation in Pakistan.

**Contingent Load:**

**Nil.**

The Management Company does not intend to initially offer Class "D" Units at the time of publication of this Offering Document, which may be offered to at the discretion of the Management Company at a subsequent stage through newspaper announcements having wide circulation in Pakistan.

**Management fee:**

The Management Company shall be entitled to be paid out of the Deposited Property monthly in arrears of the accrued remuneration of an amount not exceeding one and a quarter percent (1.25%) of the average annual Net Assets of the Fund calculated on a daily basis during the year.

## ANNEXURE B - TARIFF STRUCTURE OF THE TRUSTEE

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

<b>Net Assets</b>	<b>Tariff</b>
On Net Assets up to Rs. 1.0 Billion	Rs. 0.7 million or 0.14% per annum of the Net Assets, which ever is higher
Exceeding Rs. 1.0 Billion	Rs. 1.5 million plus 0.065% per annum of the Net Assets on amount exceeding Rs. 1 Billion