

THE INVESTORS ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE OFFERING DOCUMENT IN PARTICULAR THE RISK FACTORS MENTIONED IN SECTION 3.6 AND WARNINGS IN SECTION 10 BEFORE MAKING ANY DECISION

Offering Document:

Pakistan Cash Management Fund (PCF)  
Updated up to First Supplemental Offering  
Document

An Open-end Fund Managed By:

Arif Habib Investment Management Limited



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## 1. PART 1: APPROVAL AND CONSENT

### 1.1. OFFERING DOCUMENT

This Offering Document sets out the arrangements covering the basic structure of the Pakistan Cash Management Fund (the “Fund”, the “Scheme” or “PCF”). It sets forth information about the Fund that a prospective investor should know before investing in any Unit of the Fund. The provisions of the Trust Deed mentioned in Part 2.3, the Non-Banking Finance Companies and Notified Entities Regulations 2007 as specified hereafter govern this Offering Document.

If you have any doubt about the contents of this offering document, you should consult one or more from amongst your Investment advisers, legal advisers, bank managers, stockbrokers, or financial advisers.

Investors must recognize that all Investments involve risk. It should be clearly understood that the Fund’s portfolio will be subject to market fluctuations and risks inherent in all such Investments. The value of Units of the Fund may appreciate as well as depreciate and the level of dividends declared by the Fund can not be assured.

### 1.2. DEFINITIONS

Unless the context requires otherwise all words, terms or expressions used in this Offering Document shall have the meaning assigned to them in Clause 13 hereof or in the Trust Deed.

### 1.3. REGULATORY APPROVAL

The Commission has Registered the Fund as a Notified Entity under Regulation 61 of the Regulations vide letter no. NBFC-II/AD/AHIML/PCF/148/2008 dated 29 February 2008. The Commission has approved this Offering Document, under Rule 63 of the Regulations vide letter No.- NBFC-II/AD/AHIML/PCF/355/2008 dated 14 May 2008.

Disclaimer:- It must be clearly understood that in giving this approval, the Commission 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.

### 1.4. FILING OF THE OFFERING DOCUMENT

The Management Company has filed a copy of this Offering Document with the Securities and Exchange Commission of Pakistan (SECP), signed by all Directors of the Management Company, along with copies of the Documents mentioned below:

- (1) Trust Deed, dated 08 February 2008, executed between AHIML and the Habib Metropolitan Bank Limited (the “HMB”), appointing the HMB as Trustee to the Fund;
- (2) Letter No. KA-ZS-1326 dated 20 March 2008 from the Auditors certifying the subscription of the Units of PCF by the core investors.
- (3) Consents of the Auditor, Legal Adviser and Trustee to their respective appointments and having been named and described as such in this Offering Document.
- (4) Letter No. NBFC-45/AMC & IA /05/2003 dated 21 August 2003 from SECP, licensing

- AHIML to undertake Asset Management and Investment Advisory Services, under Non-Banking Finance Companies (Establishment and Regulation) Rules 2003.
- (5) Letter No. NBFC-II/AD/AHIML/PCF/62/2008 dated 01 February 2008 from SECP to AHIML, approving HMB to act as Trustee of PCF under the Non-Banking Finance Companies and Notified Entities Regulations 2007.
  - (6) Letter No. NBFC-II/AD/AHIML/PCF/148/2008 dated 29 February 2008 from SECP to AHIML, granting registration of an open-end scheme named “Pakistan Cash Management Fund” under the Non-Banking Finance Companies and Notified Entities Regulations 2007.
  - (7) Letter No. NBFC-II/AD/AHIML/PCF/355/2008 dated 14 May 2008 from SECP to AHIML, approving this Offering Document under the Non-Banking Finance Companies and Notified Entities Regulations 2007.

#### 1.5. RESTRICTIONS

This offering Document does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No person in any jurisdiction may treat this Offering Document as constituting an invitation to purchase Units unless it is lawful to make such an invitation to such person in the relevant jurisdiction and all registration and other legal requirements have been complied with in that jurisdiction. It is the responsibility of any person wishing to acquire Units to satisfy him self as to the full observance of the laws of the relevant jurisdiction in connection there with, including the obtaining of any governmental or other consents which may be required or the observance of other formalities which need to be observed or the payment of transfer or other taxes which may be required to be paid in such jurisdiction.

The Management Company may redeem any Units sold in contravention of any of the prohibitions contained in this Offering Document. In addition, the Management Company may with the consent of the Trustee and under intimation to the Commission compulsorily redeem the Units of any investor at any time if such redemption would be appropriate to protect the Fund from adverse consequences.

## 2. PART II: CONSTITUTION OF THE SCHEME

### 2.1. CONSTITUTION OF THE SCHEME

The Fund has been established through a trust deed (the “Trust Deed”), dated 08 February 2008 under the Trusts Act, 1882, executed between:

- (A) Arif Habib Investment Management Limited (the “Management Company” or “AHIML” or the “Offeror”), having its registered office at 2/1, R.Y.16, Old Queens Road, Karachi, Pakistan, and having been licensed to provide asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as “the Rules”, which expression shall include any amendments thereto) by the Securities and Exchange Commission of Pakistan (the “Commission”) vide its letter No. SC /NBFC -II/421/2003 dated 21 August 2003, of the one part; and
- (B) Habib Metropolitan Bank Limited (the “HMB” or the “Trustee”), a banking company incorporated under the Companies Ordinance, 1984, and licensed by the State Bank of Pakistan as a scheduled bank, having its Head office at Spencer’s Building, I. I. Chundrigar Road, Karachi, Pakistan, and having been approved by the Commission to act as the Trustee vide its letter No. NBFC-II/AD/AHIML/PCF/62/2008 dated 01 February 2008, of the other part.

### 2.2. OBJECTIVES AND INVESTMENT POLICY

- 2.2.1 The primary objective of the fund is to provide the investors with high level of liquidity coupled with extremely low credit and price volatility, thus enabling them to manage their surplus cash efficiently.

The Management Company will manage the Fund with the objective of maximizing Unit Holders’ returns on their Investments while at all times observing prudent Investment practices, the highest professional standards, all applicable laws and Regulations.

- 2.2.2 Fund will provide investors the facility to invest in an underlying portfolio of government securities (primarily T-bills) and certain other authorized investments, managed by the Management Company.

The Fund seeks to offer the benefit of returns available from investments in short term government securities.

### 2.3. TRUST DEED

The Trust Deed is subject to and governed by the laws of Pakistan, including the Ordinance, the Rules, the Regulations and all other applicable laws and regulations and shall be deemed for all purposes, whatsoever, to incorporate the provisions required to be contained in a trust deed by the Regulations as a part and parcel hereof, and in the event of any conflict between the Deed and the provisions required to be contained in a trust deed by the Regulations, the latter shall supersede and prevail over the provisions contained in the Deed.

The terms and conditions of the Trust Deed and any deed supplemental thereto shall be binding upon each Unit Holder.

The Trustee and the Management Company, acting together with the approval of the Commission, shall be entitled by supplemental deed, to modify, alter, or add to the provisions of the Trust Deed on any of the following grounds:

- (a) To the extent required to ensure compliance with any applicable laws and regulations;
- (b) To enable the provisions of the Trust Deed to be more conveniently or economically managed;
- (c) To otherwise benefit the Unit Holders;

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

#### 2.4. DURATION

The duration of the Fund is perpetual. However, it can be wound up by the Commission or the Management Company on the occurrence of events stated in Part XII of this Offering Document under the heading "TERMINATION OF THE SCHEME".

#### 2.5. OPEN-ENDED FUND

PCF is an open-ended Fund. It shall offer Units on a continuous basis. There is no upper or lower limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investors' accounts, a prior notice of that shall be given to the unit holders. (Current levels of minimum monetary investment limits are disclosed in the clause 5.1.1 of this Offering Document). Fractional Units will be issued to enhance economical and efficient handling. Units may be redeemed for cash pursuant to the Redemption Procedures. Units are also transferable. Units will be in registered form and will be confirmed to investors by means of an account statement issued by the Registrar. Certificates, being the definitive certificate acknowledging the number of Units registered in the name of the Holder, shall be issued at the request of the Unit Holder.

#### 2.6. TRANSACTIONS IN UNITS

There shall be no Initial Public Offer, and the Units can be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of NAV. The Offer and Redemption Prices shall be calculated and the Units will be available for purchase and redemption on each Dealing Day. Please see Part V for details.

The Management Company may at some future time register the Units with a depository Organization, such as the Central Depository Company of Pakistan. Any issue, redemption, transfer or transmittal of de-materialized Units registered with the depository will take place according to the rules and regulations of the depository organization.

The Issue and Redemption of Units may be suspended or deferred by the Management Company under certain circumstances as detailed in Clause 5.10 of this offering document.

## 2.7. OFFERING DOCUMENT

This Offering Document is governed by the provisions of the Trust Deed. It sets forth the information about the PCF that a prospective investor should know before investing in any Unit. Arif Habib Investment Management Limited accepts responsibility for the accuracy of the information herein contained as of the date of publication.

No person is authorized to give any information to make any representation in connection with the issue of Units, which is not contained or referred to herein. Neither the delivery of this Offering Document nor the offer, issue or sale of Units shall constitute a representation that the information contained in this Offering Document is correct as at any time subsequent to the date hereof. This Offering Document will be updated to take account of any relevant material changes of law or fact relating to the Fund. Any such amendments will be approved in advance by the Commission and notified to Unit Holders in the subsequent periodic reports issued by the Management Company and published on the website of the Management Company. Any changes in the Trust Deed approved by the Commission and agreed by the Trustee will affect the Offering Document as well and no further approval from Unit Holders will be required for such Corresponding changes in this Offering Document. Any changes in the Offering Document will also be binding on existing Unit Holders.



### 3. PART III: INVESTMENT POLICY AND RESTRICTIONS

#### 3.1. INVESTMENT OBJECTIVE

The primary objective of the fund is to provide the investors with extremely low credit and price volatility, thus enabling them to manage their surplus liquidity efficiently. The Fund has been formed to enable Unit Holders to participate in a portfolio of government securities (primarily T-bills) and other authorized investments, managed by the management company, that would provide the investors with a high level of liquidity and price stability, so that they can join or leave the Fund at any time at their convenience, at the prevailing market based prices.

#### 3.2. INVESTMENT POLICY

- 3.2.1 The Scheme is a purely money market fund which shall make Investments only in the following instruments with a maturity of 90 days or less.
- 3.2.2 The Fund may be invested in the following asset classes:
- (a) Treasury Bills.
  - (b) Short dated government instruments.
  - (c) Reverse repo transactions with government paper as the underlying security.
  - (d) Bank deposits with a scheduled commercial bank(s) having minimum rating of 'AA'.
- 3.2.3 All Fund Property, except in so far as such cash may, in the opinion of the Management Company, be required for transfer to the Distribution Account or to be kept for meeting the redemption requirements, shall be applied by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of the Deed, the Offering Document, and the Regulations) be directed by the Management Company.
- 3.2.4 Any Investment may at any time be disinvested at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide funds required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash deposit as aforesaid or any combination of the aforesaid. Any Investment, which ceases to be an Authorized Investment, shall be disinvested within such period as the Management Company and the Trustee determine to be in the best interest of the Unit Holders. However, as the investment are made having maturity of 90 days or less the period shall not in any case exceed 3 (three) months.
- 3.2.5 The Fund Property shall be subject to such exposure limits as are provided in the Regulations, provided that the Trustee and the Management Company will have a period of three months to bring the Fund into compliance with the exposure limits if the deviation is due to appreciation or depreciation of any Investment or disposal of any Investment.
- 3.2.6 In case the rating of a Bank is reduced from 'AA' or institution is placed on watch list, investment may at any time be realized at the discretion of the Management Company but only to reasonably protect the interest of the Unit Holders.

### 3.3. RESTRICTIONS

The Fund Property shall be subject to such exposure limits as are provided in the Regulations. Subject to this, the Fund will not at any time:

- (a) effect a short sale in a security whether listed or unlisted ;
- (b) purchase any security in a forward contract;
- (c) purchase any security on margin;
- (d) apply any part of its assets to real estate, commodities or commodity contracts;
- (e) issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- (f) apply for de-listing from stock exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
- (g) invest in any security of a company if any director or officer of the investment adviser owns more than five per cent of the total amount of securities issued, or, the directors and officers of the investment adviser own more than ten per cent of those securities collectively;
- (h) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.
- (i) take exposure of more than thirty five percent of its Net Assets in any single group and more than ten percent of its Net Assets in listed group companies holding licences of asset management services and such exposure shall only be taken through secondary market.
- (j) make total investments in pre-initial public offering (Pre-IPO) in excess of fifteen percent of its Net Assets Value, subject to the investment limits prescribed by the Regulations and,
- (k) acquire any security of which another asset management company managing a collective investment scheme, is the issuer;

### 3.4. BORROWING

- 3.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Fund for the purpose of meeting redemption request(s) provided that the charges payable to such Bank or financial institution are not higher than the prevailing market rates. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Regulations but if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 3.4.2 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 3.4.3 For the purposes of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.
- 3.4.4 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

### 3.5. TRANSACTIONS WITH CONNECTED PERSONS

- 3.5.1 All cash forming part of the Fund Property shall be deposited by the Trustee, as approved by the Management Company in a separate account to be opened in the name of the Trustee, as a nominee of the Fund, with a bank having minimum rating of 'AA' as per the criteria laid down by a credit rating agency approved by the Commission.
- 3.5.2 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust save in the capacity of an intermediary.
- 3.5.3 Subject to the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- 3.5.4 Direct transactions, other than those carried out through the Stock Exchange, with another collective investment scheme, managed by the Management Company shall be notified to SECP within two days of such transactions and shall be disclosed in the annual and quarterly accounts of the Fund.
- 3.5.5 Charges payable on any borrowing made by the Trustee for the account of the Trust to a scheduled commercial Bank or Financial Institution shall not be higher than the normal bank charges.

3.5.6 All transactions carried out by an asset management company on behalf of the collective investment scheme shall be made as provided in the constitutive documents, and shall be disclosed in the collective investment scheme's annual report.

3.6. **RISKS**

It should be clearly understood that portfolio of PCF is subject to market fluctuations and risks inherent in all such Investments. The value of Units in PCF may appreciate as well as depreciate, and the Fund may or may not declare a dividend. Past performance does not necessarily indicate future performance.

However, given the investment policy of PCF the probability of such risks is extremely low.

#### 4. PART IV : OPERATORS AND PRINCIPALS

##### 4.1. MANAGEMENT COMPANY

Arif Habib Investment Management Limited is registered with the Commission as an asset management company under the Rules and Regulations. AHIML started operations by offering two funds with a total seed capital of Rs. 500 million in March 2002. AHIML, which offers both close and open- ended collective investment schemes, and manages Rs. 23.280 billion in assets (as of 31 January 2008).

AHIML has developed a number of products for retail investors and set-up a network of branches and investment facilitators that give it outreach into major cities of Pakistan. It currently operates seven open-ended and three closed-end mutual funds. Additionally, it also manages discretionary portfolio of certain clients.

##### 4.1.1 Compliance and transparency

- AHIML has self imposed an ongoing (daily), three-tier compliance audit. The audit ensures compliance with:
  - < NBFC and Notified Entities Regulations 2007 (imposed by the SECP)
  - < Offering Document
  - < Internal policies and processes
- The daily NAV prices are post audited by the external auditors.
- The management company has written a mandatory change of auditors after every three year in Offering Documents of most funds.
- The Management Company has self imposed a strong cut-off timing discipline. All forms are time stamped at the head office.
- The Management Company also ensures that assets in the all open-ended as well as closed-end funds are marked to market on a daily basis. This includes funds investing in all available asset classes.

AHIML was the first fund manager to start publishing a monthly fund managers' report. The report is designed to ensure transparency and investor confidence by seeking to explain fund manager decisions and views.

##### 4.1.2 The best performing fund manager

The Management Company received the Mutual Funds Association of Pakistan's 'Performance Excellence Award' for 2003-04, in both fixed income and equity categories of open-end funds. AHIML received trophies for both Pakistan Stock Market Fund and Pakistan Income Fund.

Pakistan Premier Fund Limited managed by the Management Company has been selected in 25 Top Companies by the Karachi Stock Exchange for the year 2006 on the basis of highest marks obtained in relation to distribution, return on equities, turnover of shares, number of shareholders, corporate social contribution / money donation and good corporate governance/ compliance with code of Corporate Governance.

#### 4.1.3 Ratings of Management Company & Funds

Management Company/Funds	Rating Agency	Rating	Rating Reflects
Arif Habib Investment Management Limited	PACRA	AM2 with a positive outlook.	The rating reflects the company's very strong capacity to master the risks inherent in asset management. The rating recognizes that the company meets very high investment management industry standards and benchmarks with noted strengths in several of the rating standards efficiency of operations
Pakistan Stock Market Fund (PSM )	PACRA	3-star Normal 5-star Long Term	The rating reflects an average performance in short term and superior performance in long term relative to its peers.
Pakistan Income Fund (PIF )	PACRA	5-star Normal 5-star Long Term	The rating reflects a superior performance in short term and long term relative to its peers.
Pakistan Premier Fund Limited (PPFL )	PACRA	4-star Normal 5-star Long Term	The Rating reflects a good performance in short term and superior performance in long term relative to its peers.
Pakistan Capital Market Fund (PCM )	PACRA	5-star Normal	The rating reflects its superior performance in short term relative to its peers.
Metrobank- Pakistan Sovereign Fund	PACRA	4-star Normal 4-star Long Term	The Rating reflects a good performance in short term and long term relative to its peers
Pakistan Strategic Allocation Fund (PSAF)	PACRA	4-star Normal	The rating reflects a good performance in short term relative to its peers.
Pakistan International Element Islamic Fund(PIEIF)	PACRA	4-star Normal	The rating reflects a good performance in short term relative to its peers.

#### 4.1.4 Customer Facilitation through Technology

AHIML is the first fund manager in Pakistan to provide the facility of instant redemption through Automated Teller Machines (ATMs). A Unit Holder may redeem Units of the Fund to such extent as the Management Company may arrange from time to time through Automated Teller Machines (ATMs) supported by one or more banks.

4.2. OPEN -ENDED FUNDS:

THE FOLLOWING ARE THE OPEN -ENDED FUNDS PRESENTLY BEING MANAGED BY THE MANAGEMENT COMPANY

Name:	Pakistan Stock Market Fund
Date of Launching:	March 11, 2002
Nature of Fund:	Equities Fund
NAV on June 30, 2007:	Rs. 3,245.59 million
Par value of unit:	Rs. 50.00
NAV per unit on June 30, 2007:	Rs. 109.08
D istribution (June 30, 2007):	50% Bonus

Name:	Pakistan Income Fund
Date of Launching:	March 11, 2002
Nature of Fund:	Money Market Fund
NAV on June 30, 2007:	Rs.9,405.96 million
Par value of unit:	Rs. 50.00
NAV per unit on June 30, 2007:	Rs. 55.47
D istribution (June 30, 2007):	10.50 % Bonus

Name:	Pakistan Capital Market Fund
D ate of Launching:	January 24, 2004
Date of Conversion (Close to Open Ended)	November 21, 2005
Nature of Fund:	Asset Allocation Fund
NAV on June 30, 2007:	Rs. 1,084.20 million
Par value of unit:	Rs. 10.00
NAV per unit on June 30, 2007:	Rs. 14.59
Distribution (June 30, 2007):	30.00% Bonus

<b>Name:</b>	<b>Metro-Bank Pakistan Sovereign Fund</b>	
Date of Launching:	March 1, 2003	
Nature of Fund:	Govt. Bonds Fund	
NAV on June 30, 2007:	MSF - Perpetual	Rs. 792.22 Million
	MSF - December 2012	Rs. 673.00 Million
	MSF - December 2007	Rs. 592.76 Million
Par value of unit:	Rs. 50.00	
NAV per unit on June 30,2007:	MSF – Perpetual	Rs. 48.01
	MSF – December 2012	Rs. 56.20
	MSF - December 2007	Rs. 50.90
Distribution (June 30, 2007):	MSF- Perpetual	3.58% Bonus
	MSF- December 2012	5.26% Bonus
	MSF- December 2007	7.94% Bonus

<b>Name:</b>	<b>Pakistan International Element Islamic Fund</b>	
Date of Launching:	May 2, 2006	
Nature of Fund:	Islamic Asset Allocation Fund	
NAV on June 30, 2007:	Rs.1,072.53 million	
Par value of unit:	Rs. 50.00	
NAV per unit on June 30, 2007:	Rs. 58.89	
Distribution (June 30, 2007):	17.50 % Bonus	



#### 4.3. CLOSED -END FUNDS

THE FOLLOWING ARE THE CLOSED –END FUNDS PRESENTLY BEING MANAGED BY THE MANAGEMENT COMPANY

<b>Name:</b>	<b>Pakistan Premier Fund Limited</b>
Date of Acquisition:	January 1, 2003
Nature of Fund:	Equities Fund
NAV on June 30, 2007:	Rs. 2,910.08 million
Par value of unit:	Rs. 10.00
NAV per unit on June 30, 2007:	Rs. 19.71 per share
Distribution (June 30, 2007):	15 % Bonus, 25% Cash
<hr/>	
<b>Name:</b>	<b>Pakistan Strategic Allocation Fund</b>
Date of Launching:	September 1, 2004
Nature of Fund:	Contrarian Quantitative Model based Fund
NAV on June 30, 2007:	Rs. 4,080.33 million
Par value of unit:	Rs. 10.00
NAV per unit on June 30, 2007:	Rs. 13.60 per share
Distribution : (June 30, 2007):	25% Cash
<hr/>	
<b>Name:</b>	<b>Pakistan Capital Protected Fund -1</b>
Date of Launching:	July 27, 2007
Nature of Fund:	Capital Protected Fund
NAV on June 30, 2007 :	N/A
Par value of unit:	Rs. 10.00
NAV per unit on June 30, 2007:	N/A
Distribution : (June 30, 2007) :	N/A
	Fund was launched subsequent to June 30, 2007
<hr/>	

#### 4.4. FINANCIAL HIGH LIGHTS OF MANAGEMENT COMPANY

(Rupees in '000)

Year Ended 30 June:	2006 -07	2005 -06	2004 -05	2003 -04	2002 -03
Authorized Capital	300,000	100,000	100,000	100,000	100,000
Paid-up Capital	130,000	65,000	40,000	40,000	40,000
Total Equity	698,491	574,686	266,801	131,310	53,684
Total Assets	953,823	882,519	734,812	389,656	111,880
Revenue	547,742	609,610	348,540	141,855	38,988
Expenses	272,491	276,094	178,976	97,110	36,655
Profit/(Loss) after Tax	215,424	266,435	122,705	29,145	531

#### 4.4 A DETAILS OF SHARE HOLING OF MANAGEMENT COMPANY

S r. N o.	N a m e	% of Holding
1	Arif Habib Securities Limited	62.40000 %
2	Mr. Arif Habib	15.99989%
3	Mr. Nasim Beg	10.00002 %
4	AHIML Employees Stock Beneficial Ownership Trust	11.599980%
5	Mr. Muhammad Shafi Malik	0.00002%
6	Mr. Muhammad Kashif	0.00002%
7	Mr. Sirajuddin Casim	0.00002%
8	Mr. Saleem Chamdia	0.00002%
9	Mr. Akmal Jameel	0.00002%
10	Mr. Mirza Qamar Beg	0.000005%
11	Mr. John Kirkham	0.00002%
12	Mr. Samad A.Habib	0.00002%

#### 4.5. DUTIES AND POWERS OF THE MANAGEMENT COMPANY

- 4.5.1 The responsibilities of the Management Company are to invest and manage the assets of the Fund according to the provisions of the Deed, the Offering Document, the Rules and Regulations in good faith, to the best of its ability, and without gaining any undue advantage for itself or any Connected Persons or its officers. The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to assist in investing and managing the assets of the Fund or to invest and manage the assets of the Fund at its own cost and discretion.
- 4.5.2 The Management Company shall comply with the provisions of the Rules, the Regulations and the Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company.
- 4.5.3 The Management Company shall be liable to the Trustee for any loss in value of the Fund Property where such loss has been caused by its negligence reckless or willful act and/or omission or by its officers, officials or agents.
- 4.5.4 Any purchase or sale of Investments made under any of the provision of the Deed shall be made by the Trustee according to the instructions of the Management Company, unless such instructions are in conflict with the provisions of the Deed or the Rules or the Regulations. The Management Company shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 4.5.5 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distributions;
- 4.5.6 The Management Company shall prepare and circulate (physically or through electronic means or, with the approval of the Commission, on the web) transmit the annual report, together with a copy of the balance sheet, income and expenditure account cash flow statement, statement of movement Unit Holders' funds, net assets and reserves and the Auditor's report of the Scheme within three months of closing of the Accounting Period, to the Unit Holders, and the balance sheet and income and expenditure account shall comply with requirements set out in Schedule IV of the Regulations and also disclose in the annual report the following information:
- (i) Total number of Unit Holders; and
  - (ii) Particulars of the personnel (Executive, Research and other) of the Management Company;
- 4.5.7 The Management Company shall within one month of the close of the first and the third quarter of its year of accounts, prepare and transmit to the Unit Holders, the Trustee the Commission and the Stock Exchanges on which the Units of the Scheme may be listed, balance sheet as on the end of that quarter, profit and loss account (income and expenditure statement), a cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise provided that these accounts may be transmitted to Unit Holders electronically by publication on the Management Company's website unless any Unit Holder(s) elects to receive them physically in which case the Management Company shall make available to such Unit Holder(s) printed copies thereof free of

cost, as and when requested.

- 4.5.8 The Management Company shall within two months after the close of the first half of its year of account(second quarter), prepare and transmit to the Unit Holders the Trustee, the Commission and the Stock Exchanges on which the Units of the Scheme may be listed a profit and loss account (income and expenditure statement) for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Regulations provided that these accounts may be transmitted to Unit Holders electronically by publication on the Management Company's website unless any Unit Holder(s) elects to receive them physically, in which case printed copies thereof shall be provided to such Unit Holder free of cost, as and when requested.
- 4.5.9 The Management Company shall maintain a Register of Unit Holders of the Scheme and inform the Commission of the address where the Register is kept. However, the Management Company may appoint a Registrar, as its agent, to maintain the register and may from time to time remove or replace the Registrar
- 4.5.10 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 4.5.11 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed, the Management Company shall not be under any liability therefor or thereby and it shall not incur any liability by reason of or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 4.5.12 The Management Company shall after obtaining approval of the Trustee, from time to time appoint, remove or replace one or more Distribution Company(ies) for carrying out the Distribution Function at one or more locations both locally and abroad, on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distribution Company(ies) and the Management Company. Provided the Management Company and its affiliates may also perform Distribution Function and act as a Distribution Company(ies).
- 4.5.13 The Management Company shall obtain rating of the Fund, once it becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated once every year and shall be disclosed in the annual and quarterly reports

4.6. DIRECTORS OF THE MANAGEMENT COMPANY

Name	Address	Position	Other Directorships
Mr. Salim Chamdia	14/1, 2nd Gizri Street, Phase IV, DHA , Karachi	Chairman	Lucky Cotton Mills (Pvt.) Ltd. Essa Textiles & Commodities (Pvt.) Ltd. Sun Textile Mills (Pvt.) Ltd. Pak Arab Fertilizers (Pvt.) Ltd. Nooriabad Spinning Mills (Pvt.) Ltd. Arif Habib Bank Limited Al Ameera Arif Habib Limited. Pakistan Private Equity Management Limited. NCEL Building Management Ltd. Thatta Cement Company Ltd. Rotocast Engineering (Pvt.) Ltd.
Mr. Nasim Beg	F 61/6, Block 4, Clifton, Karachi	Chief Executive	Rotocast Engineering (Pvt.) Ltd. Pak Arab Fertilizers (Pvt.) Ltd. Real Estate Modaraba Mgt. Company Ltd. Arif Habib Bank Ltd. Pakistan Private Equity Management Limited. Javedan Cement Limited. Arif Habib Securities Limited. World Call Telecom Limited.
Mr .Muhammad Akmal Jameel	146-M , Block 2, PECHS , Karachi.	Director	Arif Habib Securities Ltd. Rozgar Microfinance Bank Ltd. Real Estate Modaraba Mgt. Company Ltd. Pakistan Private Equity Management Limited. J.J.Media (Pvt) Ltd. Aisha Steel Mills Ltd.
Mr. Sirajuddin Cassim	D -43 Block 9, KDA Scheme No.5 Kehkashan, Clifton, Karachi	Director	Arif Habib Securities Ltd. Sigma Leasing Corporation Platinum Securities (Pvt) Ltd. D .R .H. Logistics Pakistan (Pvt.) Ltd.
Mr.Muhammad Kashif	86/11, 10th Street, Khayaban-e-Sehar, DHA, Karachi.	Director	Arif Habib Securities Limited Nooriabad Spinning Mills (Pvt) Ltd. Thatta Cement Company Ltd Rotocast Engineering (Pvt.) Ltd Javedan Cement Limited. Arif Habib Limited.
Mr .Muhammad Shafi Malik	48, Street # 1, Sector F-6/3, Islamabad.	Director	None
Mr. Mirza Qamar Beg	146-M, Block 2, PECHS, Karachi.	Director	Arif Habib Securities Limited. Pakistan Premier Fund Limited.

#### 4.6.1 PARTICULARS OF DIRECTORS

##### **Salim Chamdia, Chairman**

Mr. Salim Chamdia is a member of the Institute of Chartered Accountants in Pakistan. He is an experienced veteran of the Karachi Stock Exchange. He has been engaged in financial & investment advisory and corporate consultancy services since 1985. He has been a member of the Karachi Stock Exchange from 1991 to 2000 and served on the Board of Directors from 1993 to 1994 and 1996 to 2000. He has served as its Vice Chairman from 1999 to 2000 and as Vice President in 1997. He has held both the Chairmanship of the Karachi Stock Exchange in 2002 and the National Commodity Exchange Limited (NCEL) from 2002 to 2004.

Mr. Chamdia has headed various committees in the implementation of effective, efficient and reliable treasury procedures and the transfer of trading from Open Outcry System to Automated Trading System (KATS). He was fully involved in the evolution, introduction and implementation process of the Central Depository System, electronic transfer of shares in Pakistan

##### **Nasim Beg, Chief Executive**

Mr. Nasim Beg is the founder and Chief Executive of Arif Habib Investment Management Ltd. He qualified as a Chartered Accountant in 1970 and has, over the years, worked in the financial sector as well as in the industry. Mr. Beg served as the Deputy Chief Executive of NIT, which he joined during its troubled period, and played an instrumental role in its modernization and turn around. He also served as the Chief Executive for a few months. He has also been associated at top-level positions with other asset management and investment advisory companies. His experience in the financial sector consists of both the domestic market as well as the international markets.

##### **Muhammad Akmal Jameel, Director**

Mr. Akmal Jameel, a Chartered Financial Analyst, is the Chief Executive of Pakistan Private Equity Management Limited and has deep experience of corporate finance and private equity transactions. In addition, he also serves on the Board of Directors of AHSL, AHIM and Rozgar Microfinance Bank Ltd. He has over 15 years of experience in financial markets and financial consulting in Pakistan and the Gulf. He has previously worked at Ernst & Young in Saudi Arabia, and with Anjum Asim Shahid & Company (Grant Thornton Associates) and Hagler Bailly Pakistan. He has extensive experience in structuring projects, evaluating private equity proposals and conducting feasibility studies and was previously responsible for corporate finance and business development at AHSL.

##### **Sirajuddin Cassim, Director**

Mr. Sirajuddin Cassim is a Chartered Accountant and Director of AHSL. With over 40 new listings and public offers to his credit, he has vast technical experience in all aspects of public offers, from valuation to document preparation to listing on all three Stock Exchanges. Mr. Sirajuddin Cassim, a former Partner in Daudally Siraj & Company, Chartered Accountants, has been engaged in financial & investment advisory and corporate consultancy services since 1985. He has been a member of the Karachi Stock Exchange since 1975 and served on the Board of Directors in the years 1990 and 1991. He has served as its Vice President in 1993 and as President in 1995. He also served as Chairman of the CDC in 1995 and as the Vice President of the Institute of Chartered Secretaries and Managers from 1997 to 2000.

Mr. Cassim served as the Executive Director of Standard Chartered Mercantile Leasing Company

Limited from 1989 to 1998. He has served as a member of the Taxation & Fiscal and Banking & Fiscal sub-Committees of the Karachi Chamber of Commerce and Industries and attended the General Assembly Meeting and Technology Meeting of the Federation of Euro-Asian Stock Exchange in the year 1995 and 1996

**Muhammad Shafi Malik, Director**

Mr. Muhammad Shafi Malik holds a Master's degree in Public Administration from Harvard University and a Master's Degree in Economics from the University of Punjab. He has done L.L.B, D.L.L and D.T.L with distinction and was awarded the gold medal in Mercantile Law & Labour Law. He has attended more than a dozen courses/seminars in national and international institutions of high repute like S.T.I, FSA, NIPA, computer Bureau, Pakistan Administrative Staff College, JICA, NTA (Japan), ITP (USA) and ADBP Institute (Manila).

He has diversified experience of serving, with distinction, for more than 30 years in public offices, corporations and institutions of national importance like C.B.R., Director General Enquiries/Inspection & Audit CBR, Regional Commissioner and Commissioner of Income Tax. He also served as General Manager Audit and Finance in State Cement Corporation of Pakistan (SCCP) and National Fertilizer Corporation (NFC), respectively, before his promotion as Commissioner. He served as Chairman Employees Old Age Benefit (EOBI) for three years before his retirement in April 2005. He worked as consultant with a leading law firm Walker Martinue Saleem before joining the Group. Having valuable experience of management, legal consultancy, adjudication, audit and financial management, he is capable of tendering advice on administrative, legal, corporate affairs and strategic planning.

**Kashif A. Habib, Director**

Mr. Kashif A. Habib obtained a Bachelor of Commerce degree in 2004 and has also passed modules A, B, C & D exams of the Institute in Chartered Accountants in Pakistan. In October 2004, he joined M/s. A. F. Ferguson & Co., Chartered Accountants, for Articleship. He has over three years' experience as an intern and as a Non-Executive Director in AHSL.

**Mr.Mirza Qamar Beg, Director**

Mr. Qamar Beg holds a master degree from Punjab University, post graduate studies at Cambridge University, UK (Development Economics) and Harvard University, USA (Kennedy School of Government). Joined the Civil Service of Pakistan (CSP) in 1968 and held major positions with the Government of Pakistan. He was sent as a Ambassador of Pakistan to Italy. He was also selected as President of G-77 and China.

**PARTICULARS OF CHIEF FINANCIAL OFFICER.**

**Syed Ajaz Ahmed, Chief Financial Officer, Company Secretary and Head of Wealth Management**

Syed Ajaz Ahmed, ACMA, LLB, B.Com, having graduated in 1969 has acquired work experience in the financial services industry as well as in industrial undertakings. He is the CEO of Pakistan Premier Fund Limited of which AHIM is the investment advisor.

Syed Ajaz Ahmed has extensive national and international experience of the industry and financial sector, which spans over thirty six years. Mr. Ahmed has also served as a consultant at Taseer Hadi Khalid (an associate of KPMG) and the Malaysian Customs.

Mr. Ahmed's experience ranges from leasing to brokerage house to investment bank and asset management companies. He is also member of various Boards of Directors and Committees formed by the Boards

4.7. FINANCIAL SUMMARY OF LISTED COMPANIES HAVING COMMON DIRECTORS

4.7.1 Arif Habib Securities Limited Rupees in million

	2007	2006	2005	2004	2003
Profit before tax	3,934.90	4,768.42	2,639.96	1,753.90	767.32
Profit after tax	3,682.30	4,157.36	2,583.37	1,705.33	751.92
Paid up Capital	3,000.00	270.00	200.00	80.00	60.00
Shareholders' Equity	18,074.60	10,690.64	6,300.04	3,000.49	1,415.16
Total Assets	20,049.20	12,059.44	8,925.61	3,222.75	2,178.95
Earning per share (Rs.)	12.30	153.98	129.17	213.17	125.32
Cash dividend ( % )	75.00%	100.00%	100.00%	150.00%	100.00%
Bonus ( % )	322.00%	66.67%	50.00%	150.00%	33.33%

4.7.2 Pakistan Premier Fund Limited Rupees in million

	2007	2006	2005	2004	2003
Profit after tax	702.72	546.56	681.46	445.98	336.61
Net Assets	2,910.08	2,576.50	2,207.13	1,221.91	650.93
NAV per share (Rs.)	19.71	17.45	18.68	18.10	16.27
Earning per share (Rs.)	4.76	3.70	5.10	7.43	8.41
Cash dividend ( % )	25%	25.00%	12.50%	12.50%	-
Bonus ( % )	15%	15%	25.00%	25.00%	12.50%

4.7.3 Javedan Cement Limited Rupees in million

	2007	2006	2005	2004	2003
Profit before tax	(178)	422.78	294.96	121.70	(37.81)
Profit after tax	(90.00)	344.32	211.15	84.70	(40.56)
Paid up Capital	560.00	560.00	560.00	560.00	560.00
Shareholders' Equity	316.11	499.74	379.41	210.27	125.57
Total Assets	1,287	964.62	985.16	700.02	551.78
Earning per share (Rs.)	(1.61)	6.15	3.77	1.51	0.85
Cash dividend ( % )	-	56.70%	-	7.50%	-

4.7.4 Sigma Leasing Corporation Limited Rupees in million

	2007	2006	2005	2004	2003
Profit before tax	68.42	43.394	35.076	42.33	28.30
Profit after tax	60.68	42.177	31.213	33.17	12.30
Paid up Capital	300.00	300.00	250.00	200.00	200.00
Shareholders' Equity	369.47	355.587	287.958	245.35	244.23
Total Assets	1,631.13	1,444.178	1,154.805	1,045.44	636.24
Earning per share(Rs.)	2.02	1.52	1.50	1.66	0.61
Cash dividend ( % )	16 %	12%	15.00%	13.00%	3.50%

4.7.5 Al-Abbas Cement Industries Ltd (formerly Essa Cement Industries Ltd) Rupees in million

	2007	2006	2005	2004	2003
Profit before tax	(168.768)	(75.025)	(72.612)	25.648	4.430
Profit after tax	(141.987)	17.599	(82.341)	1.855	1.521
Paid up Capital	1,142.78	1,142.78	380.927	380.927	380.927
Shareholders' Equity	1,381.095	1,160.20	380.751	463.092	566.695
Total Assets	4,442.97	3,819.21	1,882.564	1,697.908	1,729.142
Earning per share (Rs.)	(1.242)	0.173	(2.16)	0.05	0.04
Cash dividend ( % )	-	-	-	10%	5%



4.7.6 Worldcall Telecom Limited. Rupees in million

	2007	2006	2005	2004
Profit before tax	706	1,182	(32)	-
Profit after tax	624	948	(19)	-
Paid up Capital	7,521	6,540	2,750	0.035
Shareholders' Equity	12,054	11,230	2,731	256
Total Assets	17,383	15,823	5,972	394
EPS Basic (Rs.)	0.83	1.28	(0.17)	-
Cash dividend ( % )	-	-	-	-
Bonus ( % )	-	15%	-	-

4.7.7 Arif Habib Limited Rupees in million

	2007	2006
Profit before tax	363	245
Profit after tax	322	227
Paid up Capital	200	200
Shareholders' Equity	597	326
Total Assets	1,086	850
Earning per share (Rs.)	16.08	11.37
Cash dividend ( % )	100%	-
Bonus ( % )	10%	

4.8 MAIN SPONSOR

The main sponsor of the Management Company is Arif Habib Securities Limited (“AHSL”). **AHSL**, the holding company of Arif Habib Group, was incorporated on 14th November 1994 as a Public Limited Company under the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad Exchanges. It holds license to carry out Investment Finance Services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The principal activity is business of investments in listed and unlisted securities.

**AHSL** has the single distinction of being recipient of the Top 25 Companies award of Karachi Stock Exchange for each of the five years since its listing in 2001. The company has the honour of being ranked 9<sup>th</sup> in the award list for the year 2005.

**AHSL** holds shares in both the **operating subsidiaries** and other **strategic investments**.

**Operating subsidiaries** cover a wide range of financial services, viz:

1. **Arif Habib Limited** - Brokerage House with 75% shareholding
2. **Arif Habib Bank Limited** - Commercial Bank with 92.68% shareholding
3. **Arif Habib Investment Management Limited** - Asset Management Company with 62.67% shareholding
4. **Arif Habib DMCC** – Member of Dubai Gold & Commodities with 100% shareholding
5. **Pakistan Private Equity Management Limited** - Venture Capital Management Company with 85% shareholding

**Strategic investments** include:

1. **Pak Arab Fertilizers Limited** with 30% shareholding
2. **Al Abbas Cement Limited** with 10% shareholding
3. **Rozgar Microfinance Bank Limited** with 19.01 % shareholding
4. **Takaful Pakistan Limited** with 10% shareholding
5. **Sweet Water Pakistan Dairies (Pvt.) Limited** with 16.49 shareholding
6. **Sunbiz (Pvt.) Limited** with 4.65 shareholding
7. **Aisha Steel** with 25% shareholding

Additionally, **AHSL** maintains a well diversified portfolio of listed securities amounting to Rs.5 billion currently. With such a diversified investment portfolio, **AHSL** stands strong and is well placed to play an important role in Pakistan’s rapidly developing economy. The Shareholder’s equity of **AHSL** stands at Rs.26.27 billion as of 31 December 2007.

#### 4.9 THE TRUSTEE

The Trustee for the Scheme is the Habib Metropolitan Bank, a banking company incorporated under the Companies Ordinance 1984 and licensed by the State Bank of Pakistan as a scheduled bank with its Head office at Spencer's Building, I. I. Chundrigar Road Karachi, Pakistan.

#### 4.10 TRUSTEE: DUTIES AND RESPONSIBILITIES

- 4.10.1 The Trustee shall comply with the provisions of the Deed the Rules and 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 in consultation with the Management Company. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Fund Property where such loss has been caused by negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- 4.10.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company, provided they are not in conflict with the provisions of the Deed or the Rules. Whenever, pursuant to any provision of the Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof, a document signed or purporting to be signed on behalf of the Management Company, by any person whose signature the Trustee, is for the time being, authorized in writing by the Management Company to accept.
- 4.10.3 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 4.10.4 The Trustee shall ensure that the sale, issue, repurchase, redemption and cancellation of units effected by a scheme are carried out in accordance with the provisions of the Constitutive Documents and the Regulations;
- 4.10.5 The Trustee shall ensure that the methods adopted by the management company in calculating the value of units are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices are recalculated in accordance with the provisions of the Constitutive Documents and the Regulations;
- 4.10.6 The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property, unless such instructions are in conflict with the provisions of the Deed or the Rules and Regulations or any other law.
- 4.10.7 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the conditions under which the Scheme was authorized are complied with;
- 4.10.8 The Trustee shall issue a report to be included in the annual and second quarter reports to be sent to Unit Holders whether, in the Trustee's opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Constitutive Documents and the Regulations, if the Management Company has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof;
- 4.10.9 The Trustee shall ensure that Units are not issued until payment against units has been cleared in the Bank.

- 4.10.10 The Management Company shall, after obtaining approval of the Trustee, from time to time appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Management Company.
- 4.10.11 Subject to the Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- 4.10.12 The Trustee shall in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 4.10.13 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require, from time to time, in respect of the Fund Property and all other matters relating to the Trust.
- 4.10.14 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 4.10.15 The Trustee shall, if requested by Management Company, and may, if it considers necessary for the protection of Fund Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Regulations. For the avoidance of doubt it is clarified that, notwithstanding anything 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 Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise, how so ever, and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Fund.
- 4.10.16 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 the offering of the Scheme and shall ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration with any Broker.
- 4.10.17 The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the Regulations and this Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own

negligence or willful breach of duty hereunder. If, for any reason, it becomes impossible or impracticable to carry out the provisions of 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.

#### 4.11 THE AUTHORIZED BRANCHES

The Fund shall be distributed through the Authorized branches of the Management Company. The Management Company from time to time may appoint/designate other distributors to facilitate the investors. A list of the authorized branches is given in Annexure B updated up to the issue date of this Offering Document. This list is based on the current address of the Area offices of the Management Company and the address of the current authorized branches and can be changed due to relocation of offices or addition or deletion of authorized branches or distributors

#### 4.1 2 THE CORE INVESTOR

Core Investor	No. of Units	Rupees
Arif Habib Investment Management Limited.	2,000,000	100,000,000
<b>TOTAL</b>		100,000,000

Core Investor has agreed to hold its investment of Rs. Fifty Million for a minimum period of two years from the date of the launch of the fund. The Units can be transferred, subject to the condition that these will not be redeemed during the remaining period of two years

4.13 THE EXTERNAL AUDITOR

KPMG Taseer Hadi & Co.  
Chartered Accountants  
First Floor, Sheikh Sultan Trust Building No. 2  
Beaumont Road, Karachi-75530.

4.14 THE REGISTRAR

Gangjees Registrar Services (Pvt) Limited  
516, Clifton Centre, Clifton,  
Karachi, Pakistan

4.15 THE LEGAL ADVISOR

Bawaney & Partners  
404, 4th Floor, Beaumont Plaza, 6-c1 -  
10, Beaumont Road, Civil lines,  
Karachi, Pakistan.

## 5. PART V: CHARACTERISTICS OF UNITS

### 5.1. TYPE OF UNITS AND MINIMUM INVESTMENT

5.1.1 PCF is divided into Units having a Par Value of Rs.50. Two types of Units of the Fund are offered Type A and Type B.

#### **Type A Units**

Type A Units are meant for all types of investors and have the following characteristics

**Minimum Investment:** The Management Company may from time to time amend the minimum amount of initial investment that is required for opening an account with the Registrar. At the initial stage, the minimum amount of investment to open an account is Rs.5,000/- and the minimum amount for adding to an existing account is Rs.5,000/- per transaction.

**Front End Load:** None

**Back End Load:** Back end load not exceeding 0.1% of the investment value may be charged to cover transaction cost, if the redemption is made within 3 days. In addition, if conversion from PCF to any other scheme managed by the Management Company is made within 30 days of the investment/conversion from another scheme then a back-end load shall be charged @0.1% of investment /conversion value. Back-end load will become part of the fund property.

**Distribution Method:** These Units will be entitled to get Bonus Units or Cash dividend as decided by Management Company

#### **Type B Units**

Type B Units are meant for all types of investors and have the following characteristics

**Minimum Investment:** The Management Company may from time to time amend the minimum amount of initial investment that is required for opening an account with the Registrar. At the initial stage, the minimum amount of investment to open an account is Rs.10,000,000/- and the minimum amount for adding to an existing account is Rs.5,000,000/- per transaction.

**Front End Load:** None

**Back End Load:** Back end load not exceeding 0.1% of the investment value may be charged to cover transaction cost, if the redemption is made within 3 days. In addition, if conversion from PCF to any other scheme managed by the Management Company is made within 30 days of the investment/conversion from another scheme then a back-end load shall be charged @0.1% of investment /conversion value. Back-end load will become part of the fund property.

**Distribution Method:** All normal distribution to Type B Units will be as cash dividend only, even if distribution for other types of Units is in the form of Bonus Units.

**Note:-** Unit Holder may elect to receive the cash value of the Bonus Units / Bonus Units against the Cash Dividend, provided such Unit Holder has to opt for such an arrangement at the time of applying for the Units or request the Registrar in writing prior to declaration of the distribution of any relevant period.

5.1.2 The Units of the Fund rank pari passu with each other. For the convenience of investors, the Management Company may issue Units with different options as to the administrative arrangements. Units issued under the different administrative arrangements shall in addition to

- being governed by this Offering Document, be governed by the relevant Supplementary Offering Document.
- 5.1.3 Units shall be accounted for in fractions up to four decimal places, with the fifth decimal being rounded up if it has a value of five or higher.
  - 5.1.4 Statements shall be sent to the Unit holders at their designated addresses after the close of every year and each time any activity takes place in the account indicating Units held at the statement date and the movement since the previous statement. The Unit holders may obtain more frequent statements by paying a nominal fee representing the costs involved.
  - 5.1.5 Unit holders may obtain certificates representing the units they hold by paying a nominal fee that might be imposed by the Management Company representing the costs involved. However in such cases, requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificates. In the event of loss or defacing of certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Registrar.
  - 5.1.6 The Management Company may also at its discretion allow relaxation in the minimum investment amount or Back -end Load on Type A and Type B units. The Management Company reserves the right to alter the minimum amounts stated herein above at its discretion, a prior notice of that shall be given to the unit holders. In the event the investment in any investor's account falls below the minimum level as a result of revised limits, changes in valuation, redemption, conversion, transfer or transmission, the Management Company may instruct the Registrar to either change the account/units to another type or to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.
  - 5.1.7 Notwithstanding anything stated above, there will be no Back -End Load on Units subscribed by the Core Investors.
  - 5.1.8 Core Units shall be issued in compliance with the Regulation no.61(2)(e)(ii) out of which Rs.50,000,000 (Rupees fifty million) shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.
  - 5.1.9 The Offer Price shall be determined, from time to time, pursuant to clause 5.4 of this Offering document.
  - 5.1.10 The Management Company may list the Units of the Fund on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction. The cost of achieving and maintaining such a listing will be borne by the Management Company.
  - 5.1.11 The Management Company may also register the Units of the Fund in foreign jurisdictions as available for purchase/sale in those jurisdictions and the cost of such registrations will be borne by the Management Company. For this purpose the Management Company, with the approval of the Commission, may amend the Trust Deed or issue supplemental Trust Deeds or Offering Documents and the Unit Holders will be bound accordingly.
  - 5.1.12 The Management Company may at any time, with the approval of the Trustee, on giving not less than 21 days previous notice in writing to each Unit Holder, subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

## 5.2. LEGAL STATUS

All Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets and earnings. Each Unit Holder has a beneficial interest in the Fund proportionate to the Units held by such Unit Holder. The Units shall be fully paid up before they are issued.

## 5.3. DETERMINATION OF NAV/VALUATION OF PROPERTY

- (a) A debt security listed but not traded regularly on a Stock Exchange shall be valued at the average rate, notified by the Mutual Funds Association of Pakistan based on the average rates quoted by top three Brokers, in terms of volume traded during last three months in that debt security, and record of such rates shall be maintained by the respective investment adviser or asset management company and Mutual Funds Association of Pakistan for a period of at least [3] three years and shall be posted on website of the Association.
- (b) An investment purchased and awaiting payment against delivery shall be included for valuation purposes.
- (c) An investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price.
- (d) Mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the collective investment scheme if such accrued mark-up is not otherwise included in the valuation of the security.
- (e) Any other income accrued upto the date on which computation was made shall also be included in the assets.
- (f) All liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under these regulations and taxes shall be deducted from the value of the assets.
- (g) The remuneration accrued up to the date of computation payable to the investment adviser or asset management company, as the case may be, for providing management and other services shall be included as an expense.
- (h) A government security not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security.
- (l) Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.



#### 5.4. DETERMINATION OF OFFER PRICE

5.4.1 Units offered and issued to the core investors will be at the offer price of Rs.50

5.4.2 Subsequent to the issue of units to Core investors, the Offer Price shall be calculated and announced by the Management Company on the following basis:

- (a) The gross NAV of the Fund will be calculated based on the valuation methodology given in 5.3 above;
- (b) The gross NAV will be divided by the number of Units outstanding in the fund to reach the gross NAV per Unit.
- (c) The gross NAV per Unit will be adjusted for the following to arrive at the net offer NAV per Unit:
  - i. Addition of Front-end Load; if any, but not exceeding five (5) percent of NAV;
  - ii. Addition of such amount as the Management Company may consider an appropriate provision for Duties and Charges;
- (d) The net offer NAV per Unit for each type of Unit will be adjusted upwards to the nearest Paise to arrive at the Offer Price for each type of Unit.

5.4.3 Units shall be issued based on the Offer (Sale) Price that is fixed on the basis of the NAV determined on the Business Day prior to the receipt of the duly completed investment application Form along with the funds in favour of the trustee. The investment application form along with the funds should reach at the registered address or the Authorized Branch on or before 10:00 am on any Business Day. Any Investment Request Form received after 10:00 am will be transferred to the next Business Day.

#### 5.5. PURCHASE PROCEDURE - ISSUE OF UNITS

##### 5.5.1 **Who Can Apply:**

- (a) Citizens of Pakistan resident in Pakistan: In respect of minors below 18 years of age applications may only be made by their guardians.
- (b) Companies, corporate bodies, financial institutions, banks, 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 bye-laws. In respect of trusts the trustees of such trust may make an application to buy the Units.
- (c) Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations/laws. Any person making an application for the issue of Units shall be deemed to have warranted that he is duly authorized to purchase such Units.
- (d) Management Company may seek more information to fulfil "Know Your Customer" requirement

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the issue of Units in the Fund. The onus for being so qualified, lies with the investor and neither the Management Company, nor the Trustee, nor the Registrar nor the Distributors nor the Facilitators accept any responsibility in this regard.

5.5.2 The procedure herein below is designed for paper-based transactions. The Management Company may at a later date introduce electronic/ Internet based options for the transactions.

5.5.3 **How Units can be purchased:** Before purchasing Units of the Fund an investor must open an account with the Management Company using the Investors Account Opening Form attached to this Offering Document.

- (a) Applications shall be accepted only if the investor designates a bank account. Such account of the investor shall be used for transferring any dividends and redemption proceeds. The investor may at any subsequent stage change the account to another bank account. If the bank account is not in Pakistan and/or denominated in Pakistani Rupee then any cost of conversion or transfer will be borne by the Unit Holder.
- (b) In case of individual applicant a photocopy of the National Identity Card of the applicant or any other form of identification acceptable to the Management Company.
- (c) In case of a body corporate or a registered society or a trust,
  - (1) copy of the memorandum and articles of association/Charter/Byelaws or rules and regulations;
  - (2) copy of the relevant resolution of the board of directors approving the investment.
  - (3) copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officers to invest the funds and/ or to realize the Investment and
  - (4) copy of the National Identity Card of the officer to whom the authority has been delegated.
- (d) The Distribution Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- (e) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the mean while the application will be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any interest or mark -up. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days and if the investor, in the opinion of the Registrar, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.

5.5.4 After opening an account an account holder may purchase Units of the Fund using the Investment Application Form attached to this Offering Document. Payment for the Units must accompany the form.

- (a) Payment for Units can be made by banker's draft/pay -order, payable in Karachi, Pakistan.
- (b) Payments can also be made by cheque drawn on any bank in Pakistan made payable to the "Trustee Pakistan Cash Management 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. However, payment by cheques is subject to such conditions that the Management Company may impose from time to time. (The Management Company

may impose such limits it deems fit as to the bank branch on which the cheque is drawn and as to the monetary limits on cheques, which may vary for various class of investors).

- (c) Payment for Units in cash will not be accepted, except, by Banks who are also Distributors of the Fund. In this case the money may be deposited through a specifically designed paying-in form into an account in the name of the Trustee (Trustees Pakistan Cash Management Fund ).
- (d) Applicants must indicate their account number in the Investment Application Form except in cases where the Investor Account Opening Form is sent with the Investment Application Form.
- (e) The applicant must obtain a copy of the application signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be. Cash can only be deposited in a bank account titled "Trustee Pakistan Cash Management Fund" maintained with designated banks and the investor must obtain a deposit pay-in slip for the amount being deposited. Acknowledgement for applications and payment instruments (other than cash) can only be validly issued by Distributors.
- (f) The Management Company will make arrangements, from time to time, for receiving Account Opening Forms, Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

5.5.5 The Investor Account Opening Form and the Investment Application Form can be lodged with any authorized branch/Distributor or directly lodged with the Management Company. No other person (including Investment Promotion Officer/Facilitators) is authorized to accept the forms or payment.

5.5.6 Allocation/Issue of Units:

- (a) Units shall be issued based on the Offer (Sale) Price that is fixed on the basis of the NAV determined on the business day prior to the receipt of the duly completed investment application Form along with the funds in favour of the trustee. The investment application form along with the funds should reach at the registered address or the authorized branch of the Management Company on or before 10:00 am on any Business Day. Any Investment Request Form received after 10:00 am will be transferred to the next Business Day.
- (b) In the event payment has been accepted by cheque, the payment will be deemed to be completed on the date the cheque is received by the Management Company. However, the Management Company may impose such limits it deems fit as to the bank branch on which it is drawn and as to the monetary limits on cheques, which may vary for various class of Units, and in the event a cheque is returned unpaid, the Management Company may instruct the Registrar to cancel the Units so allocated at the then prevailing redemption price but not exceeding the redemption price fixed on the day the Units were allocated. In the event the Management Company instructs the Registrar to cancel the Units, the investor may be prosecuted for recovery of the shortfall in the issue and redemption price and /or other punitive action for presenting a cheque that is returned unpaid.
- (c) In general, the payments from outside Pakistan will be deemed to be completed on the

date the Trustee receives the payments from international investors in its account. However, the Management Company may announce a different policy for payments for different classes of units from outside Pakistan. Such policy shall be disclosed to respective investors.

5.5.7 Unit Holders may make changes in their account information by using the Request Form for The Changes in Account Information or the Request Form for Changes in The Bank Account Information attached to this Offering Document.

5.5.8 **Joint Application**

- (a) Joint application can be made by up to four related groups of applicants. Such persons shall be deemed to hold Unit on first holder basis; however, each person must sign the application form and submit a copy of their National Identity Card or other identification document.
- (b) The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the person's designated bank account shall be considered as a valid discharge by the Trustee of its obligation.
- (c) 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. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge by the Trustee of its obligations.
- (d) Where Units are registered in the name of Joint Holders and subsequently additional Units are purchased by the same Joint Holders but the application is made in different order, such additional Units will be registered under a different account.

5.5.9 The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end/back end Load, as disclosed in the Supplemental Offering Document(s) which may also vary according to other criteria in the Management Company's sole discretion. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors.

5.5.10 In the event that the provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Fund Property).

5.5.11 In the event that the provision for payment of Duties and Charges exceeds the relevant amount of Duties and Charges the Registrar shall issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application.

5.5.12 The Offer Price determined by the Management Company shall be made available to the public at the Registered Office and Authorized Branches and at the discretion of the

Management Company may also be published in at least two daily newspaper(s) one in English and one in Urdu widely circulated in Pakistan and make it available at its website.

## 5.6. REDEMPTION PRICE

5.6.1 The Redemption Price shall be calculated according to the following method.

- (a) The gross NAV of the Fund will be calculated based on the valuation methodology given in 5.3.
  - (b) The gross NAV will be divided by the number of Units outstanding in the fund to reach the gross NAV per Unit.
  - (c) The gross NAV per Unit will be adjusted for the following to arrive at the net redemption NAV per Unit:
    - i. Deduction of Back-end Load; if any, but not exceeding five (5) percent of NAV;
    - ii. Deduction of any taxes imposed by the Government;
    - iii. Deduction of such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- (a) The net redemption NAV will be adjusted downwards to the nearest Paisa to arrive at the Redemption Price.

Note: In any case the cumulative front-end load and Back-end load on a particular unit would not exceed 5% of the NAV.

5.6.2 The Redemption Form that is received on or before 10:00 am on any Business Day at the registered office or the Authorized Branch shall be redeemed based at the Redemption Price that is fixed on the basis of the NAV determined on the business day prior to the receipt of such Form. Any Redemption Forms received after 10:00 am will be transferred to the next Business Day.

5.6.3 The Management Company may announce different units with differing levels of Back-end load and Management Fees which shall be disclosed in the supplemental Offering Document of the Fund. Consequently, the Redemption Price may differ for different types of Units issued and for different investors.

5.6.4 In the event that the amount deducted for payment of Duties and Charges pursuant to sub-Section 5.6.1(c)(iii) 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.

5.6.5 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-Section 5.6.1(c)(iii) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Unit Holders with the next income distribution, or if instructed by the Management Company, at any time earlier.

5.6.6 The Redemption Prices determined by the Management Company shall be made available to the public at the Registered Office and branches of the Management Company and, at the discretion of the Management Company, may also be published in two daily news papers, one in English and one in Urdu, circulating in Pakistan and make it available at its website.

5.7. REDEMPTION PROCEDURE

- 5.7.1 Unit Holders may redeem any Units held by them at any time using the Redemption Form attached to this Offering Document. Certificates, if issued, must be submitted with the Redemption Form with an endorsement at the back of the Certificate. Partial redemption of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for redemption. Unless the Joint Holders of Units have specified otherwise, all the Joint Holders shall sign the Redemption Form of such Units.
- 5.7.2 All Forms can be obtained from the Management Company or any Branch of the Management Company or downloaded from the Management Company website or requested from the Management Company by mail.
- 5.7.3 The Redemption Form can be lodged with any Authorized Branch of the Management Company (as mentioned in Annexure B). No other person is authorized to accept the form. The applicant must obtain a copy of the form signed and stamped by an authorized officer of the Management Company acknowledging the receipt of the form and the Certificates, if any.
- 5.7.4 The redemption form that is received on or before 10:00 am on any business day at the registered office or the authorized branch shall be redeemed based on the repurchase price that is fixed on the basis of the NAV determined on the business day prior to the receipt of such Form. Any Redemption Forms received after 10:00 am will be transferred to the next Business Day
- 5.7.5 The Management Company will make arrangements, from time to time, for receiving Redemption Forms from outside Pakistan and payment of redemption amounts outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- 5.7.6 The maximum interval of time between receipt of a Redemption Form and payment of redemption amount to the Unit Holder will not exceed six Business Days. However, the management company would endeavour that redemption requests of all investors received in accordance with section 5.7.4 and which exceeds the monetary limit for same day clearing as imposed by the State Bank Of Pakistan are paid on the next business day to their designated bankers, if any in the city where the management company maintains its registered office. The payment of the redemption value shall be made by virtue of a transfer to the Unit Holder's (the first named joint holder if jointly held) designated banker. In case of overseas account holders the maximum interval of time between receipt of a Redemption Form and payment of redemption amount to the Authorized Dealer for conversion and transmission to the Unit Holder will not exceed six Business Days, however, the actual receipt of the redemption amount by the Unit Holder may be delayed due to time taken for conversion and transmittal of the amount. The Management Company may also specify some other procedure, rather than direct transfer to a bank account, for payment of redemption amount to overseas Unit Holders.
- 5.7.7 In redeeming Units of the Fund, no money shall be paid to any person except the Unit Holder or his or her duly authorized representative.
- 5.7.8 After an existing Unit Holder has redeemed all his Units and collected all his dues, he shall

have no further claims against the Fund.

5.7.9 The procedure hereinabove is designed for paper-based transactions. The Management Company may at a later date introduce electronic / Internet based options for the transactions. The Management Company may also offer Automated Teller Machines (ATMs) based redemptions through which a Unit Holder may also redeem Units of the Fund to such extent as the Management Company may arrange from time to time through Automated Teller Machines (ATMs) supported by one or more banks. Such arrangements shall be announced by the Management Company at such terms and conditions as it may deem fit. Such facility shall be available subject to the Unit Holder signing a special form and agreement prescribed by the Management Company

**5.8. CIRCUMSTANCES UNDER WHICH DEALING METHODOLOGY CAN CHANGE**

5.8.1 A permanent change in the method of dealing shall be made after expiry of one month's notice to unit holders and with the approval of trustee.

5.8.2 A temporary change shall only be made

(a) in exceptional circumstances, having regard to the interests of unit holders;

(b) if the possibility of a change and the circumstances(as mentioned in clause 5.8.3) in which it can be made have been fully disclosed in the offering documents; and

(c) with the approval of the trustee.

**5.8.3 Deferral of fresh issue, conversion or redemption of Units in Exceptional Circumstances:**

The Management Company shall defer all the issue, conversion or redemption applications whose value exceeds 5% of the Net Assets of the Fund to the next Business Day if a volatility in the market value of investments(Valuation Gain/loss) over last business day exceeding 0.5% is observed . Volatility may be due to a change in discount rates or any other factor.

The objective of deferring the issue, conversion or redemption of Units would be to safeguard the existing investors from any possible arbitrage from one or more investors.

5.9. TRANSFER, TRANSMISSION AND CONVERSION PROCEDURE

- 5.9.1 Unit Holders may, subject to the law, transfer any Units held by them to any other account holder. The transfer shall be carried out after the Registrar has satisfied him self that all requisite formalities including the payment of any taxes and has recovered the fee prescribed for the service. A Unit shall be transferable only in its entirety.
- 5.9.2 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate has been lost, stolen or destroyed, subject to compliance by the transferor with like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document or the Trust Deed. The Registrar shall retain all instruments of transfer.
- 5.9.3 The Registrar, with the prior approval of the Management Company and the Trustee, shall be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered, at any time after the expiration of twelve years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of six years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Registrar shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided always that
- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
  - (ii) nothing in this Sub-section shall be construed as imposing upon the Trustee or the Management Company or the Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and
  - (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.
- 5.9.4 Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Registrar after satisfying him self as to all legal requirements. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Registrar.
- 5.9.5 Subject to any Personal Laws that may be applicable to a Unit Holder, a single Unit Holder can nominate a successor to receive the Units upon his death or may request a nomination or change in nomination. Nominee(s) can be nominated only by single Unit Holders when there



are no Joint Holders. The maximum number of Nominee(s) can be two (02) in number with their respective shares mentioned in percentage against their respective names. Such nomination shall however preclude the Management Company or the Trustee or the Registrar from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.

- 5.9.6 Deletion of name, in case of a death of joint holder, all other holders need to specify so by signing in the deletion of name section of the form and identifying the name of the holder along with his/her date of expiry. The Registrar shall carry out the deletion of name after satisfying him self that all the requisite formalities have been completed and payment of the applicable taxes and fees, if any, has been received.
- 5.9.7 A Unit Holder may convert the Units held by him in a Unit Trust Scheme/Administrative Plan managed by the Management Company into units of another Unit Trust Scheme/Administrative Plan managed by the Management Company or vice versa subject to the terms of the respective Offering Documents or the terms stated in the Supplementary Offering Document(s) relating to the respective Administrative Plan(s). The Registrar shall carry out the conversion after satisfying him self that all the requisite formalities have been completed and payment of the applicable taxes and fees, and back-end load if any, has been received.
- 5.9.8 A Unit Holder may merge the units when he/she has invested with two registration numbers and wishes to merge both the units into one registration number. The Registrar shall carry out the merger after satisfying him self that all the requisite formalities have been completed and payment of the applicable taxes and fees, if any, has been received.
- 5.9.9 Transfer, transmittal, merger and deletion of name can be carried out by filing the Service Request Form AHI 07 – Change in Investor Particulars, conversion of Units can be carried out by filing the Service Request Form AHI 08 – Conversion of Plans/Fund attached to the Offering Document and submitting it to the Authorized Branch of the Management Company together with any certificate/document required. Certificates, if issued, must accompany the form.
- 5.9.10 Any transfers and transmittal of de-materialized Units placed in a depository organization will take place under the rules and regulations of such organization.
- 5.9.11 The Management Company may close the Register by giving notice to the unit Holders and for period not exceeding forty five days in any calendar year. During the period the Register is closed, transfer application will not be received / processed.

5.10. DEALING, SUSPENSION, AND DEFERRAL OF DEALING AND WINDING UP

5.10.1 **Suspension of fresh issue of Units** - The Management Company may at any time, subject to the Regulations, suspend issue of fresh Units. Such suspension may however not affect existing subscribers to invest in any plans that may be offered by the Management Company under different administrative arrangements or the issue of bonus units as a result of dividend distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in the newspaper in which the Fund's prices are normally published.

5.10.2 **Refusal to accept fresh issue/account opening request:** The Management Company or the Authorized Branches may at any time refuse to accept a request for account opening/fresh issue of Units in any of the following cases:

(a) In case the application for account opening/fresh issue request is contrary to the "Know Your Customer" rules or any other money laundering rules that the Fund may be subject to or that the Management Company may frame for self regulation.

(b) In case the request for account opening/fresh issue of Units is contrary to the rules of the foreign jurisdiction that the Fund or the investor may be subject to or if accepting the request may subject the Fund or the Management Company to additional regulation under the foreign jurisdiction.

(c) If accepting the request for account opening/fresh issue of Units would in any case be contrary to the interests of the Management Company the Fund or the Unit Holders.

5.10.3 **Deferral of request for fresh issue of Units:** The Management Company may at any time suspend or defer the issue of fresh Units if in its opinion the total number or any one request for fresh issue of Units is so large that investing the funds would take some time and be contrary to the interests of the present Unit Holders. In this case the Management Company may accept certain request for fresh issue of Units and may defer part or all of certain request for fresh issue of Units and issue only a limited number of fresh units. The Units that are issued on a deferred basis, some time after the request for fresh issue of Units has been received, will be issued at the Offer Price prevailing on the date of such issue.

5.10.4 **Circumstances of suspension of issue and redemption** – The issue/ redemption of Units may be suspended or deferred during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or the existence of a state of affairs which, in the opinion of the Management Company, constitutes an emergency, as a result of which investment/ disinvestment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders or a break down in the means of communication normally employed in determining the price of any Investment or when influx/ remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to issue/ redeem Units at a price determined in accordance with the Net Asset Value. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue

System and, under extreme circumstances; the Management Company may decide to wind up the Fund. Details of the procedure are given in Clause 5.10.7 below.

- 5.10.5 Such suspension or Queue System shall end on the day following the first Business Day on which the conditions giving rise to the suspension or Queue System shall, in the opinion of the Management Company, have ceased to exist and no other condition, under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a Queue System and end of suspension and Queue System, the Management Company shall immediately notify the Commission and publish the same in at least two daily news paper(s) in which the Fund's prices are normally published.
- 5.10.6 **Queue System** - In the event redemption requests on any day exceed 10% of the Units in issue, the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to 10% of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing, as may be permissible under the Regulations as it deems fit, in the best interest of the Unit Holders, and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis, proportionate to the size of the requests. The requests in excess of the 10% shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next business day still exceed 10% of the Units in issue, these shall once again be treated on first-come -first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10% ) of the Units then in issue.
- 5.10.7 **Winding up in view of major redemptions** - In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund under intimation to the Commission and the Trustee. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the Final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.
- 5.10.8 The Commission may cancel the registration of the Scheme before investment of the core units and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively

## 5.11. CONSOLIDATION OF UNITS

By a deed supplemental to the Trust Deed the Management Company may at any time, with the approval of the Trustee, on giving not less than 21 days previous notice in writing to each Unit Holder, subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

## 5.12. ISSUANCE OF CERTIFICATES

- 5.12.1 Upon being satisfied that the Offer Price for each Unit has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder.
- 5.12.2 Certificates shall be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee to be set by the Management Company from time to time. The proceeds of such fee will accrue to the Management Company.
- 5.12.3 Account statements or certificates, as the case may be, shall only be issued against full payment of the subscription money.
- 5.12.4 Unit Holders must use the Service Request Form AHI 06 for issue, replacement, splitting or consolidation of Certificates. The form duly completed, must be lodged with the management Company or the Authorized Branch.
- 5.12.5 Certificates shall be issued as herein provided not later than 21 (twenty one) Business Days after the date of request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service.
- 5.12.6 In the case of Units held jointly, the Registrar shall not issue more than one Certificate for the Certificates held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 5.12.7 Certificates shall be issued in such form as may, from time to time, be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 5.12.8 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect

until signed as herein above mentioned. Certificates so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar or an authorized signatory.

- 5.12.9 The issue of certification or receipt in lieu of physical Certificate or any other record of de-materialized Units placed in a depository organization will take place under the rules and regulations of such organization.
- 5.12.10 Subject to the provisions of this Offering Document or the Trust Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee, with the approval of the Management Company, every Unit Holder shall be entitled to exchange upon surrender of any or all of his existing Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 5.12.11 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Registrar, with the approval of the Management Company, may issue to the person entitled a 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 Trustee /Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate, (ii) paid all expenses incurred in connection with the investigation of the facts; and (iii) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-Section. Provided further that the Trustee and/or the Management Company may also require production of an FIR and an affidavit of loss as well as issuance of public notices in news papers and/or provision of such indemnification as the Management Company and the Trustee may deem appropriate, at the cost of the pertinent Unit Holder, before issuing any new certificates.
- 5.12.12 Before the issuance of any Certificate under the provisions of this sub-Section the Registrar may require from the applicant for the Certificate the payment to it of a fee to be set by the Management Company, from time to time, together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, if any, payable in connection with the issue of such Certificate.

5.13. PLEDGE OF UNITS

- 5.13.1 Any Unit Holder or all joint Unit Holders may request the Registrar to record a pledge of all or any of his/their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a pledge on any Units in favor of any third party with the specific authority of the Management Company.
- 5.13.2 The pledge, once registered, shall be removed by the authority of the party in whose favor the pledge has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of any such pledge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar take any responsibility in this matter.
- 5.13.3 Payments of dividends or the issue of bonus Units for units under pledge shall be made to the pledge holder for the account of the Unit Holder.

6. PART VI: DISTRIBUTION POLICY

6.1. DISTRIBUTION POLICY AND DATE

6.1.1 The Fund on an Annual basis shall distribute as cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the fund) earned during the year may be distributed by the management company. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly after intimation to Trustee and SECP.<sup>1</sup>

6.1.2 The Management Company shall decide as soon as possible, but not later than the 45 days after the Accounting Date whether to distribute among Unit Holders, profits, if any, available for the distribution at the end of the Accounting Period to comply with the requirement of the Regulations, the tax laws and other regulations in force relating to income distribution and shall advise the Trustee of the rate of such distribution per Unit.<sup>2</sup>

6.1.3 The amount available for distribution in respect of any Accounting Period/month/interim period shall be the sum total of:

- (a) The total income earned on the Fund Property during such Accounting Period/month/interim period including all amounts received in respect of, mark - up, profit and fee;
- (b) Whole or part of the realized and unrealized appreciation, at the option of the Management Company; and
- (c) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine.

6.1.4 The Management Company may also distribute an amount, through cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission, for an interim period that is not a full month/ Accounting Period.

6.2. DISTRIBUTION OF INCOME

6.2.1 After fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units the Management Company will inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units shall rank pari passu as to their rights in Net Assets, earning and the receipts of the dividends and distributions, with the existing Units of the Fund from the date of issue of these Units.

6.2.2 On each Accounting Date/month or interim distribution date the Management Company shall in case of cash distribution instruct the Trustee to transfer to the

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<sup>1</sup> Sub-Clause 6.1.1 amended through First Supplemental Offering Document dated July 22, 2014

<sup>2</sup> Sub-Clause 6.1.2 amended through First Supplemental Offering Document dated July 22, 2014

Distribution Account such amount of cash as required to effect the cash distribution of income to the Unit Holders net of re-investment of dividend as provided by 6.2.5 below. The amount standing to the credit of the Distribution Account shall not be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute to Unit Holders as herein provided. Management Company may decide not to open a separate distribution account for each dividend distribution.

- 6.2.3 After the fixing of the rate of cash distribution per Unit, cash distribution payments shall be made by transfer to the Unit Holders' designated bank accounts, or in the case of joint Unit Holders, to designated bank account of the joint Unit Holder first named on the Register. The receipt of funds by such designated bankers shall be a good discharge thereof.
- 6.2.4 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments, whatsoever, and issue to the Unit Holder the certificate in respect of such deduction in the prescribed form in a form approved by the concerned authorities.
- 6.2.5 Certain Unit Holders may authorize the Trustee to re-invest any cash distributions from the Fund into additional Units of the Fund. The Trustee, in such cases will not pay cash distribution but will issue such Units and pay for such Units out of the relevant cash distribution net of any deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments. Issue of the account statement by the Registrar showing an increase in Units shall be a good discharge of the obligation to pay dividends. In such cases, the additional Units will be issued at Net Asset Value less any duties and charges and will not attract any front-end fees or transaction charges. Deductions in respect of any Zakat, income or other taxes, charges or assessments shall be paid as cash to the relevant Government agencies and the Unit Holder will be issued a certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.
- 6.2.6 Where the Units are placed under pledge, the payment of dividends or the issue of Bonus Units for units under pledge shall be made to the pledge holder for the account of the Unit Holder.



6.3. DISTRIBUTION OF LIQUIDATION PROCEEDS

6.3.1 Upon the Trust being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.

6.3.2 The Trustee on the recommendation of the Management Company, shall from time to time, distribute to the Unit Holders prorata to the number of Units held by them, respectively, all net cash proceeds derived from the realization of the Fund Property after making payment as mentioned in sub-Section 6.3.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

6.3.3 In case the Trust is terminated by the Commission on the grounds given in the Regulations, the Commission may appoint a liquidator in consultation with the Trustee.

## 7. PART V II: FEES AND CHARGES

### 7.1. MANAGEMENT COMPANY REMUNERATION

7.1.1 Regulation No 70 of the Regulations (Non-Banking Finance Companies and Notified Entities Regulations 2007) allows the management company to charge a remuneration of an amount not exceeding three percent per annum of the average daily/weekly/monthly Net Assets during the first five years of the scheme and two percent per annum of the average daily/weekly/monthly daily Net Assets thereafter. The rule also allows management company to charge a performance based management fee.

Management Company shall however charge a fee at the rate of 10% of the gross earnings, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations. The fee is subject to a minimum of 0.25% of the average daily net assets of the fund subject to the guidelines as may be issued by the Commission from time to time.

Gross earnings of the fund would be calculated by adding up the following.

- 1) Realized and unrealized gains on Treasury Bills and other government securities including amortization of discounts (excluding amortization of premiums) on these securities
- 2) Income from Reverse repo transactions
- 3) Income from bank deposits
- 4) Any other income earned by the fund

While calculating Gross earnings of the fund, no deduction would be made whatsoever on account of management fee, tax, formation cost or any other expense chargeable to the fund.

The performance fee charged by the management company would cover the following expenses on behalf of the fund. The Management Company would bear all the expenses mentioned in clause (a) to (i) and no charge would be made against the fund property for these expenses.

- (a) Annual Fee payable to the Commission
- (b) Trustee remuneration at the rate specified in Annexure "A"
- (c) Bank charges, foreign currency conversion, commission & buy-sell spreads and borrowing/financial costs.
- (d) Audit Fees
- (e) Custody charges
- (f) Fees and deposits for registration with a depository organization such as the Central Depository Company of Pakistan.
- (g) Listing fees of the exchange, associate membership fee in the stock exchanges, etc.
- (h) Rating fee of collective investment scheme payable to approved rating agency;
- (i) Any printing costs and related expenses for issuing the collective investment scheme's quarterly, half-yearly and annual reports, etc.;

7.1.2 The remuneration shall begin to accrue from the date of payment in full on all Core Units subscribed by the core investors. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued.

7.1.3 The remuneration due to the Management Company shall be calculated and accrued on a daily basis but paid monthly.

7.1.4 In consideration of the foregoing, and save as aforesaid, the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Fund. The Management Company shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and this Offering Document or the Trust Deed to be payable out of Fund Property.

7.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Offering Document or the Trust Deed.

## 7.2. TRUSTEE REMUNERATION

7.2.1 The Trustee shall be entitled to a remuneration based on tariff annexed to this offering document as Annexure A. The remuneration shall begin to accrue from the date of payment in full in respect of the subscription of the Core Units. The Trustee's remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.

7.2.2 In consideration of the foregoing, and save as aforesaid, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Fund Property under the provisions of the Regulations, the Deed and the Offering Document.

7.2.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Offering Document or the Trust Deed.

## 7.3. FORMATION COST

7.3.1 Formation Cost will not exceed 1.0% of the core investment in the fund or Rs:5,000,000/-, whichever is lower and shall be borne by the Management Company and reimbursable by the Fund to the Management Company, subject to audit of expenses over a period not less than five years.

## 7.4. ALLOCATION OF BACK -ENDLOAD

7.4.1 There is no front end load on the units issued, however back end load may be charged from Class A and B units to the extent of maximum 0.1% of investment value, in the cases where the redemption has been made within three days of investment (details are in Clause 5). Back end load charged from the customer would only be used to cover transaction cost

of the Fund.

- 7.4.2 Units issued to an existing Accountholder through conversion from another scheme run by the Management Company shall be issued at a price based on the Net Asset Value. In addition conversion from PCF would also be allowed to another scheme run by the management company. However if conversion from PCF is made within 30 days of the investment/conversion from another scheme then a back-end load shall be charged @ 0.1% of Investment/conversion value.
- 7.4.3 Transfer of Units from one owner to another shall be subject to a processing charge of an amount not exceeding one percent of the Net Asset Value at the date the request is lodged, which shall be recovered from the transferee. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.
- 7.5. PAYMENT OF UNITS IN FOREIGN CURRENCY
- 7.5.1 The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) to manage Offer and Redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange Regulations.
- 7.5.2 Payments made in foreign currency to purchase units shall be converted into Pakistani Rupees through the Authorized Dealer using his quoted rates and any conversion cost shall be deducted from the payment before Units are issued.
- 7.5.3 Payments to be made in foreign currency on redemption of units shall be converted from Pakistani Rupees through the Authorized Dealer using his quoted rates (selling rate for the relevant currency) and any conversion cost shall be deducted from the payment to be made.

7.6. OTHER FEES AND CHARGES OF THE FUND

Other fees and charges shall include:

- (a) Brokerage and transaction costs related to investing and dis-investing of the Fund Property
- (b) Taxes applicable to the Trust on its income, turnover, assets or otherwise
- (c) Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders.

## 8. PART VIII: TAXATION

### 8.1. TAXATION ON INCOME OF PCF

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of PCF. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation from investment in the Fund. This part does not cover tax liability of non-Pakistan resident investor with respect to taxes in their own jurisdiction.

#### 8.1.1 Liability for Income Tax of the Fund

Under the income tax laws of Pakistan, PCF is regarded as a public company for tax purposes {**Section 2 (47) (c)**}. The income of the Fund is taxable at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend Income: Gross Dividend is taxable @10% (**Division III of Part I of the First Schedule**)
- (b) Return from all other sources/instruments is taxable at the rate of 35% applicable to a public company. (**Division II of Part I of the First Schedule**)

#### 8.1.2 Liability for Income Tax if 90% of Income is distributed

Notwithstanding the tax rates stated under Section 8.1.1 above, the income of PCF will be exempted from tax if not less than 90% of the income of the year is distributed amongst the Unit Holders. The 90% of the income shall be calculated after excluding realized and unrealized capital gains. PCF will comply with the requirements of tax exemption and distribute at least 90% of the income, calculated after excluding realized and unrealized capital gains to the Unit Holders. (**Clause 99 of Part I of the Second Schedule**)

#### 8.1.3 Withholding Tax

All income, namely, return from term finance certificates, return on deposits with banks/financial institutions, return from contracts, securities or instruments of companies, organizations, and establishments will not be subjected to withholding tax.

## 8.2. TAXATION OF UNIT HOLDERS AND LIABILITY OF ZAKAT

The information set forth below is included for general information purposes only. In view of the individual nature of tax implications, each investor is advised to consult with his or her tax advisor with respect to the specific tax implications of Investment in PCF

### 8.2.1 Income Tax:

Dividend paid to Unit Holders of the Fund shall be subject to a withholding Tax of 10% according to the present rates, which may be changed in future: **(Division III of Part I of the First Schedule)**

### Capital Gain Tax:

Capital gain arising on sale of shares of a public company is exempt upto Tax year June 30 2008. **(Clause 110 of Part I of the Second Schedule)**

8.2.2 Tax Credit: Unit Holders (other than a company) shall be entitled to a tax credit in Pakistan under Section 62 of the Income Tax Ordinance, 2001 on purchase of new **shares** issued by a **public company** listed on a Stock Exchange. The amount on which tax credit will be allowed shall be the lower of: (a) amount invested; (b) 10% of the taxable income of the Unit Holder; and (c) Rs. 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 within 12 months, the amount of tax payable for the tax year shall be increased by the amount of the credit allowed.

Shares:- includes units in a trust {Section 2 (58)}

8.2.3 Zakat: Units held by resident Pakistani Unit Holders shall be subject to Zakat under the Zakat and Ushr Ordinance, 1980 at a rate of 2.5% of the par value of the Units, except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption payment, if Units are redeemed during the Zakat year before payment of dividend.

## 9. PART IX : REPORTS AND ACCOUNTS

### 9.1. ACCOUNTING PERIOD

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

### 9.2. ACCOUNTING DATE

Accounting Date means the date 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

### 9.3. AUDIT

9.3.1 The first Auditors of the Trust shall be KPMG Taseer Hadi & Co., Karachi, Pakistan. Thereafter, the Management Company shall, in consultation with the Trustee, appoint as auditor a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time, with the concurrence of the Trustee, and shall, if directed by the Commission, remove the Auditors and appoint other Auditors in their place.

9.3.2 The Auditors shall hold office until transmission of the annual report and accounts but may be re-appointed for up to three consecutive terms of one year each. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one year. The following persons shall not qualify to be the Auditors of the Trust:

- (a) A person who is or, at any time during the preceding three years, was a director, officer or employee of the Management Company or the Trustee .
- (b) A person who is a partner of, or in employment of, a director, officer, employee or Connected Person of the Management Company or Trustee.
- (c) The spouse of a director of the Management Company or Trustee.
- (d) A person who is indebted to the Management Company or Trustee, and
- (e) A body corporate.

9.3.3 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm, for the time being.

9.3.4 The Auditors shall have access to the books, papers, accounts vouchers and other records of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, the Trustee and their directors, officers and agents, such information and explanations as considered necessary for the performance of audit.

9.3.5 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company and considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.



- 9.3.6 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended there to.
- 9.3.7 The contents of the Auditors report shall be as required in the Regulations.
- 9.3.8 The Management Company shall:
- (a) Within three [3] months of closing of the Accounting Period, prepare and transmit the annual report along with the Trustee Report, together with a copy of the balance sheet, income and expenditure account, together with the Auditor's report for the Accounting Period, to the Commission and Unit Holders in accordance with the Regulations.
  - (b) Within two months after the close of the first half (second quarter) of its year of accounts, prepare and transmit to the Unit Holders the Commission and the Stock Exchanges on which the Units of the Scheme may be listed, a profit and loss account (income and expenditure statement) for and balance sheet as at the end of that half year, whether audited or otherwise, along with Trustee Report, in accordance with the Regulations.
  - (c) Within a month after the close of the first and the third quarter, prepare and transmit quarterly report to the Unit Holders, the Trustee and the Commission, along with a Profit and Loss Account and Balance Sheet as at the end of the pertinent quarter, whether audited or otherwise, in accordance with the Regulations.

10. PART X: WARNINGS

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS OFFERING DOCUMENT, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, LEGAL ADVISOR, OR OTHER FINANCIAL ADVISOR. THE PRICE OF THE UNITS OF THIS FUND AND THE INCOME OF THIS FUND (FROM WHICH DISTRIBUTIONS TO UNIT HOLDERS IS MADE) MAY INCREASE OR DECREASE.

## 11. PART X I: GENERAL INFORMATION

### 11.1. CONSTITUTIVE DOCUMENTS

The constitutive documents of PCF are:

- (a) Trust Deed, dated 08 February 2008, executed between AHIML and the HMB.
- (b) This Offering Document.
- (c) Consents of the Auditor, Legal Adviser and Trustee to their respective appointments and having been named and described as such in this Offering Document.
- (d) Letter No. NBFC -45/AMC & IA /05/2003 dated 21 August 2003 from SECP, licensing AHIML to undertake Asset Management and Investment Advisory Services, under Non-Banking Finance Companies (Establishment and Regulation) Rules 2003.
- (e) Letter No. NBFC-II/AD/AHIML/PCF/62/2008 dated 01 February 2008 from SECP to AHIML, approving Habib Metropolitan Bank to act as Trustee of PCF under the Non-Banking Finance Companies and Notified Entities Regulations 2007.
- (f) Letter No. NBFC-II/AD/AHIML/PCF/148/2008 dated 29 February 2008 from SECP to AHIML, registering an open-end scheme named “Pakistan Cash Management Fund” under the Non-Banking Finance Companies and Notified Entities Regulations 2007.
- (g) Letter No. NBFC-II/AD/AHIML/PCF/355/2008 dated 14 May 2008 from SECP to AHIML, approving this Offering Document under the Non-Banking Finance Companies and Notified Entities Regulations 2007.

The constitutive documents of PCF can be inspected at the head office of the Management Company

### 11.2. DATE OF PUBLICATION OF THIS OFFERING DOCUMENT

The date of publication of this Offering Document is [].

### 11.3. STATEMENT OF RESPONSIBILITY

Arif Habib Investment Management Limited accepts responsibility for the accuracy of the information herein contained as of the date of publication.

## 12. PART X II: TERMINATION OF THE SCHEME

### 12.1. TERMINATION AND LIQUIDATION OF TRUST

- 12.1.1 The Management Company may terminate the Fund if the Net Assets, at any time, fall below Rupees fifty million. The Management Company shall give at least three months notice to Unit Holders and shall disclose the grounds of its decision. The Management Company may announce winding up of the Fund without notice to the unit holders but under intimation to trustee and SECP in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Fund property to meet such redemption 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 Fund be wound up.
- 12.1.2 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund without notice.
- 12.1.3 If the Commission considers that further continuation of the registration of the Scheme will not be in the interest of the Unit Holders, the Commission may give three months notice to the Trustee, the Management Company and the Unit Holders about the Commission's intention to cancel the registration of the Scheme. Provided that the registration shall not be cancelled without providing an opportunity of being heard to the Management Company or to the Unit Holders upon representation filed before the Commission by three-fourth (3/4<sup>th</sup>) of the total number of Unit Holders of the Scheme, as the case may be. In case of cancellation of registration for such reason, the Management Company shall be required to wind-up the Scheme and refund the net proceeds to the Unit Holders in such manner and within such time as may be specified by the Commission.
- 12.1.4 This Offering Document or the Trust Deed may be terminated in accordance with the conditions specified in the Regulations if there is any breach of the provisions of this Offering Document or the Trust Deed or any other agreement or arrangement entered into between the Trustee and Management Company regarding the Trust.
- 12.1.5 The Commission may cancel the registration of the Scheme before investment of the core units and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively
- 12.1.6 In the event of termination of the scheme, other than due to reasons mentioned in Clause 12.1.1, 12.1.2 and 12.1.4 above, the Management Company shall notify the Units Holders by issuing a public notice in at least two newspaper(s), one in English and one in Urdu, each having wide circulation in Pakistan

### 13. DEFINITIONS<sup>3</sup>

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

- 13.1.1 “Accounting Date” means the date, 30th June, in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date;
- 13.1.2 “Accounting Period” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period;
- 13.1.3 “Auditors” means such audit firms that are appointed as the auditors of the Scheme;
- 13.1.4 “Authorized Branch” means those branches of the Management Company as mentioned in Annexure B, which are authorized to perform Distribution Function
- 13.1.5 “Authorized Dealer” means a Schedule Bank appointed by the Management Company under the Foreign Exchange Manual of the State Bank of Pakistan to manage issuance and redemption of Units and distributions to offshore investors;
- 13.1.6 “Authorized Investment” means investments transacted, issued, traded or listed in Pakistan defined in clause 3.2 of this Offering Document;
- 13.1.7 “Back-end Load” means a processing charge or sales costs, deducted by the Management Company from the Net Asset Value in determining the Redemption Price;
- 13.1.8 “Bank” means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking laws of Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan;
- 13.1.9 “Bank Accounts” mean those accounts the beneficial ownership of which rests in the Unit Holders and for which Habib Metropolitan Bank has been appointed the Trustee;
- 13.1.10 “Book Closure” means a period where the unit holder register is closed and no transfer, issue, redemption, conversion of unit is allowed in that period;
- 13.1.11 “Bonus Units” means the unit issued, on distribution of the distributable income, in the form of stock dividend;
- 13.1.12 “Business Day” means any day of the week, but does not include any day which is

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<sup>3</sup> Sub-Clause 13.1.22 “ Cut-Off Date” stands deleted through First Supplemental Offering Document dated July 22, 2014

gazetted Government of Pakistan holiday or on which Banks are closed for business in Pakistan.

- 13.1.13 “Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of the Trust Deed;
- 13.1.14 “Commission” means the Securities and Exchange Commission of Pakistan (SECP) set up under Securities and Exchange Commission of Pakistan Act, 1997;
- 13.1.15 “Connected Person” shall have the same meaning as in the Regulations;
- 13.1.16 “Connected Broker” means a broker that is a Connected Person;
- 13.1.17 “Constitutive Document” means this Trust Deed Offering Document(s) and other principal documents governing the formation, management or operation of the Fund including all related material agreements;
- 13.1.18 “Core Investors” of the Fund shall be such initial investors including the Management Company whose subscription shall in aggregate be in compliance of the requirements of Rule 61(2)(e)(ii) of the Regulations. The Core Investors shall be issued Core Units representing their subscription;
- 13.1.19 “Core Units” shall mean such Units of the Fund that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be effected only on the receipt, by the Registrar, of a written acceptance of this condition by the transferee;
- 13.1.20 “Custodian” means, the Habib Metropolitan Bank Limited, or any other other bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or depository company for the time being appointed by the Trustee, with the approval of the Management Company, to hold and protect the Fund Property, or any part thereof, as custodian, on behalf of the Trustee; the Trustee may also, itself, provide custodial services for the Fund, with the approval of the Management Company, at competitive terms, as part of the normal line of its business provided it has been approved by the Commission to act as custodian;
- 13.1.21 “Cut-Off Time” means (10:00 am) on any Business Day as may be determined by the Management Company and communicated to the Trustee and Unit holders before which unit transactions shall be effectuated;
- 13.1.22 “Dealing / Subscription Day” means every Business Day, provided that the Management Company may, with the prior written consent of the Trustee, and upon giving not less than 7 [seven] days notice in the news papers, declare any particular business day not to be a Dealing Day;
- 13.1.23 “Deed” means the Trust Deed which is the principal Document governing the formation management or operation of the Fund;
- 13.1.24 “Distribution Account” means the account (which may be a current, deposit, or savings

account) maintained by the Trustee with a Bank approved by the Management Company in which the amount required for distribution of income to Unit Holders shall be transferred;

13.1.25 “Distributor”, “Distribution Company”, “Distribution Companies” mean company(ies), firm(s), or bank(s) appointed by the Management Company, with the approval of the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company, itself, if it performs the Distribution Functions;

13.1.26 “Distribution Functions” mean the functions with regard to:

- (a) Receiving applications for the issue of Units and the aggregate Offer Price for Units applied for by such applications;
- (b) Issuing receipts in respect of (a) above;
- (c) Issuing Contract notes to the applicants in accordance with the terms of the Scheme;
- (d) Interfacing with and providing services to the Holders including receiving redemption, transfer applications, conversion notices and applications for change of address or issue of duplicate certificates for immediate transmission to the Management Company or the Registrar, as appropriate; and
- (e) Accounting to Trustee for (i) money received from applicants for the issuance of units; (ii) payments made to the Units Holders on redemption of Units; (iii) expenses incurred in relation to the Distribution Function;

13.1.27 “Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or, in respect of the issue, sale, 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 Front-end or Back-end Load or commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value;

13.1.28 “Financial Institution” means:

- (a) a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches;
- (b) a modaraba, leasing company, investment bank, venture capital company, financing company, housing finance company, a nonbanking finance company; and
- (c) such other institution or company authorized by law to undertake any similar business, as the Federal Government may, by notification in the official Gazette, specify for the purpose;

13.1.29 “Formation Cost” means all preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Scheme, execution and registration of

the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund, inviting investment therein and all expenses incurred during the period leading up to the initial issue of Units;

- 13.1.30 “Front-end Load” means the processing charge or sales costs, included by the Management Company in NAV in determining the Offer Price;
- 13.1.31 “Fund Property ” means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer or Redemption prices, after deducting therefrom or providing there against, the value of Redemption, Front-end Load, Back -end Load, Duties and Charges (if included in the Offer Price or Redemption P rice) applicable to the issue or redemption of Units and any expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising therefrom and all cash and other assets, movable or immovable, and property of every description, for the time being, held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account;
- 13.1.32 “Holder” or “Unit Holder” means the investor, for the time being, entered in the Register as owner of a Unit or part thereof, including investors jointly registered pursuant to the provisions of this Offering Document and the Trust Deed;
- 13.1.33 “Initial Offer Price” means the price of Rs. 50 per Unit at which units are offered to core investors;
- 13.1.34 Institutional Investor means Company, Trust, Mutual fund, Partnership, body corporate incorporated by or under the law of a country outside Pakistan, cooperative society, foreign association but does not include an individual investor.
- 13.1.35 “Investment” means any Authorized Investment forming part of the Fund Property;
- 13.1.36 “Investment Promotion officer ” or “Facilitator” means an individual, firm , corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Fund. The Management Company will compensate the facilitators;
- 13.1.37 “Management Company” means Arif Habib Investment Management Limited;
- 13.1.38 “Net Assets” means the excess of assets over liabilities of the Fund, such excess being computed in the manner specified in Clause 5.3 of this Offering Document;
- 13.1.39 “Net Asset Value” or “NAV” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding;
- 13.1.40 “Offer Price” means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to Clause 5.4 of the Trust Deed;
- 13.1.41 “Offering Document” means the prospectus, advertisements or other documents (approved by the Commission) that contain the investment and distribution policy and all other information in respect of the Fund and the plans offered under various administrative arrangements covered by the respective Supplementary Offering Documents, as required by the Regulations and is calculated to invite offers by the public to invest in the



- Fund;
- 13.1.42 “Ordinance” means the Companies Ordinance, 1984;
- 13.1.43 “Par Value” means the Offer Price of a Unit that shall be Rs. 50;
- 13.1.44 “Pakistan Cash Management Fund”, “Fund”, “PCF”, “Trust” or “Scheme” or “Open -end Scheme” means the trust constituted by the Trust Deed of which this is the Offering Document;
- 13.1.45 “Redemption Price” means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 5.6 of the Trust Deed;
- 13.1.46 “Redemption Form” means the redemption form as defined in this Offering Document as attached;
- 13.1.47 “Register” means the Register of the Holders kept pursuant to the Regulations and the Trust Deed;
- 13.1.48 “Registrar” means an organization that the Management Company shall appoint for performing the Registrar Functions;
- 13.1.49 “Registrar Functions” means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of lien/pledge or for recording of changes in data with regard to the Unit Holder
  - (c) Dispatching income distribution warrants and bank transfer intimations;
  - (d) Issuing statement of accounts to the Unit Holders; and;
  - (e) Issuing, re-issuing and canceling Certificates;
- 13.1.50 “Regulations” means the Non-Banking Finance Companies and Notified Entities Regulations 2007 as amended or substituted from time to time;
- 13.1.51 “Rules” mean Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, as amended or substituted from time to time;
- 13.1.52 “SECP” or “the Commission” means the Securities and Exchange Commission of Pakistan set up under Securities and Exchange Commission of Pakistan Act, 1997;
- 13.1.53 “Stock Exchange” means Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969;
- 13.1.54 “Supplementary Offering Document” means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission, describing amendments in the Offering Document or the special features of new type of Units and offering investment in the Scheme;
- 13.1.55 “Supplementary Trust Deed” means a document issued by the Management Company,

in consultation with the Trustee after seeking approval of the Commission, describing amendments in the Trust Deed;

- 13.1.56 “Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not limited to, brokerage, taxes or levies on transaction, etc.) related to the investing or disinvesting activities of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such cost may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property;
- 13.1.57 “Unit” means one undivided share in the Fund and, where the context so indicates, a fraction thereof;
- 13.1.58 “Trust Deed” means the deed entered into by AHIML and the Trustee to constitute this open-end fund;
- 13.1.59 “Zakat” has the same meaning as in the Zakat and Ushr Ordinance, 1980.

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

14 SIGNATORIES TO THE OFFERING DOCUMENT OF PAKISTAN CASH MANAGEMENT FUND

Name	Position in Management Company	Signatures
Mr. Salim Chamdia	Chairman	
Mr. Nasim Beg	Chief Executive	
Mr. Muhammad Akmal Jameel	Director	
Mr. Sirajuddin Cassim	Director	
Mr. Muhammad Shafi Malik	Director	
Mr. M. Kashif .A . Habib	Director	
Mirza Qamar Beg	Director	

Dated : 22 February 2008

Place: Karachi, Pakistan

Witness: \_\_\_\_\_

Address: \_\_\_\_\_

NIC No .: \_\_\_\_\_

## ANNEXURE A

### HMB Tariff Structure for Trusteeship of Open -end Scheme

The Trustee remuneration shall be 1% of the gross earnings of the fund, calculated on a daily basis, subject to a minimum monthly remuneration of Rs 200,000 (Two Hundred Thousand). In respect of any month other than a complete calendar month such minimum remuneration shall be prorated on the basis of the actual number of days of such month.

In addition to the above remuneration, Trustee would also be entitled to a reimbursement of custodial expenses/charges.

The Trustee remuneration would be paid by the management company from its share of management fee.

## ANNEXURE B

### AUTHORISED BRANCHES

This list is based on the current address of the Area offices of the Management Company and the address of the current authorised branches and can be changed due to relocation of offices or addition or deletion of authorised branches.

### REGISTERED OFFICE OF THE MANAGEMENT COMPANY

2/1, R.Y .16, Old Queens Road, Karachi-74000.

TEL: (092-21) 111-468 -37 8 (111-IN V E S T),  
24701 53-62, 2470210-19. Fax: (092-21) 247-0351,  
247-0337.

Email: [marketing@arifhabib.com.pk](mailto:marketing@arifhabib.com.pk).

Website: [www.arifhabib.com.pk](http://www.arifhabib.com.pk)

### AUTHORISED BRANCHES

Karachi	Lahore	Islamabad/Pindi	Multan
2/1, R.Y. 16, Old Queens Road, Karachi. 74000 Tel: (021) 111-468-378 Fax: (021) 2470351 Email: <a href="mailto:marketing@arifhabib.com.pk">marketing@arifhabib.com.pk</a>	4 Mezzanine Floor, Rehman Business Center, 32-B-III, Gulberg III Lahore Tel: (042) 111-468-378, Fax: (042)5872231. Email: <a href="mailto:salim.beg@arifhabib.com.pk">salim.beg@arifhabib.com.pk</a>	60 - A, Canning Road Rawalpindi 46000 Tel: (051) 111-468-378 Fax: (051) 5563091 Email: <a href="mailto:zahir.khan@arifhabib.com.pk">zahir.khan@arifhabib.com.pk</a>	143-144, Mall Plaza Multan Cantt. Tel: (061) 111-468-378 Fax: (061) 4542924 Cell:(0300) 6304490 Email: <a href="mailto:nawazish.zaidi@arifhabib.com.pk">nawazish.zaidi@arifhabib.com.pk</a>
Peshawar	Faisalabad		
1st Floor, State Life Building 34 The Mall. Peshawar Tel: (091) 111-468-378 Fax: (091) 5287697 Email: <a href="mailto:haroon.ayub@arifhabib.com.pk">haroon.ayub@arifhabib.com.pk</a>	P-838, Plot # 75, Liaquat Road Faisalabad Tel: (041) 111-468-378 Email: <a href="mailto:imran.ahmad@arifhabib.com.pk">imran.ahmad@arifhabib.com.pk</a>		