Risk Disclaimer: All Investments in mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in clause 2.2.1, Risk Factors mentioned in clause 2.5, Taxation Policies mentioned in clause 7 and Warnings in clause 9 before making any investment decision.

OFFERING DOCUMENT OF

AL Habib Sovereign Income Fund

AN OPEN-ENDED SOVEREIGN INCOME SCHEME

RISK PROFILE: MEDIUM
RISK OF PRINCIPAL EROSION: PRINCIPAL AT MEDIUM RISK

Plans	Category	Plan Risk Profile
Al Habib Sovereign Income Fund – Plan 1	Sovereign Income	Medium (principle at medium risk)
Al Habib Sovereign Income Fund – Plan 2	Sovereign Income	Medium (principle at medium risk)
Al Habib Sovereign Income Fund – Plan 3	Sovereign Income	Medium (principle at medium risk)

MANAGED BY

AL Habib Asset Management Limited (AL Habib AMC)
(The Management Company)

SECP approval letter No. SCD/AMCW/ASIF/2024/309 dated May 23, 2025

Key Fact Statement of
AL Habib Sovereign Income Fund – Plan 1
Type: Open-ended
Category: Sovereign Income Scheme
Managed by AL Habib Asset Management Limited
Risk Profile: Medium (Principal at Medium Risk)
Issuance Date: May 27, 2025

1. DISCLAIMER

Before you invest, you are encouraged to review the detailed features of the Fund and its Investment Plans in the offering document and / or Monthly Fund Manager Report.

2. KEY ATTRIBUTES

Investment objective of Investment Plan	To seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.
Authorized Investment Avenues	Government Securities, Reverse Repo against Government Securities, TFC / Sukuk, TDR, Government Securities ETF, Spread Transactions
Launch Date of Investment Plan	May 30, 2025
Minimum Investment Amount	Initial Investment Amount Rs.5,000 Subsequent Investment Amount Rs.1,000
Duration (Perpetual / Fixed Maturity) **Date of Maturity**	Perpetual N /A
Performance Benchmark **Expected Return**	90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP
IPO / Subscription Period	03-June-2025
Subscription / Redemption Days Timing	Monday to Thursday 9:00 a.m. to 4:00 p.m. Friday 9:00 a.m. to 4:30 p.m.
Types & Classes of Units	**Class "A"** **Class "B"**
Management Fee	Up to 1.5% of Average daily net assets

3. BRIEF INFORMATION ON THE PRODUCT CHARGES

1. *Front End Load (FEL)	**Distribution Channel**	**Percentage**
	Direct investment through AMC / third party	**Up to 3%**
	Digital platform of AMC	**Up to 1.5%**
2. Redemption Charges	**Type of Charge**	**Percentage**
	***Back-end load**	**Up to 3%**
	Contingent load	NIL

***Cumulative sales Load (FEL + BEL) will not exceed 3% of NAV**

Total Expense Ratio (TER)
Investors are advised to consult the Fund Manager Report (FMR) of the respective CIS / Investment Plan for the latest information pertaining to the updated TER.

Applicable Taxes
Disclaimer: Income earned in the form of dividend or capital gain shall be charged at a rate as specified in Income Tax Ordinance, 2001.

4. KEY STAKE HOLDERS

a. **Asset Management Company**
AL Habib Asset Management Limited
3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi
UAN: +92-21- 111-342-242
WhatsApp: +92 333 2431136
support@alhabibfunds.com

b. **Trustee**
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400
UAN: +92-21- 111-111-500

Key Fact Statement of
AL Habib Sovereign Income Fund – Plan 2
Type: Open-ended
Category: Sovereign Income Scheme
Managed by AL Habib Asset Management Limited
Risk Profile: Medium (Principal at Medium Risk)
Issuance Date: _____

1. DISCLAIMER

Before you invest, you are encouraged to review the detailed features of the Fund and its Investment Plans in the offering document and / or Monthly Fund Manager Report.

2. KEY ATTRIBUTES

Investment objective of Investment Plan	To seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.
Authorized Investment Avenues	Government Securities, Reverse Repo against Government Securities, TFC / Sukuk, TDR, Government Securities ETF, Spread Transactions
Launch Date of Investment Plan	Date will be update before the launch of Plan
Minimum Investment Amount	Will be update before the launch of Plan
Duration (Perpetual / Fixed Maturity) **Date of Maturity**	Fixed Maturity Date will be update before the launch of Plan
Performance Benchmark **Expected Return**	90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP
IPO / Subscription Period	Date will be update before the launch of Plan
Subscription / Redemption Days Timing	Monday to Thursday 9:00 a.m. to 4:00 p.m. Friday 9:00 a.m. to 4:30 p.m.
Types & Classes of Units	**Class "A"** **Class "B"**
Management Fee	Up to 1.5% of Average daily net assets

3. BRIEF INFORMATION ON THE PRODUCT CHARGES

3. *Front End Load (FEL)	**Distribution Channel**	**Percentage**
	Direct investment through AMC / third party	**Up to 3%**
	Digital platform of AMC	**Up to 1.5%**
4. Redemption Charges	**Type of Charge**	**Percentage**
	***Back-end load (BEL)**	**Up to 3%**
	Contingent load	NIL

***Cumulative sales Load (FEL + BEL) will not exceed 3% of NAV**

Total Expense Ratio (TER)
Investors are advised to consult the Fund Manager Report (FMR) of the respective CIS / Investment Plan for the latest information pertaining to the updated TER.

Applicable Taxes
Disclaimer: Income earned in the form of dividend or capital gain shall be charged at a rate as specified in Income Tax Ordinance, 2001.

4. KEY STAKE HOLDERS

a. **Asset Management Company**
AL Habib Asset Management Limited
3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi
UAN: +92-21- 111-342-242
WhatsApp: +92 333 2431136
support@alhabibfunds.com

b. **Trustee**
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400
UAN: +92-21- 111-111-500

Key Fact Statement of
AL Habib Sovereign Income Fund – Plan 3
Type: Open-ended
Category: Sovereign Income Scheme
Managed by AL Habib Asset Management Limited
Risk Profile: Medium (Principal at Medium Risk)
Issuance Date: _____

1. DISCLAIMER

Before you invest, you are encouraged to review the detailed features of the Fund and its Investment Plans in the offering document and / or Monthly Fund Manager Report.

2. KEY ATTRIBUTES

Investment objective of Investment Plan	To seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.
Authorized Investment Avenues	Government Securities, Reverse Repo against Government Securities, TFC / Sukuk, TDR, Government Securities ETF, Spread Transactions
Launch Date of Investment Plan	Date will be update before the launch of Plan
Minimum Investment Amount	Will be update before the launch of Plan
Duration (Perpetual / Fixed Maturity) **Date of Maturity**	Fixed Maturity Date will be update before the launch of Plan
Performance Benchmark **Expected Return**	90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP
IPO / Subscription Period	Date will be update before the launch of Plan
Subscription / Redemption Days Timing	Monday to Thursday 9:00 a.m. to 4:00 p.m. Friday 9:00 a.m. to 4:30 p.m.
Types & Classes of Units	**Class "A"** **Class "B"**
Management Fee	Up to 1.5% of Average daily net assets

3. BRIEF INFORMATION ON THE PRODUCT CHARGES

5. *Front End Load (FEL)	**Distribution Channel**	**Percentage**
	Direct investment through AMC /third party	**Up to 3%**
	Digital platform of AMC	**Up to 1.5%**
6. Redemption Charges	**Type of Charge**	**Percentage**
	***Back-end load**	**Up to 3%**
	Contingent load	NIL

***Cumulative sales Load (FEL + BEL) will not exceed 3% of NAV**

Total Expense Ratio (TER)
Investors are advised to consult the Fund Manager Report (FMR) of the respective CIS / Investment Plan for the latest information pertaining to the updated TER.

Applicable Taxes
Disclaimer: Income earned in the form of dividend or capital gain shall be charged at a rate as specified in Income Tax Ordinance, 2001.

4. KEY STAKE HOLDERS

a. **Asset Management Company**
AL Habib Asset Management Limited
3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi
UAN: +92-21- 111-342-242
WhatsApp: +92 333 2431136
support@alhabibfunds.com

b. **Trustee**
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400
UAN: +92-21- 111-111-500

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OFFERING DOCUMENT OF

AL Habib Sovereign Income Fund (AHSIF)

An Open-ended Sovereign Income Scheme

MANAGED BY

AL Habib Asset Management Limited

An Asset Management Company Registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Date of Publication of Offering Document Dated, May 23, 2025
Pre-Initial Public Offering May 30, 2025 to June 02, 2025
Initial Offering: June 03, 2025

The **AL Habib Sovereign Income Fund** (the Fund/the Scheme/the Trust/the Unit Trust/AHSIF has been established through a Trust Deed (the Deed) dated November 08, 2024, under the Sindh Trust Act, 2020 entered into and between **AL Habib Asset Management Limited,** the Management Company, and **Central Depository Company of Pakistan Limited**, the Trustee.

REGULATORY APPROVAL AND CONSENT

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of **AL Habib Sovereign Income Fund (AHSIF)** and registered it as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") vide letter No SCD/AMCW/AHSIF/2024/166-/MF-NE-170 dated December 18, 2024. SECP has approved this Offering Document, under the Regulations No. 54(1).

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

Offering Document

This Offering Document sets out the arrangements covering the basic structure of the **AL Habib Sovereign Income Fund** (the "Fund", the "Scheme"). It sets forth information about the Fund and Investment Plan(s) that a prospective investor should know before investing in any class of Unit of Investment Plans launched under this Fund. The provisions of the Trust Deed, the Rules, the Regulations**,** circulars and directives etc. as specified hereafter, that may be issued from time to time govern this Offering Document

Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors, Warning and Disclaimer. If prospective investor has any doubt about the contents of this Offering Document, he/she should consult one or more from amongst their investment advisers, legal advisers, bank managers, stockbrokers, or financial advisers to seek independent professional advice.

Investors must recognize that the investments involve varying levels of risk. The portfolio of the Investment Plan(s) under the Fund consists of investments, listed as well as unlisted (other than equity funds) that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Investment Plan(s) of the Fund nor the dividend declared by the Investment Plan(s) of the Fund is, or can be, assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.4 and Clause 9 respectively in this Offering Document.

Filing of the Offering Document

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with SECP. Copies of the following documents can be inspected at the registered office of the Management Company or the place of business of the Trustee:

(1) License No. SECP/LRD/2/AMC/AHAML/2022/98 dated April 18, 2023 granted by SECP to **AL Habib Asset Management Limited** to carry out Asset Management Services and Investment Advisor;

(2) Al Habib Asset Management Limited has appointed the **Central Depository Company of Pakistan Limited** as the Trustee of the Fund;

(3) Trust Deed (the Deed) of the Fund;

(4) SECP's Letter No. SCD/AMCW/AHSIF/2024/166-/MF-NE-170 dated December 18, 2024 registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;

(5) Letter from BDO Ebrahim & Co., Chartered Accountants, Auditors of the Fund, consenting to the issue of statements and reports;

(6) Letter from Mohsin Tayebaly & Co., Legal Advisers of the Fund, consenting to act as adviser;

(7) Assistant Director of Industries and Commerce Directorate of the Department has issued a certificate of registration bearing reference no. KAR/ST/032/2024 dated November 08, 2024 upon registration of the Trust under Sindh Trust Act 2020.

(8) SECP's letter No. SCD/AMCW/ASIF/2024/309 dated May 23, 2025 approving this Offering Document.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Fund is an open-end Fund and has been constituted by a Trust Deed entered into at Karachi on November 08, 2024 between:

AL Habib Asset Management Limited ("AHAML"), a Non-Banking Finance Company incorporated under the Companies Act, 2017 and licensed by SECP to undertake asset management services, with its principal place of business at 3rd Floor, MacKinnons Building, I. I. Chundrigar Road Karachi, Pakistan, as the Management Company; which expression where the context so permits shall include its successors in interest and assigns) of the other part.

and

Central Depository Company of Pakistan Limited ("CDC"), a public limited company incorporated in Pakistan under the Companies Act, 2017, and registered by SECP to act as a Trustee of the Collective Investment Scheme under Non-Banking Finance Companies and Notified Entities Regulations, 2008, having its registered office at CDC House, 99-B, Block B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi as the Trustee; which expression where the context so permits shall include its successors in interest and assigns) of the other part.

1.2 **Trust Deed (the "Deed")**

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008, Securities Act 2015, Sindh Trust Act 2020, Companies Act, 2017 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Offering Document and the Deed, the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules or Regulations and Circulars issued by SECP, the latter shall supersede and prevail over the provisions contained in this Deed.

The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The Management Company shall not invest assets of the Plan(s) abroad unless it has obtained prior written approval of State Bank of Pakistan (SBP) and the Commission in this regard; where such investment shall be in line with the overall framework of authorized investment as prescribed for this category of collective investment scheme.

1.3 **Modification of Trust Deed**

The Trustee and the Management Company, acting together and with the approval of SECP shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Deed to such extent as may be required to ensure compliance with any applicable laws, Rules and Regulations.

Where the Deed has been altered or supplemented, the Management Company shall duly notify the Unit Holders and publish altered Trust Deed on their official website.

1.4 **Introduction and Duration of the Scheme and Investment/ Investment Plans**

AL Habib Sovereign Income Fund is an open-ended Sovereign Income Scheme and it is being launched in a shell structure. The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up or revoke on the occurrence of certain events as specified in the Regulations or Clause **10.4** of this document.

The duration of the Investment Plans approved under this Offering Document are as follows:

S. No.	Plan	Duration
1.	AL Habib Sovereign Income Fund – Plan – 1	Perpetual
2.	AL Habib Sovereign Income Fund – Plan – 2	5 years
3.	AL Habib Sovereign Income Fund – Plan – 3	5 years

1.5 **Trust Property**

The aggregate proceeds of all Units issued from time to time by each of the Investment Plan(s) after deducting Duties and Charges, Transactions Costs and any applicable Sales Load, shall constitute part of the Trust Property and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Deed but does not include any amount payable to the Unit Holders as distribution. However, any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property of the pertinent Investment Plan(s). For the avoidance of any doubt the trust property comprises of assets of AL Habib Sovereign Income Fund – Plan – 1, AL Habib Sovereign Income Fund – Plan – 2, AL Habib Sovereign Income Fund – Plan – 3and any other plans launched from time to time through SupplementalOffering document.

The Trustee shall hold the Trust Property under each Investment Plan(s), as well as Trust Property of the Scheme on deposit in a separate account with the Commercial Bank having minimum rating as allowed under Regulations.

1.6 **Initial Offer and Initial Period**

AL Habib Sovereign Income Fund – Plan 1 (AHSIF- Plan1)

Initially, Offering is made during the Initial Period which will begins at the start of the banking hours on June 03, 2025 and shall end at the close of the banking hours on June 03, 2025.

No Units shall be redeemable during the above Period. During the initial period, the Units shall be issued at the par value offered at the time of offering units and subsequently at the price calculated and announced by the Asset Management Company for every Dealing Day.

AL Habib Sovereign Income Fund – Plan 2 (AHSIF- Plan2)

Initially Offering is made during the Initial Period which will begins at the start of the banking hours on <start date> and shall end at the close of the banking hours on <end date>.

No Units shall be redeemable during the above Period. During the initial period, the Units shall be issued at the Par Value offered at the time of offering units and subsequently at the price calculated and announced by the Asset Management Company for every Dealing Day

AL Habib Sovereign Income Fund – Plan 3 (AHSIF- Plan3)

Initially Offering is made during the Initial Period which will begins at the start of the banking hours on <start date> and shall end at the close of the banking hours on <end date>.

No Units shall be redeemable during the above Period. During the initial period, the Units shall be issued at the Par Value at the time of offering units and subsequently at the price calculated and announced by the Asset Management Company for every Dealing Day.

1.7 **Transaction in Units after Initial Offering Period**

Subsequent to the initial period, the Units of the Investment Plan(s) can be purchased at the Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of the Net Asset Value (NAV) of each Investment Plan(s). The Units will be available for purchase and redemption on each Dealing Day. NAV will be published on the Management Company's and MUFAP's website.

The Management Company may at some future time and at its own cost register the Units of Investment Plan(s) with a Depository organization, such as the Central Depository Company of Pakistan Limited. Any transactions for de-materialized Units registered with Depository will take place according to the rules and regulations of the depository organization and the constitutive documents of the Fund.

The Issue and Redemption of Units of one or more than one Plan(s) may be suspended or deferred by the Management Company under certain circumstances as detailed in Clause 4.11 in this Offering Document.

1.8 Offering Document

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

1.9 Modification of Offering Document

This Offering Document will be updated to take account of any relevant material changes relating to the Fund or its Investment Plan(s). Such changes shall be subject to prior consent of the Trustee and approval from the Securities and Exchange Commission of Pakistan (SECP) and shall be circulated to all Unit Holders and/ or publicly notified by advertisements in the newspapers subject to the provisions of the Rules and the Regulations and duly posted on the official website of the Management Company.

1.10 Structure/ Duration of Scheme

AL Habib Sovereign Income Fund has been constituted in the form of a Trust and shall offer various Investment Plan(s) under it that will invest in the Authorized Investment of the pertinent Plan(s) as specified in the Investment Policy contained herein and the number of such plans at any point in time shall not exceed the limit specified by the Commission. The Management Company may, with the prior approval of the Commission, introduce Investment Plan(s) through supplement to the Offering Document.

- The Fund is being launched in shell structure. The Fund itself does not offer units for subscription; however, the units of investment plans will be made available for subscription to the Investor/ Unit Holders;
- The Fund will offer one plan of perpetual nature; however, remaining Investment Plan(s) launched will have a set timeframe.
- The Fund offer only six Investment Plans, hereafter, investing in accordance with the Authorized Investments of the Investment Plan(s). Subsequently, additional Investment Plan(s) may be launched, as approved by the Commission, through supplemental Offering Documents.
- Each Investment Plan may have **one or more-unit** types and Plan(s) will have separate NAVs which will rank pari passu inter se according to the number of Units of the respective Plan(s).
- The Management Company may at its own discretion decide the launching date of each Investment Plan and give prior intimation to the Trustee and SECP.
- Investors of the Fund may invest in any one or more of the available Investment Plan(s).

The minimum size of a single investment plan shall be 50 million rupees at all times during the life of the plan.

- The Pre-IPO subscription in the fund or the plans being offered under the fund shall only be initiated once a definite date for IPO is announced and the amounts/investments received during the Pre-IPO period shall remain locked-in till the date of IPO of the fund/Plans subject to a specific disclosure to Pre-IPO investors regarding the lock-in period.

1.11 Responsibility of the Management Company for information given in this Document

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

2. INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

2.1 Investment Objective of Investment Plan(s).

Investment Objective - Plan 1

The investment objective of Plan 1 is to seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.

Investment Objective - Plan 2

The investment objective of Plan 2 is to seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.

Investment Objective - Plan 3

The investment objective of Plan 3 is to seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.

2.2 Investment Policy

a) The Policy of the Fund and Investment Plans shall be in accordance with the Rules, Regulations, and directives issued by the SECP and be specified in the Offering Document.

Investment Plans under AL Habib Sovereign Income Fund will invest in authorized investments in line with its Investment Objective.

2.2.1 **Authorized Investments**

Asset Class		Entity or Instrument Rating	Minimum Exposure	Maximum Exposure
1.	Government Securities	N/A	70%	100%
2.	cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills not exceeding 90 days' maturity.	AA- and above	10%	100%
3.	Reverse Repo against Government Securities	N/A	0%	15%
4.	Term Finance Certificates / Sukuk	AA- and above	0%	20%
5.	Term Deposits with Banks	AA- and above	0%	20%
6.	Government Securities Income Exchange Traded Funds	N/A	0%	10%
7.	Spread Transactions	N/A	0%	20%
8.	Any other instrument / securities that may be allowed by the SECP from time to time	AA- and above	As may be allowed by the Commission	As may be allowed by the Commission

- At least 70% of its net assets shall remain invested in Government Securities on monthly average basis calculated at the end of each month. In the event of any breach in the same due to increase or decrease in net assets due to issuance or redemption, the breach shall be regularized within one month of the breach. Provided that the minimum cash or near cash investment limits shall be maintained at all times or as determined by the Commission from time to time. Moreover, Government Securities (such as T-Bills, Ijara Sukuks & PIBs) having maturity of less than 90 days shall be considered as Cash and near cash instruments.

- Weighted average time to maturity of the net assets shall not exceed 4 years and this condition shall not apply to securities issued by the Federal Government. The cap on the WATM of an Income Fund of 4 years would not include securities issued by the Federal Government. However, for the purpose of disclosure (FMR or other public marketing materials), actual WATM of the portfolio should be calculated to disclose the factual portfolio position and

- No restriction regarding:

  (a) Time to maturity of any single asset in the portfolio.
  (b) Duration of a single security in the portfolio.

- Cash and near cash instruments shall be maintained at all times.

2.2.2 **The Benchmark of the Investment Plans is as follows:**

Name of the Investment Plan	Benchmark
AL Habib Sovereign Income Fund – Plan – 1	The performance benchmark of the Fund shall be "90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP".
AL Habib Sovereign Income Fund – Plan – 2	The performance benchmark of the Fund shall be "90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP".
AL Habib Sovereign Income Fund – Plan – 3	The performance benchmark of the Fund shall be "90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP".

2.2.3 **Risk Control in the Investment Process**

(a) The Management Company shall ensure that effective risk control measures are in place for the protection of the Unit Holders' interests.

(b) The objective of the risk control process is endeavor to monitor and manage the various types of risks, including market risks, credit risks and operational risks, with a view to achieving the investment objective of the Scheme.

Exposure to the Authorized Investments shall be determined based on the fund manager's outlook on the economy, the Capital / Money market and any other factor considered important by the Management Company towards effective discharge of its duties under the Regulations, the Deed and this Offering Document.

2.2.4 **Management Company Can Alter Investment Mix**

The Management Company can from time to time alter the weightings, subject to the specified limits as per Clause 2.2.1 above, between the various types of investments if it is of the view that market conditions so warrant. The Fund not invested in the foregoing avenues shall be placed as deposits with scheduled banks.

2.3 **Changes in Investment Policy**

The investment policy will be governed by the Regulations and/or SECP directives. Any Fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving 30 days prior notice to the Unit Holders as specified in the regulation.

2.4 **Investment Restrictions**

(a) The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, this Offering Document of the Fund, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP and are

explicitly mentioned under the heading "Exceptions to Investment Restriction" in this offering document or subsequently in writing. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and/or owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations, circular or notification issued by SECP from time to time.

(b) The Management Company, on behalf of the Fund, shall not enter into transactions with any broker that exceeds the limit provided in the Regulations and or circulars and notifications issued by the Commission from time to time.

Transactions relating to money market instruments and debt securities do not fall under this clause.

(c) The Management Company on behalf of the Scheme shall not:

i. Purchase or sell -
   a. Bearer securities;
   b. Securities on margin;
   c. Real estate, commodities or commodity contracts;
   d. Securities which result in assumption of unlimited liability;
   e. Anything other than Authorized Investments as defined herein;

ii. Participate in a joint account with others in any transaction;

iii. Take exposure to equities;

iv. Affect a short sale in a security whether listed or unlisted;

v. Purchase any security in a forward contract;

vi. Take Exposure in any other Collective Investment Scheme except as allowed under the Regulations and / or Circulars;

vii. Take exposure in any security on margin;

viii. Purchase securities which result in assumption of unlimited liability (actual or contingent)

ix. Finance, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulations;

x. Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company;

xi. Invest in securities of the Management Company;

xii. Sell or issue Units for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Scheme;

xiii. borrow in any form, except with the approval of trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of an Open-End Scheme at the time of borrowing. The maximum period of borrowing shall be 90 days and any net cash flows during interim period shall be utilized for repaying of borrowing: Provided that an Asset Management Company during the interim period may invest net cash flows for right issues or may invest

during the interim period if there is no option in borrowing agreement for early repayment of borrowing

xiv. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or take over;

xv. Invest the subscription money until the closure of the initial offering period;

xvi. Enter on behalf of the Scheme, into underwriting or sub-underwriting contracts;

xvii. Subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company;

xviii. Pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;

xix. Accept deposits;

xx. Invest in MTS

xxi. Make a loan or advance money to any person from the assets of the Scheme;

xxii. In case of redemption requests that are pending due to constraint of liquidity in the Fund, for more than the period as stipulated in the Regulations, the Management Company shall not make any fresh investment or rollover of any investment.

xxiii. The exposure to any single entity shall not exceed an amount equal to ten percent (10%) of total net assets of the Fund.

xxiv. Where redemption requests exceed 10% of total number of units in issue of fund on any one dealing day, the redemption request of AMCs and its sponsors, if any shall have least priority for redemption on that day.

xxv. enter, on behalf of a Collective Investment Scheme, into transactions with any broker that exceed [twenty-five] per cent of the commission [payable] by a Collective Investment Scheme in any one accounting year.

The exposure limits prescribed under clause (3), (4), (7) and (8) of the schedule XIX will not be applicable in case of exposure in securities issued or guaranteed by the Federal Government.

Exemption to Investment Restrictions

In order to protect the rights of the Unit Holders, the Management Company with the consent of the Trustee and prior approval of the Commission may take an Exposure in any unauthorized investment due to recovery of any default proceeding of any counter party of any Authorized Investment with the approval of the Commission.

2.4.1 **Financing Arrangements**

(a) Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company on behalf of the Investment Plan may arrange financing for account of the Investment Plan, with the approval of the Trustee, from Banks, Financial Institutions, or such other companies as specified by the Commission from time to time. The financing, however, shall not be resorted to, except for meeting redemption requests and shall be repayable within a period of ninety days and such financing shall not exceed fifteen percent (15%) of the Net Assets of the Investment Plan or such other limit as specified by the Commission of the scheme at the time of financing.

If subsequent to such financing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such financing.

The charges payable to any Bank or institution against financing on account of the Fund as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility, shall be allocated to the Investment plan(s) for which the financing has been made.

(b) Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financing from banks, financial institutions and non-banking finance companies. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such financings.

(c) For the purposes of securing any such financing, the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.

(d) 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(s) may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.

2.4.2 **Restriction of Transactions with Connected Persons**

(a) The Management Company may undertake transactions involving sale and purchase of securities between the Collective Investment Schemes / Investment Plans managed by it where the: -
- Sale and purchase decisions are in the best interest of the Schemes involved;
- Transactions are executed on an arm's length and fair basis; and
- Rationale for undertaking such transactions is documented prior to the execution.]

(b) The Management Company in relation to the Scheme shall not invest in any security of a company if any director or officer of the Management Company owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten percent (10%) of those securities collectively subject to exemption provided in the Regulations.

(c) The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of the Trustee, purchase or sell any security from or to any Connected Person or employee of the Management Company.

Provided that above shall not be applicable on sale or redemption of Units.

(d) For the purpose of sub-paragraphs (a) and (b) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

(e) All transactions carried out by or on behalf of the Scheme with connected person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.

2.5 **Risk Disclosure**

Investors must realize that all investments in mutual funds and securities are subject to market risks. A target return / dividend range cannot be guaranteed and it should be clearly understood

that the portfolio of is subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

Markup Rate Risk - A rise or decline in markup rates during the investment term may result in a change in return provided to the investors.

Government Regulation Risk: Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to changes in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.

Country or Political Risk - This is the uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as break down of law and order, war, natural disasters, etc. and any governmental actions, legislative changes or court orders restraining payment of principal or income.

Credit Risk: Credit Risk comprises of Default Risk, Credit and Spread Risk. Each can have negative impact on the value of the income and money market instruments including Sukuks etc.

Default *Risk* - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all.

Credit Spread Risk - The risk that there may be an increase in the difference between the return/markup rate of any issuer's security and the return/markup rate of a risk-free security. The difference between this return/mark up rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of income and including money market instruments.

Price Risk - The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.

Liquidity Risk: Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.

Settlement Risk: At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.

Reinvestment Rate Risk –In a declining interest/ markup rate economic environment, there is a risk that maturing securities or coupon payments will be reinvested at lower rates, which shall reduce the return of the Fund compared to return earned in the preceding quarters.

Sovereign Risk - Payment of bonds/ notes may be affected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.

Events Risk: There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.

Redemption Risk: There may be special circumstances in which the redemption of Units may be suspended or the redemption payment may not occur within six working days of receiving a request for redemption from the investor.

Performance Risk: Performance risk is the uncertainty relating to the performance of the Fund with respect to its ability to earn a consistent income stream as outlined in its investment objective. The NAV of the Fund might go down as performance deteriorates.

Distribution Risk: Dividend distribution may also be liable to tax because the distributions are made out of the profits earned by the Fund, and not out of the profits earned by each Unit holder. Unit holders who invest in a fund before distribution of dividends may be liable to pay tax even though they may not have earned any gain on their investment as return of capital to investors upon distribution is also taxable.

Legal Exposure Risk - In case of initiation of any legal proceeding or any case is filed against the Fund impacting any Investment Plan(s), it may also affect the unit holders of other Investment Plan(s) under the same Fund. There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'category'. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment – specific issues. Investors are advised to study the latest Fund Manager Report, especially portfolio composition and Financial Statements of the Scheme, to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned category. The latest monthly Fund Manager Report as per the format prescribed by Mutual Funds Association of Pakistan (MUFAP) and financial statements of the Scheme are available on the website of the Management Company and can be obtained by calling / writing to the Management Company.

Additional Risk: Additional Risk: In case of initiation of any legal proceedings or any case is filed against the AL Habib Fixed Return Fund impacting any Investment plan(s), it may also affect the unitholders of other Investment Plan(s) offered under the same Fund.

2.6 Disclaimer

The Units of the of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by SECP, any Government agency, the Trustee (except to the extent specifically stated in this document and the Deed) or any of the shareholders of the Management Company or any other bank or financial institution

3. OPERATORS AND PRINCIPALS

3.1 Management Company

3.1.1 Organization

AHAML is an Investment Advisory and Asset Management Company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. AHAML was incorporated in 2005 and has a successful track record since then.

AHAML has been able to successfully launch and manage nine mutual funds including four Islamic Funds and two pension funds (both conventional and Islamic). All funds under the management are adequately performing in their respective categories.

AHAML has been assigned Management Quality Rating of AM2+ by PACRA which denotes 'high investment management industry standards and benchmarks with noted strengths in several of the rating factors.'.

3.1.2 **Shareholders**

AL Habib Asset Management Limited is a wholly owned subsidiary of Bank AL Habib Limited

3.2 **Board of Directors of the Management Company**

Mr. Abbas D. Habib – Chairman

Mr. Abbas D. Habib became Chairman of the Board of Directors of Bank AL Habib on November 1, 2016. He is also Chairman of the IT Committee of the Board. In 1991 with the inception of Bank AL Habib Limited, he became its Director and Joint Managing Director. On May 8, 1994 he assumed responsibilities as the Managing Director and Chief Executive of the Bank and served in that position till October 31, 2016.

Mr. Abbas D. Habib is a Fellow Member of the Institute of Bankers Pakistan and a Director on the Board of Habib Insurance Company Limited. He has to his credit a rich experience of over 40 years in commerce, industry and banking in local and international environment. He has held senior management positions with various organizations of the Habib Group and gained international banking experience while working with Habib sons Bank Limited, London, as Regional Director and later as Executive Director

Mr. Kashif Rafi - Chief Executive

Mr. Kashif Rafi has vast experience expanding over 19 years in the field of Investments and Fund Management. He has worked on senior level positions with some of the top names in Asset Management Industry like MCB Arif Habib, ABL Asset Management & JS Investments. Prior to joining AL Habib Asset Management as CEO, he was associated with Bank AL Habib Limited with a primary task to acquire and run a successful asset management company from Bank AL Habib's platform. Mr. Kashif holds an MBA in Finance from IBA and is an Executive Committee Member of the Financial Markets Association of Pakistan (FMAP) and served on various committees of Mutual Fund Association of Pakistan.

Mr. Mansoor Ali - Director

Mr. Mansoor Ali is presently working with Bank AL Habib Limited as Chief Executive Officer. He is a seasoned banking professional with overall 34 years working experience. He joined Bank AL Habib Limited in 1992 and worked as CEO, Group Head and other senior level positions. He is an MBA in Banking and Finance from Preston University of Science & Technology.

Mr. Imran Azim - Director

Mr. Imran Azim is MBA in finance and has more than thirty years of experience in Mutual Fund Industry. He served NIT from 1977 to 1998 where he worked in almost all the departments including Investment, Marketing, Business Development and Accounts. After leaving NIT he joined Khalid Majid Hussain Rehman, a Chartered Accountants firm and later on joined Universal Insurance Company Limited. Prior to joining AL Habib Asset Management Limited, he was Chief Executive of Haroon Oils Limited. He is associated with AL Habib Asset Management Limited since inception.

Mr. Saeed Allawala - Director

He has done his Master in Business Administration from Institute of Business Administration from University of Karachi. He is a seasoned businessman and successfully concluded collaborations and joint ventures with many multinational companies of Europe, Australia & USA. He is Chairman of Atco Laboratories Limited and director of various reputable companies.

Ms. Zarine Aziz - Director

Ms. Zarine Aziz is a former President, First Women Bank Ltd. She is a professional par excellence and a mission driven leader for the socio -economic development of women of Pakistan. During her career, she has also managed and headed different key position in Punjab, KPK & Federal Capital. She has a distinguished academic background, with Masters in Public Administration from University of Punjab, Lahore. Presently, Ms. Aziz is serving on the Board of Governors, University of Health Sciences, Board of Director of Urban Sector Planning and Management Services Unit (Pvt) ltd. And Member National Executive Council Family Planning Association of Pakistan.

3.2.1 **Profile of the Management**

Mr. Kashif Rafi – Chief Executive Officer

Mr. Kashif Rafi has vast experience expanding over 19 years in the field of Investments and Fund Management. He has worked on senior level positions with some of the top names in Asset Management Industry like MCB Arif Habib, ABL Asset Management & JS Investments. Prior to joining AL Habib Funds as CEO, he was associated with Bank AL Habib with a primary task to acquire and run a successful asset management company from Bank AL Habib's platform. Mr. Kashif holds an MBA in Finance from IBA and is an Executive Committee Member of the Financial Markets Association of Pakistan (FMAP) and served on various committees of Mutual Fund Association of Pakistan.

Mr. Zahid Hussain Vasnani – Chief Operating Officer & Company Secretary

Mr. Zahid Hussain Vasnani has been associated with the Mutual Fund Industry for over 20 years. Before joining AL Habib Asset Management Limited as a Chief Operating Officer and Company Secretary, Mr. Vasnani was associated with Bank AL Habib Ltd. Prior to this he was associated with ITMinds Ltd as Chief Executive Officer. He has served in CDC, KASB Funds and MCB Arif Habib spearheading various segments of mutual funds operations on senior level. Mr. Vasnani a Professional Accounting Affiliate from Institute of Chartered Accountants of Pakistan (ICAP) and member of Pakistan Institute of Public Finance Accountants. He completed his four years article-ship from KPMG Taseer Hadi & Co., Chartered Accountant.

Mr. Abbas Qurban – Chief Financial Officer

Mr. Abbas Qurban is Fellow member of Institute of Cost & Management Accountants (ICMAP) and Institute of Public Finance Accountant (PIPFA). He is also Diplomaed from Institute of Bankers (IBP) and MBA (Finance). He has overall working experience of over 25 years in various financial services (modaraba, leasing, investment banking and Takaful) and manufacturing sectors like textile and packaging industry. He is associated with AL Habib Asset Management Limited since year 2013.

Mr. Ahmed Abbas – Fund Manager - Fixed Income

Mr. Ahmed Abbas is an MBA in Finance, having ten years of rich and valuable experience and in depth understanding of money market/fixed income investment and operations. He started his career with Global Securities Pakistan Limited as a Dealer Fixed Income Sale and gain expertise in Dealing with Financial Institutions. Subsequently he joined AL Habib Asset Management Limited as Assistant Manager Treasury and used his analytic and planning skills for better returns of Funds. He is currently serving in capacity of Fund Manager at AL Habib Asset Management Limited.

Mr. Shafiq Ur Rehman Bhatti – Regional Head of Retail & Distribution
Mr. Shafiq Bhatti has been working in the Mutual Industry since 2007 in different capacities. Mr. Shafiq has done his MBA in Finance & MSc. In Statistics with 1st Class, 1st Position (Gold Medalist). He carries extensive experience in Corporate Sales, Retail Sales, Distribution & Investor Services. Prior to joining AL Habib Asset Management Limited he was serving as Head of Retail, SME, Channel Distribution & Branch Operations. He has also served as Deputy Manager – Investment Advisory in IGI Investment Bank Limited. He also holds multiple certificates from Institute of Capital Market namely ICM – Fundamentals of Capital Market and ICM-CMFD.

Mr. Muhammad Salman – Regional Head Sales
Mr. Muhammad Salman is an experienced professional with a successful career in banking, business development, and administration. He holds an MBA degree in Finance and has done various courses in the field of Management, Leader ship and positive psychology, an effective leader with the skills necessary to direct, train, and motivate team to its fullest potential. His core specialty is negotiation, making new relationships and deepening old ones, he holds 17 years of rich working experience.

Mr. Irfan Alam - Head of IT Infrastructure
He is a seasoned IT Infrastructure professional with over 16 years of extensive experience in managing infrastructure and leading support teams. His expertise is supported by certifications in cutting-edge technologies, including Microsoft, McAfee, VMware, and Veritas Backup Exec. Mr. Alam began his professional journey with MCB Mutual Funds, where he served from 2008 to November 2022. He joined AHAML as Head of IT Infrastructure on January 1, 2024 and before joining us, he was working with TPL Corporation where he led the IT Infrastructure and Operations Team. He has completed Masters in Computer Sciences.

Mr. Salman Shakoor – Head of Compliance
Mr. Salman Shakoor is an Associate member of the Chartered Institute of Management Accountants - UK. He has more than sixteen years of work experience in the areas of Compliance and Risk Management Functions of an Asset Managers Industry. His expertise is in the fields of Evaluation & Identification of Internal controls, Governance, Developing Policies & Procedures, Mitigating Operational Risks, Investigating & taking Corrective Measures and conducting training sessions. Before joining AHAML he was working with Sindh Microfinance Bank as Head of Compliance and Risk Management. He was also associated with EY Karachi - Pakistan (Chartered Accountants) for more than four years as Financial Consultant.

Mr. Furqan Miriwala – Head of Internal Audit
M. Furqan Miriwala is associated with AL Habib Asset Management Limited as a Head of Internal Audit. Prior to joining ALHAML, he was engaged with Faysal Asset Management Limited as Head of Compliance and Internal Audit. His past experience has been with organizations such as Central Depository Company of Pakistan Limited, PricewaterhouseCoopers (PWC) and Russell Bedford International. He is a member of the Associate Chartered Certified Accountant and having more than 9 years of experience.

3.2.2 **Performance of Listed Associated Companies**

Bank AL Habib Limited

(Rupees in million)

	CY23	CY22	CY21	CY20	CY19
Paid-up Capital	11,114	11,114	11,114	11,114	11,114
Equity	111,895	94,344	83,569	69,570	55,489
Total Assets	2,741,020	2,272,068	1,849,652	1,522,091	1,298,682
Deposits	1,934,037	1,568,138	1,309,823	1,099,686	903,703
Advances	869,459	813,535	733,799	510,252	488,669
Net Profit	35,319	16,570	18,702	17,812	11,169

3.3 **Existing Schemes under Management and their performance**

AL Habib Asset Management Limited are currently managing twelve open end mutual funds and four pension funds namely:

1. AL Habib Income Fund;
2. AL Habib Stock Fund;
3. AL Habib Cash Fund;
4. AL Habib Islamic Stock Fund;
5. AL Habib Islamic Income Fund;
6. AL Habib Asset Allocation Fund;
7. AL Habib Money Market Fund;
8. AL Habib Islamic Cash Fund;
9. AL Habib Islamic Savings Fund;
10. AL Habib Pension Fund;
11. AL Habib Islamic Pension Fund;
12. AL Habib Fixed Return Fund
13. AL Habib Islamic Munafa Fund
14. AL Habib Government Securities Fund
15. AL Habib GoPK Pension Fund
16. AL Habib GoPK Islamic Pension Fund

AL Habib Income Fund

The objective of the Fund and Allocation Plan(s) is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term debt instruments while taking into account liquidity considerations.

Fund Name	AL Habib Income Fund
Fund Type	Open End
Category	Income Scheme
Date of Launching	June 02, 2007
Par Value	100
Stability Rating	"AA (f)" by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Medium (Principal at medium risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Income Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2007	1,046,444,433	101.67	1.55%	1.50
2008	1,906,710,772	102.33	9.12 %	9.25
2009	1,731,680,266	102.15	6.31 %	6.35
2010	1,695,463,411	102.53	10.22 %	10.25
2011	1,251,462,087	103.07	10.93 %	10.50
2012	1,019,082,812	101.00	10.29 %	10.00
2013	873,510,373	100.70	9.42 %	9.00
2014	508,412,622	100.13	7.64 %	7.30
2015	1,203,225,554	101.24	10.10 %	9.00
2016	1,330,383,339	100.97	6.66 %	7.00
2017	1,087,191,717	101.79	6.29 %	5.50
2018	965,356,358	100.51	5.24 %	6.75
2019	732,815,500	100.96	8.10 %	8.04
2020	1,122,721,780	100.81	12.79 %	12.35
2021	1,412,563,995	100.82	6.43 %	6.60
2022	1,618,817,535	101.01	10.16%	10.03
2023	2,904,531,800	101.24	17.20%	16.06 %
2024	6,840,180,033	101.74	22.71%	21.32 %

AL Habib Stock Fund;

The objective of AL Habib Stock Fund (AHSF) is to provide investors with long term capital growth from an actively managed portfolio invested primarily in diversified pool of listed equities and other approved instruments.

Fund Name	AL Habib Stock Fund
Fund Type	Open End
Category	Equity Scheme
Date of Launching	October 10, 2009
Par Value	100
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	High (Principal at high risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Stock Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2010	130,227,424	95.43	-	-
2011	123,304,708	110.11	18.39 %	12.80
2012	113,032,191	103.79	3.67 %	3.50
2013	168,338,520	133.48	33.43 %	32.50
2014	147,627,556	103.62	22.60 %	20.00
2015	114,073,489	102.91	14.95 %	16.00
2016	132,665,201	104.21	1.26 %	4.10
2017	207,504,749	105.25	21.12 %	16.00
2018	137,400,095	89.79	-14.71 %	-
2019	104,014,761	73.31	-19.23 %	-
2020	104,842,301	71.83	-0.95 %	-
2021	234,470,611	89.20	27.66 %	2.50
2022	120,458,014	79.93	-10.39 %	-
2023	112,594,299	76.69	-4.06%	-
2024	1,349,858,658	100.01	102.57%	55.33 %

AL Habib Cash Fund

The investment objective of AL Habib Cash Fund is to provide its unit-holders its unit-holders optimum return from a portfolio of low risk and short duration assets while being highly liquid.

Fund Name	AL Habib Cash Fund
Fund Type	Open End
Category	Money Market Scheme
Date of Launching	March 10, 2011
Par Value	100
Stability Rating	'AA+(f)'
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Very Low (Principal at very low risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Cash Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2011	569,987,893	103.03	11.44 %	3.50
2012	2,026,950,083	101.07	11.22 %	10.80
2013	2,307,646,371	100.75	9.03 %	8.65
2014	3,705,406,924	100.14	8.13 %	7.75
2015	1,278,204,409	100.70	8.30 %	7.75
2016	1,034,533,067	100.33	5.34 %	5.75
2017	1,040,983,790	100.40	6.56 %	6.50
2018	2,782,120,548	105.82	5.42 %	5.60
2019	2,205,981,328	100.35	8.65 %	8.32

2020	3,636,935,889	100.38	12.94 %	12.19
2021	16,899,350,030	100.62	6.84 %	6.40
2022	22,911,572,089	100.95	10.17 %	9.52
2023	24,869,639,251	101.27	17.28%	10.20
2024	41,511,453,536	101.79	22.16%	14.63

AL Habib Islamic Stock Fund

The investment objective of AL Habib Islamic Stock Fund (AHISF) is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Fund Name	AL Habib Islamic Stock Fund
Fund Type	Open End
Category	Shariah Compliant Equity Scheme
Date of Launching	December 09, 2012
Par Value	100
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	High (Principal at high risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Islamic Stock Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2013	358,401,372	110.51	11.36 %	10.50
2014	332,876,768	102.16	12.34 %	11.00
2015	109,939,850	101.81	5.08 %	5.50
2016	113,933,075	103.50	1.66 %	3.35
2017	153,673,147	104.17	14.90 %	11.00
2018	115,342,028	87.35	-16.16 %	-
2019	100,854,739	70.63	-19.81 %	-
2020	103,405,214	69.97	-0.09 %	-
2021	288,367,818	79.23	26.88 %	9.50
2022	302,744,872	74.51	-5.95%	-
2023	298,357,678	74.53	0.87%	0.64 %
2024	1,158,406,035	100.17	98.34%	47.57 %

AL Habib Islamic Income Fund

The investment objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term shariah compliant debt instruments while taking into account liquidity considerations.

Fund Name	AL Habib Islamic Income Fund
Fund Type	Open End
Nature of Fund	Shariah Compliant Income Scheme
Date of Launching	January 23, 2017
Par Value	Rs. 100/-

Stability Rating	"AA (f)" by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Medium (Principal at medium risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Islamic Income Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2017	101,947,521	100.0374	3.32 %	1.40
2018	192,595,690	103.5227	3.49 %	9.96
2019	110,147,728	100.2068	6.58 %	6.65
2020	9,030,091,888	100.3565	11.79 %	11.06
2021	14,129,777,964	100.5590	6.57 %	6.20
2022	8,417,878,197	100.7000	8.99%	8.62
2023	5,148,533,631	101.06	15.58%	14.44 %
2024	7,177,099,034	100.46	21.78%	20.55 %

AL Habib Asset Allocation Fund

The objective of AL Habib Asset Allocation Fund is to provide risk adjusted competitive returns to its investors by investing in multiple assets classes based on market outlook.

Fund Name	AL Habib Asset Allocation Fund
Fund Type	Open End
Category	Asset Allocation Scheme
Date of Launching	December 08, 2017
Par Value	100
Stability Rating	N/A
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	High (Principal at high risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Asset Allocation Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2018	215,749,112	100.8318	0.83 %	0.77 %
2019	100,847,954	91.7057	-8.46 %	0.41 %
2020	106,552,066	90.7097	-0.55 %	-
2021	108,950,532	103.3323	17.22 %	3.00 %
2022	102,915,474	95.1100	-7.89%	-
2023	106,038,021	95.32	9.51%	8.89 %
2024	101,640,588	99.36	75.64%	68.51 %

AL Habib Money Market Fund;

The investment objective of AL Habib Money Market Fund is to provide its unit-holders optimum return from a portfolio of low risk and short duration assets while being highly liquid.

Fund Name	AL Habib Money Market Fund
Fund Type	Open End
Category	Money Market Scheme
Date of Launching	December 20, 2021
Par Value	100
Stability Rating	AA+ (f)' by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Very Low (Principal at Very Low Risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Money Market Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2022	3,075,902,900	100	11.79%	6.00
2023	8,237,413,978	100	17.21%	15.96 %
2024	24,385,514,654	100	22.14%	20.09 %

AL Habib Islamic Cash Fund

The investment objective of the Fund is to provide its unit-holders optimum return from a shariah compliant portfolio of low risk and short duration assets while being highly liquid.

Fund Name	AL Habib Islamic Cash Fund
Fund Type	Open End
Category	Shariah Compliant Money Market Scheme
Date of Launching	December 20, 2021
Par Value	100
Stability Rating	AA+ (f) by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Very Low (Principal at very low risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Islamic Cash Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2022	10,133,885,236	100	11.39%	5.87
2023	13,806,034,124	100	16.64%	10.20 %
2024	17,984,098,644	100	21.34%	14.63 %

AL Habib Islamic Savings Fund

The investment objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term shariah compliant debt instruments while taking into account liquidity considerations.

Fund Name	AL Habib Islamic Savings Fund
Fund Type	Open End
Category	Shariah Compliant Income Scheme
Date of Launching	December 20, 2021
Par Value	100
Stability Rating	AA(f) by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Medium (Principal at medium risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Islamic Savings Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2022	3,342,273,257	100	11.35%	5.83%
2023	4,407,360,731	100.42	16.12%	14.64 %
2024	13,981,274,070	100.39	21.96%	22.11 %

AL Habib Government Securities Fund

The objective of the Fund is to generate a competitive return with low risk, by investing primarily in Government Securities.

Fund Name	AL Habib Government Securities Fund
Fund Type	Open End
Date of Launching	July 13, 2023
Par Value	100
Stability Rating	AAA (f) by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	BDO Ebrahim & Co., Chartered Accountants
Risk Profile	Moderate (Principal at moderate risk)
Listing	Pakistan Stock Exchange

Distribution Details are as under:

AL Habib Government Securities Fund				
Year Ended June 30	**Net Assets**	**NAV Per Unit**	**Annual Yield**	**Dividend Payout**
2024	**19,892,356,458**	**100.45**	**22.82%**	**19.77 %**

3.4 Role and Responsibilities of the Management Company

The Management Company shall manage, operate and administer the Scheme and all plans under it, in accordance with the Rules, Regulations, directives, circulars and guidelines issued by SECP and this Deed and the Offering Document and conditions (if any), which may be imposed by the SECP from time to time. 0

The Management Company shall manage, operate and administer the Scheme and Fund Property in the interest of the principal (Unit Holders) in good faith, and to the best of its ability.

3.4.1 Administration of the Scheme

The Management Company shall administer the Scheme in accordance with the Rules, the Regulations, the Deed, this Offering Document and the conditions (if any), which may be imposed by the Commission from time to time.

3.4.2 Management of Fund Property

The Management Company shall manage the Fund Property in the interest of the Unit Holders in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons and group companies or its officers, and subject to the restrictions and limitations as provided in the Deed and the Rules and Regulations. Any purchase or sale of investments made under any of the provisions of the Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Deed or the Rules and Regulations. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to elements or circumstances beyond its reasonable control.

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

3.4.3 Appointment of Distributors

The Management Company, shall from time to time under intimation to the Trustee appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying out Distribution Function(s) at one or more location(s) locally or internationally. The Management Company may also itself act as a Distributor for carrying out Distribution Functions and an updated list of distributors would be available on the official website of the Management Company.

(a) The Management Company shall ensure that to whom it delegates distribution function have valid license/ registration from SECP/ MUFAP and are abiding by the prescribed code of conduct.

(b) The Distributor where selling Mutual Fund Units of single AMC shall comply and abide by all applicable requirements as issued by SECP from time to time.

(c) The Management Company shall enter into the written agreement with the Distributors

clearly stating the terms and conditions for avoidance of fraud and mis selling of the Investment Plans of the Schemes.

(d) The Management Company or the Distributor shall not: (i) involve either directly or indirectly in the mis-selling of the Scheme; (ii) sell units of the Scheme directly or indirectly by making a false or misleading statement; (iii) sell units of the Scheme directly or indirectly by concealing or omitting material facts of the Scheme; and (iv) sell units of the Scheme directly or indirectly by concealing the risk factors associated with the Scheme.

(e) The Management Company or the Distributor shall take reasonable care to ensure suitability of the Scheme to the investor. For the purpose of this, the Management Company or the Distributor shall ensure proper acknowledgment from investors on risk profiling and recommended Scheme as per risk profiling and in case investor select high risk product on its own choice, the Management Company or the Distributor shall also ensure proper acknowledgment from investor of his such selection.

(f) The Management Company or the Distributor shall ensure that;

(i) any performance reporting/ presentation is accompanied by all explanations, qualifications, limitations and other statements that are necessary to prevent such information from misleading investors.

(ii) promotional materials do not contain untrue statements or omit to state facts that are necessary in order to prevent the statements from being misleading, false or deceptive.

(iii) performance is measured and presented after taking into account the risk tolerance, investment objectives, level of understanding and knowledge of the recipient.

3.4.4 **Appointment of Investment Facilitator**

The Management Company may, at its own responsibility & cost, from time to time appoint Investment Facilitators to assist it in promoting sales of Units. An updated list of investment facilitators appointed by the Management Company shall be made available at all times on the websites of the Management Company.

The Management Company shall ensure, where it appoints the investment facilitator, that:

a. the investment facilitator has acquired registration with the Mutual Funds Association of Pakistan (MUFAP) as registered service providers and is abiding by the code of conduct prescribed by the Association; and

b. the written contract with the Investment facilitator clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

(c) The Investment Facilitator shall not: (i) involve either directly or indirectly in the mis-selling of the Scheme; (ii) sell units of the Scheme directly or indirectly by making a false or misleading statement; (iii) sell units of the Scheme directly or indirectly by concealing or omitting material facts of the Scheme; and (iv) sell units of the Scheme directly or indirectly by concealing the risk factors associated with the Scheme.

(d) The Investment Facilitator shall take reasonable care to ensure suitability of the Scheme to the investor. For the purpose of this, the Investment Facilitator shall ensure proper acknowledgment from investors on risk profiling and recommended Scheme as per risk

profiling and in case investor select high risk product on its own choice, the Investment Facilitator shall also ensure proper acknowledgment from investor of his such selection.

3.4.5 **Maintenance of Accounts and Records**

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, amounts received by the Scheme in respect of issue of Units, payments made from the Scheme on redemption of the Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

3.5 Maintenance of Unit Holders Register

3.5.1 A Register of Unit Holders may be maintained by the Management Company itself or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.

3.5.2 Currently role of Transfer Agent is performed by Management Company itself which is located at 3rd Floor, MacKinnon's Building, I. I. Chundrigar Road Karachi, Pakistan**,** where Register of Unit Holder will maintain.

3.5.3 Every Unit Holder will have a separate Registration Number. The Management Company shall use such Registration Number for recording Units held by the Unit Holder. Unit Holder's account identified by the registration number will reflect all the transactions in that account held by such Unit Holder.

3.5.4 **Disclaimer**

The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations and the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty and the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder. The Asset Management Company shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.

3.6 **Role of the Trustee**

(a) The trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, this Deed and the Offering Document.

(b) The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under this Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of this Trust Deed or the Rules and Regulations. Whenever pursuant to any provision of this Trust Deed, any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:

- a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and

- any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s)

- The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure

- In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However, the trustee shall not be under any liability thereof 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.

3.6.1 **Obligations under Regulations and Constitutive Document**

The Trustee shall perform all the obligations entrusted to it under the Regulations, circulars, directives, the Deed and this Offering Document and discharge all its duties in accordance with the Rules, Regulations, the Trust Deed and this Offering Document. Such duties may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the willful 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 willful act or omission of the Trustee or any of its attorney (ies), or agents.

3.6.2 **Custody of Assets**

The Trustee has the responsibility for being the nominal owner and custodian of the assets of the Fund on behalf of the beneficial owners (the Unit Holders), within the framework of the Regulations, the Trust Deed and Offering Document issued for the Fund.

3.6.3 **Investment of Fund Property at the direction of the Management Company**

The Trustee shall invest the Fund Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Deed, this Offering Document(s), the Regulations, circulars, directives and the conditions (if any) which may be imposed by the Commission from time to time.

3.6.4 **Carrying out instructions of the Management Company**

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, this Offering Document(s), the Regulations, the Circulars and Directives of SECP or any other applicable law.

3.6.5 **Liabilities of the Trustee**

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations and/or the Deed, nor shall the Trustee (save as herein

otherwise provided) be liable for any act or omission of the Management Company or for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Fund Property. 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 thereof 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. The Trustee shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.

3.6.6 **Disclaimer**

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and the Deed nor shall the Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. 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 therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.7 **Transfer Agent**

The Management Company will perform duties as the Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders.

3.8 **Custodian**

Central Depository Company of Pakistan Limited (CDC) will also be performing the functions of the custodian of the Trust Property. The salient features of the custodial function are:

(a) Segregating all property of the Fund from Custodian's own property and that of its other clients.

(b) Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.

(c) Ensuring that the benefits due on investments are received and credited to the respective Investment Plan account.

The Trustee may, 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 upon between the Custodian and the Trustee and agreed upon by the Management Company for the safe keeping of any portion of the Trust Property.

3.9 **Distributors/Facilitators**

3.9.1 Parties detailed in Annexure "C" of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches. The addresses of these branches are given in Annexure "C" of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management

Company may, from time to time, appoint additional Distributors (if they fulfill the requirement of regulations) or terminate the arrangement with any Distributor and intimate the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.

3.9.2 The Distributors will be responsible for receiving applications for Purchase, Redemption, Conversion or Transfer of Units etc. They will be interfacing with and providing services to Unit Holders, including receiving applications for change of address or other particulars or applications for issuance of duplicate certificates, requests for income tax exemption or Zakat exemption, etc. for immediate transmission to the Management Company or Transfer Agent as appropriate for further action. The Management Company shall remunerate the Distributors out of its resources and/or from Sales Load.

3.9.3 The Management Company may, at its sole discretion, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of its resources and/or from the Front-end Load.

3.10 **Auditors**

BDO Ebrahim & Co., Chartered Accountants
Registered Address: Lakson Square Building # 1, 2nd Floor, Block -C, Karachi, Pakistan.

3.10.1 They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Ordinance, Companies Act, 2017 as amended from time to time. The appointment of the Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.

3.10.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.

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

3.10.4 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, profit and loss account, cash flow statement and statement of movement in Unit Holders' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.

3.10.5 The contents of the Auditors report shall be as mentioned in the Regulations.

3.11 **Legal Advisors**

The legal advisors of the Fund are:

Mohsin Tayebaly & Co.
Barristers & Advocates
2nd Floor, DIME Centre, BC-4, Block-9,
Civil Lines, Karachi, Pakistan

3.12 **Bankers**

Bankers to the Scheme are Bank AL Habib Limited and any other bank to be appointed by the Management Company. The Trustee shall maintain and operate the Bank Accounts of the Scheme at the said Bank(s).

3.12.1 **Bank Accounts**

(a) The Trustee, at the request of the Management Company, shall open Bank Account(s) titled "**CDC-Trustee AL Habib Sovereign Income Fund"** or any other account as deemed necessary, with abbreviated/facilitated titles for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds. The Bank Accounts Tittle for plans launched under this Offering Document are as follows;

S.#	Plan	Bank Account Title
1.	AL Habib Sovereign Income Fund – Plan - 1	CDC Trustee - AL Habib Sovereign Income Fund – Plan – 1
2.	AL Habib Sovereign Income Fund – Plan - 2	CDC Trustee - AL Habib Sovereign Income Fund – Plan – 2
3.	AL Habib Sovereign Income Fund – Plan - 3	CDC Trustee - AL Habib Sovereign Income Fund – Plan – 3

(b) The Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution out of each Investment Plan(s) the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

(c) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund pertinent Investment Plan(s).

(d) All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.

(e) The amounts received from the Investors before the Initial Period shall be deposited in a Bank Account of the Fund and any income, profit etc. earned and/or accrued on the investments of that amount up to and including the day before the opening of the Initial Period shall not form part of the Trust Property and shall be paid, subject to applicable tax by the Management Company or the Trustee to those Investors who participated before the Initial Period, either in cash or in additional Units as selected by those Investors, in proportion to their investments.

The Trustee shall, if requested by the Management Company at its discretion also open a separate Account designated by the Management Company or CDC Trustee – AL Habib Funds. These account(s) may be used for the purpose of collection of sale proceeds, where collections received

on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s). Such account(s) may also be used for temporary parking for the purpose of redemption. Provided however, in relation to the other unit trusts managed by the Management Company mentioned above, there are similar provisions in the trust deeds of such Funds and have the Trustee as common between them. Such accounts shall be in the title of CDC-Trustee AL HABIB SOVERIGN INCOME FUND.

(f) Collection Account shall only be used for soliciting online investment through payment aggregators like 1 Link and other similar payment gateways subject to prior approval of the Commission. The Management Company shall maintain separate Collection Account(s) for each Trustee and also maintain a separate Collection Account for Shariah Funds. Moreover, the maximum time period for transfer of money from a Collection Account to respective fund or plans' account is within one working day.

3.13 **Rating of the Scheme**

The Management Company will be obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the criteria of the rating agency, and such rating shall be updated at least once every Financial Year and also published in the annual and quarterly reports of the Scheme as well as on the Management Company's website.

4. CHARACTERISTICS OF UNITS

4.1 **Units**

All Units of the Investment Plan(s) and fractions thereof represent an undivided share in the Investment Plan(s) and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions in their respective Investment Plan. Each Unit Holder has a beneficial interest in the investment plan(s) proportionate to the Units held by such Unit Holder under the pertinent Investment Plan. For the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time, after seeking prior approval of the Commission and amending the Offering document.

4.2 **Classification of Units**

Class "A" (Pre-IPO Units), may be issued in all Investment Plan(s) to the Pre-IPO Investors. These Units may also subject to Sales Load, as specified in annexure 'B'.

Class "B" Units shall be issued to investors at Par Value, during the Initial Offering Period and may also subject to load as specified. Class "B" Units may also be offered after the Initial Offering Period in case of perpetual plan, at the discretion of the Management Company and as per the terms and conditions of this Offering Document.

The Management may introduce additional type/class of Units from time to time, subject to SECP's prior approval.

4.3 **Administrative Arrangement**

4.3.1 The Management Company may offer any administrative arrangement over this Fund which shall be governed by the Rules, the Regulations, the Deed and this Offering Document or any supplemental Deed or supplemental Offering Document.

4.3.2 **Monthly Payment Plan**

4.3.2.1 The Management Company may offer administrative plan to the Investors of the Plan to attain a regular monthly payment to support their liquidity requirements.

4.3.2.2 Unit Holders can receive monthly payments against their investments in the Plan through an 'Auto' Redemption Feature based on one of the following options:

(a) In case of fixed withdrawal: The unit-holder will receive requested amount after deduction of applicable taxes and charges on monthly basis (irrespective of the profit earned during the month). In case of fixed withdrawal option, the capital invested may deplete in case sufficient returns are not earned. The minimum withdrawal amount shall be Rs. 2,500.

Warning: In Fixed Withdrawal, the principal amount may be reduced in case sufficient returns are not earned by the Plan to cover the fixed amount withdrawal/ required by the Unit Holder. Therefore, the resulting payment may lead to the erosion of principal.

(b) In case of profit withdrawal: The Unit-holder will receive the amount equal to monthly appreciation in the value of investment in the Plan. In case the amount of appreciation in the value of investment of the Plan is less than the minimum amount i.e., Rs. 500, the unit-holder will not receive any payment in that month.

Warning: Administrative Plan options will be subject to relevant tax regulations, which may impact the principal in an adverse manner.

4.3.2.3 The minimum investment value for this administrative plan is Rs. 500,000.

If investment amount falls below Minimum Investment Amount at any time during the life of investment, features of Administrative Plan will seize for the unitholder. Subsequently unitholder can redeem the investment by filling the prescribed application form.

4.3.2.4 The payment shall be processed by the Management Company on the NAV announced by the Management Company on the 25th of each month. Payment will be made to the unit holder accordingly – 'Auto' Redemption Feature based on the NAV of 25th of each month. If 25th is not a Business Day, the payment shall be processed on the NAV of immediately next Business Day.

4.3.2.5 Physical certificate will not be issued for units held under this administrative plan.

4.3.2.6 Dividend declared on the Units held in the administrative plan shall be Re-invested in the respective Plan

This auto redemption feature will be available for all the unit holders (whether existing or new).

The Management Company may alter the minimum amount at its discretion by giving a prior notice of at least 30 days.

Unit Holders may switch over from fixed to percentage of appreciation and vice versa or withdraw funds from the option at any stage by submitting the prescribed form to the Distributor/ Management Company.

The Administrative Plans may be discontinued by the Management Company at any time by giving a prior notice of 30 days to the Unit Holders.

4.4 Purchase and Redemption of Units

(a) Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in this Offering Document.

(b) Units are issued after realization of subscription money.

(c) During the period the register is closed, the sale, redemption and conversion of Units will be suspended.

(d) The Management Company may decline an applicant for issue of units if it is of the opinion that it will not be possible to invest the substantial inflow of Funds or to meet any regulatory requirements.

(e) The Asset Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:

i. cash settled transaction based on the formal issuance and redemption requests; and

ii. net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).

The Asset Management Company shall clearly specify Cut-Off Timings (for acceptance of application forms of issuance, redemption, and conversion of Units of the Scheme) in this Offering Document, on its web site and at designated points. Such Cut-Off Timing shall uniformly apply on all Unit Holders.

The Asset Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.

4.5 Procedure for Purchase of Units

4.5.1 Who Can Apply?

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the Purchase of Units of the Fund/ investment plan(s). Application may be made pursuant to the procedures described in paragraph 4.5.2 below by any qualified or authorized investor(s) including, but not limited to, the following:

(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 provided such investment is permitted under their respective memorandum and articles of association and / or bye-laws.

(c) Pakistani's 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 Purchase of Units in the Fund shall warrant that he/she is duly authorized to purchase such Units.

(d) Provident Funds constituted by companies registered under the Companies Ordinance, 1984 / Companies Act, 2017, subject to conditions and investment limits as laid down in the Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.

(e) Provident, Pension and Gratuity Funds

(f) Insurance Companies incorporated in Pakistan.

(g) Non-Profit Organizations registered under any law in Pakistan.

(h) Fund of Funds.

(i) Any other person allowed under the applicable laws.

How can Units be purchased?

4.5.2 **Account Opening Procedure**

The procedure given below is designed for paper-based and electronic/Internet based options for the transactions. The Management Company at a later date after seeking approval of the Commission may introduce electronic/Internet based options for the transactions. The process is also subject to the requirement of AML Laws applicable in Pakistan.

(a) Before purchasing Units of the Investment Plan an investor must open an account with the Management Company using the Account Opening Form.

(b) In case of individuals, a photocopy of the Computerized National Identity Card (CNIC), NICOP or Passport etc. of the applicant or any other form of identification acceptable to the Management Company needs to be furnished.

(c) In case of new Investor before purchasing Units of any Investment Plan(s) under the Fund an investor must open an account with Asset Management Company using the Account Opening Form attached to this Offering Document.

(d) In case of a body corporate or a registered society or a trust the following documents would be required,

(e) Duly certified copy of the memorandum and articles of association/ Charter/ By-laws or rules and regulations;

(f) Duly certified 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;

(g) Duly certified copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.

(h) Duly certified copy of the Computerized National Identity Card (CNIC) of all members of the Board of Directors, Partners and Trustees.

(i) The Management Company may also require other documents for processing account opening request in accordance with the laws as may be applicable from time to time.

(j) In case of existing Unit Holders, if any of the documents (in a-c above) have previously been submitted with the Management Company and/or Transfer Agent, fresh submission of documents will not be required provided that the submitted documents are acceptable to the Management Company. However, the account number must be provided to facilitate linking.

Any change of particulars of Unit Holder name or address or bank account of any unit holder as entered in the Register shall forthwith be notified in writing by the relevant unit holder to the distributor company or transfer agent.

(k) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening Form. In case of any incorrect information, the application may be rejected, if the applicant fails to rectify the discrepancy.

(l) If subsequent to receipt of the application by the Distributor, but prior to issue of 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 that the 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.

(m) The Investor Account Opening Form can be lodged with any Distributor or directly lodged with the Management Company. No other person (including Investment Facilitators) is authorized to acknowledge the form or payment.

(n) The Management Company will make arrangements, from time to time, for receiving Account Opening Forms from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.5.3 **Joint Application**

(a) Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on a first holder basis. However, each person must sign the Account Opening Form and submit a copy of their Computerized National Identity Card, NICOP, Passport or other identification documents and is also required to fulfill the FACTA, CRS and KYC requirements.

(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 of obligation by the Trustee and the Management Company.

(c) In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the Account Opening Form, shall be the only person recognized by the Trustee and the Management Company to receive all notices and correspondences with regard 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 of obligation by the Trustee and the Management Company.

Provided however that the Trustee and/or the Management Company may at their discretion request the production of a Succession Certificate from an appropriate Court before releasing of redemption requests or dividends in cases of doubts or disputes among the Joint Unit Holders and/or the legal heirs or legal representatives of the deceased.

4.5.4 **Purchase of Units**

(a) After opening an account an account holder may purchase Units of the investment plan(s) using the Investment Application Form. Payment for the Units must accompany the form.

(b) Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company or through digital mean offered by Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" as specified below:

- CDC Trustee AL Habib Sovereign Income Fund
- CDC Trustee AL Habib Sovereign Income Fund – Plan I
- CDC Trustee AL Habib Sovereign Income Fund – Plan 2
- CDC Trustee AL Habib Sovereign Income Fund – Plan 3

(c) The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of the Commission.

(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 may obtain a copy of the application signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application. Acknowledgement for applications and payment instruments can only be validly issued by Distributors.

(f) The Distribution Company and/or Management Company will be entitled to verify the detail given in the Investment Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy (except for discrepancy in payment instrument, in which case application will be rejected immediately).

(g) The Management Company will make arrangements, from time to time, for receiving Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.5.5 **Minimum Amount of Investment**

Initially Units shall be issued at Par Value of Rs. 100 and minimum amount of investment may vary from plan to plan, at applicable NAV or purchase price, other than reinvestment of Dividend, Bonus Units or refunds including capital gain tax. The minimum amount of investment of each plan will be announced before launch of such plan through term sheet.

The Asset Management Company reserves the right to alter the minimum amounts stated hereinabove after giving seven days prior notice to the Unit Holders. However, enhancement in current minimum monetary investments shall not take effect retrospectively. The minimum initial and subsequent investment size will not be applicable to Conversion of one Plan / CIS to another Plan / CIS, Transfer and Transmission.

4.5.6 **Determination of Purchase (Public Offer) Price**

(a) Units offered during the Initial period will be as specified in clause 4.4.

(b) After the Initial Period, the Purchase (Offer) Price for the Unit offered through Public Offering, shall be determined from time to time pursuant to the Sub clause (c) hereafter and shall be announced by the Fund for Dealing Days during the period when the relevant Investment plan is open for subscription.

(c) The Purchase (Offer) Price shall be equal to the sum of:

(i) The Net Asset Value as of the close of the business day (forward pricing);

(ii) Any Front-end Load as disclosed in this Offering Document.

(iii) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and

(iv) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.

(v) Such sum shall be adjusted to nearest four decimal places or such decimal place as decided by the management company from time to time with the consent of the Trustee and properly disclosed to the Unit Holders.

If such price exceeds or falls short of the current value of the underlying assets by more than five percent based on information available, the Asset Management Company shall defer dealing and calculate a new price and this new price would be applicable for dealing of units.

(d) The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which the completely and correctly filled purchase of Units application form is received and funds are realized.

(e) The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

4.5.7 **Allocation/ Issue of Units**

(a) The Purchase Price determined shall apply to all Investment requests form, complete in all respects, received by the Management Company at its registered address or by the Distributor at its Authorized Branch(s) during Business Hours on that Dealing Day. Any Investment Request Forms received after Business Hours will be transferred to the next Dealing Day.

(b) Units will be allocated and issued at the Purchase Price, after realization of Funds in the bank account of the Fund.

(c) The Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account. Such statements or reports shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders.

(d) In case the Management Company announces a suspension of further issue of Units of the Investment plans under the Fund, it may allow existing Unit Holders of that Investment Plan to continue acquiring Units out of reinvestment any cash dividend or bonus declared on the Units held in the pertinent Investment Plan. Also, if issue of Units of an Investment Plan is suspended, Units for other Investment Plan(s) under the Fund may continue unaffected.

4.5.8 **Issuance of Physical Certificates**

(a) Unit Certificates will be issued only if requested by the Unit Holder.

(b) Unit Holders can apply for the issue of Certificates by completing the prescribed application form and submitting it to the relevant Distribution Company together with a fee at the rate of Rs. 100 per Certificate or any other amount as determined by the Management Company from time to time.

(c) The Certificate will be posted at the applicant's risk within 21 Business Days after the request for the Certificate has been made to the address of the Unit Holder or to the address of the first named Joint Unit Holder, if the relevant Unit or Units are jointly held.

(d) The Certificates will be available in such denomination as Management Company and the Trustee decide from time to time. Unless, the Unit Holder has instructed to the contrary, the minimum number of Certificates will be issued.

(e) A Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.

4.5.9 **Replacement of Certificates**

(a) The Transfer Agent or Management Company may replace Certificates, which are defaced, mutilated, lost or destroyed on application received by them from the Unit Holder on the prescribed form on the payment of all costs and on such terms as to evidence, indemnity and security as may be required. Any defaced or mutilated Certificate must be surrendered before a new Certificate is issued.

(b) The Unit Holder shall on application on prescribed form be entitled to consolidate the entire holding in the Fund into one (01) Certificate upon surrender of existing Certificates.

(c) Each new issue of Certificates will require payment of Rs 100 per Certificate, subject to revisions of fee from time to time by the Management Company.

4.5.10 **Issuance of Units in Book Entry form in CDS**

Unit Holder may obtain Units of Investment Plan in Book Entry form in CDS, if such units are eligible security of CDS. The Issuance of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.6 Procedure for Redemption of Units

4.6.1 **Who Can Apply?**

All Unit Holders shall be eligible for redemption after the closure of the Initial Period.

Redemption Application Procedure

4.6.2 Request for Redemption of Units of Investment Plan(s) shall be made by completing the prescribed redemption form and the same is received at the Authorized Branch or office of the Distributor or through digital means offered by Management Company, on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so, required by the Management Company.

4.6.3 The Management Company may redeem only part of the Units comprised in a Certificate and reissue a new Certificate for the remaining Units, however, in the case where a Certificate is not issued any number of Units may be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate.

4.6.4 The Registrar with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.

4.6.5 In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the investor account opening Form.

4.6.6 The Distribution Company or the Registrar shall verify the particulars given in the application for Redemption of Units. The signature of any Unit Holder or joint Unit Holder on any document required to be signed by him under or in connection with the application for redemption of Units may be verified by the Management Company or the Registrar or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions, the Unit Holder's user ID and password will authenticate his identity.

4.6.7 The Unit Holder will be receiving a note through a message on registered mobile number (if available) and on registered email address confirming the receipt of the application for redemption. In case where the Unit Holder does not have registered mobile number and email address, the Management Company will send the acknowledgement through registered post/ courier at their registered home address.

4.6.8 If subsequent to receipt of the redemption application by the Distributor, but prior to the redemption of the Units, the application is found by the Management Company or the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Management Company or Registrar or the Distributor will advise the applicant to remove the discrepancy. In the meanwhile, the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units. However, in case where discrepancy is removed within a said fifteen days, NAV of the day on which the discrepancy has removed will be applicable. However,

in case where discrepancy is removed within a said fifteen days, NAV of the day on which the discrepancy has removed will be applicable.

4.6.9 The Management Company shall ensure all valid redemption requests are processed based on ranking of the request in a queue.

4.6.10 The amount payable on redemption shall be paid to the Unit Holder or first named joint Unit Holder by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form within six Business Days from the date of presentation of the duly completed Redemption form, electronic or otherwise, at the Authorized Branch or office of the Distributor or the Management Company.

No Money shall be paid to any intermediary except the Unit Holder or his authorized representative (next to kin only).

4.6.11 The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the investment plan(s). A request for redemption of Units may also be made through the use of electronic means such as Internet. In case of ATM facilities prior consent of the Trustee and approval of the Commission will be obtained.

4.6.12 The receipt of the Unit Holders for any amount payable in respect of the Units shall be a good discharge to the Trustee and the Management Company. In case of joint Unit Holders any one of them may give effectual receipt for any such moneys.

4.6.13 Application for Redemption of Units will be received at the authorized offices (Annexure – C) or branches of the Distributor on all Dealing Days. Where redemption requests on any one Dealing Day exceed ten (10) percent of either the total number of Units outstanding of the Investment Plan, such redemption requests in excess of ten (10) percent may be deferred

4.6.14 On the occurrence of any circumstance specified in the Regulation or the Deed that may require an investment plan(s) should be suspended, the Management Company shall suspend the Sale and Redemption of Units of the pertinent investment plan and the intimation of suspension shall be made to the Unit Holders, the Trustee and the Commission according to the procedure laid down in the Regulation.

4.6.15 The Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:

(a) cash settled transaction based on the formal issuance and redemption requests.

(b) net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).

(c) The Management Company shall clearly specify Cut-Off Timings (for acceptance of application forms of issuance, redemption, and conversion of Units of the Scheme) in this Offering Document, on its web site and at designated points. Such Cut-Off Timing shall uniformly apply on all Unit Holders.

The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.

4.6.16 **Redemption of Units in Book Entry form in CDS**

Unit Holders may redeem their Units held in Book Entry form in CDS. The Redemption of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.7 Purchase (Public Offer) and Redemption (Repurchase) of Units outside Pakistan

4.7.1 Subject to exchange control, SECP prior approval and other applicable laws, Rules and Regulations, in the event of arrangements being made by the Management Company for the Purchase (Public Offer) of Units to persons not residing in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may include in addition to the Purchase (Public Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

4.7.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time.

4.7.3 The currency of transaction of the Trust is the Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising therefrom.

4.8 Determination of Redemption (Repurchase) Price

4.8.1 After the IPO the Redemption (Repurchase) Price of units of the Investment Plan shall be equal to the Net Asset Value (NAV) as of the close of the Business Day (forward pricing) less:

(a) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc.; and
(b) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
(c) Such sum shall be adjusted to nearest four decimal places or such decimal place as decided by the management company from time to time with the consent of the Trustee and properly disclosed to the Unit Holders.

4.8.2 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which a correctly and properly filled redemption application is received.

4.8.3 The Redemption Price of Investment Plan(s) determined by the Management Company shall be made available for every Dealing-day to the public through the Management Company's and MUFAP's website.

4.9 Procedure for Requesting Change in Unit Holder Particulars

4.9.1 Who Can Request Change?

All Unit Holders are eligible to change their Unit Holder details if they so desire. For such change in particulars, a request shall be made via the Special Instructions Form. These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made through CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

4.9.2 Application Procedure for Change in Particulars

(a) Some of the key information which the Unit Holder can change is as follows:
   i. Change in Address
   ii. Change in name of an Entity(ies) or of an individual(s);
   iii. Next of Kin Details
   iv. Change in Bank Account Details
   v. Dividend Reinvestment Option
   vi. Account Operating Instructions
   vii. Frequency of Profit payments
   viii. Systemic Conversion Option
   ix. Any other information, as may be allowed by the Management Company

(b) Fully completed Special Instructions Form has to be submitted by both Individuals and/or Institutional Investor(s). This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within Business Hours on a Dealing Day.

(c) The applicant may obtain a copy of the Special Instructions Form signed and duly verified by an Authorized Officer of the Distributor or Management Company.

(d) The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Special Instructions Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

(e) The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes. These taxes, charges or duties may either be recovered by redemption of the Unit Holder's equivalent Units at the time of the service request or the Management Company may require separate payment for such services.

(f) Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Special Instructions Form for such Units.

4.9.3 Transfer, Nomination, Transmission and Systemic Conversion Procedure

Unit Holder may, subject to the law, transfer any Units of fund/ investment plan(s) held by them either in case of succession (Transmission) or as a gift (blood relation or spouse). The transfer as a gift shall be carried out after the Management Company/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.

4.9.4 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. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value.

4.9.5 Where Certificates have been issued, the Management Company / Transfer Agent with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document. The Management Company or the Transfer Agent shall retain all instruments of transfer.

4.9.6 The Transfer Agent shall, with the prior approval of the Management Company or the Management Company itself 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 ten years from the date of registration thereof and all the Certificates which have been cancelled at any time after the expiration of ten 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 ten years from transmission to the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided that (i) this provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall impose upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner. Complete list of unclaimed dividends will be maintained by the AMC and shall not be destroyed. Unit Holder may nominate any successor/ nominee for transmission, subject to all legal requirements, in case of the decease of Unit Holder.

4.9.7 Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Transfer Agent or the Management Company itself as Registrar after satisfying as to all legal requirements such as intimation of death of deceased Unit Holder along-with certified copy of death certificate, succession certificate, original unit certificate (in case of physical certificate) etc. 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 Transfer Agent.

4.9.8 A Unit Holder may merge the Units which he/she has invested with two folio/registration numbers into one folio/ registration number. The Transfer Agent shall carry out the merger after satisfying that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, has been received.

4.9.9 **Partial Transfer**

Partial transfer of Units either in case of succession or as a gift to blood relation or spouse shall be covered by a single Certificate is permitted provided that in case of physical certificates issued,

the Unit Holder must apply for splitting of the unit certificate representing the partial amount and then the new certificate shall be applied for transfer.

4.9.10 **Conversion**

Conversion of Units of an Investment Plan to Units of any other Investment Plans offered under this Scheme, or conversion of Units of the Investment Plan(s) to / from Units of any other Scheme managed by the Asset Management Company can be carried out by submitting the duly filled Conversion Application Form, or any other Form as designated by the Asset Management Company for the purpose of conversion from time to time, to the Authorized Branch of the Asset Management Company together with any certificate / document required. Subject to applicability of pertinent backend load/ contingent load of respective investment plan as defined in **Annexure "B"** Physical Certificates, if issued, must accompany the form.

4.10 Procedure for Pledge / Lien / Charge of Units

4.10.1 **Who Can Apply?**

(a) All Unit Holders of Investment Plan(s) are eligible to apply for pledge / lien / charge of Units if they so desire. Such Pledge / Lien / Charge can be made via the Pledge of Units Form. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made to the CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

(b) Any Unit Holder of Investment Plan(s) either singly or with Joint Unit Holder(s) (where required) may request the Management Company or Transfer Agent to record a pledge / lien of all or any of his / her/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Management Company or Transfer Agent shall register a lien on any Unit in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Management Company or Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.

(c) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.

(d) Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien / charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address of Pledgee mentioned in the Pledge Form and/or Investor Account Opening Form submitted. In case of Units that are pledged through the Central Depository System, payments of cash dividends or the issuance of bonus Units goes to the Pledger as per Central Depositories Act.

(e) The Distribution Company and / or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

(f) Fully completed Pledge of Units Form has to be submitted by both Individuals and/or non-individual Unit Holders. This Form should be delivered to any of the Authorized Branches of the

Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within Business Hours on a Dealing Day.

(g) All risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

4.11 Temporary Change in Method of Dealing, Suspension of Dealing and Queue System

4.11.1 Temporary Change in the Method of Dealing

Under the circumstances mentioned in Clause 4.11.2 & 4.11.3, subject to compliance with Regulations (with regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units.

A permanent change in the method of dealing shall be made after expiry of at least one month's notice to Unit Holders and with the approval of the Trustee.

4.11.2 Suspension of Fresh Issue of Units

The Management Company may, under the following circumstances, suspend issue of fresh Units.

- The situation of Force Majeure as defined in this Offering Document;
- A situation in which it is not possible to invest the amount received against issuance of fresh Units or
- Any other situation in which issuance of fresh Units is, in the Management Company's opinion, against the interests of the existing/remaining Unit Holders of each Investment Plan.

Such suspension may however not affect existing Unit Holders for the issue of bonus Units as a result of profit distribution, The Management Company shall announce the details of circumstances at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the SECP and Trustee if issuance of Units of the Investment Plan(s) is suspended and shall also have the fact posted, immediately following such decision, in the newspapers.

In case of suspension of redemption of Units of the Investment Plan(s) due to extraordinary circumstances, the issuance of Units of the Investment Plan(s) shall also be kept suspended until and unless the redemption of Units is resumed.
Investment application form received on the day of suspension will not be processed and the amount received shall be returned to the investor.

In case of suspension of issuance / redemption of Units of an Investment Plan(s), the issuance / redemption of other Investment Plan(s) may continue unaffected.

4.11.3 Suspension of Redemption of Units

The Redemption of Units may be suspended during extraordinary circumstances/ Force Majeure.

Redemption requests received on the day of the suspension shall be rejected.

4.11.4 Queue System

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue of the Investment Plan, the Management Company may invoke a Queue System whereby requests for

redemption shall be processed on a first come first served basis for up to ten percent (10%) of the Units in issue of such Investment Plan(s). The Management Company shall proceed to sell adequate assets of the Investment Plan(s) and / or arrange financing as it deems fit in the best interest of all 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 Dealing Day, such requests shall be processed on a basis proportionate to the size of the requests. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Dealing 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 Dealing Day still exceed ten percent (10%) of the Units in issue of such Investment Plan, these shall once again be treated on a 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 such Investment Plan the Units then in issue.

4.11.5 **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 are likely to result in the Fund being run down to an unsustainable level or it is of the view that the selloff 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. 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 under their respective Investment Plan(s) and determining the final Redemption Price for the investment plan(s) being offered under this scheme. However, interim distributions of the proceeds may be made if the Management Company finds it feasible. In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.

5. DISTRIBUTION POLICY

5.1 Declaration of Dividend

The Management Company shall decide as soon as possible but not later than thirty working days after the Accounting Date / interim period whether to distribute among Unit Holders, profits, in the form of cash dividend or bonus units, if any, available for distribution at the end of the Accounting Period and shall advise the Trustee of the amount of such distribution per Unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

The Management Company on behalf of the Scheme shall, for every accounting year, distribute by way of dividend to the Unit Holders, not less than ninety per cent of the accounting income of the Collective Investment Scheme received or derived from sources other than capital gains as reduced by such expenses as are chargeable to a Collective Investment Scheme under the Regulations.

For the purpose of this Clause the expression “accounting income” means income calculated in accordance with the requirements of International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) as are notified under the Companies Act, 2017, Companies Ordinance, 1984, the Regulations and the directives issued by the SECP. Wherever the requirement of the Regulations or the directives issued by the SECP differs with the requirement of the IFRS/IAS, the Regulations and the said directives shall prevail.

5.2 Determination of Distributable Income

The amount available for distribution in respect of any Accounting Period shall be determined in accordance with the regulatory and taxation requirements as may be applicable from time to time.

The amount available for distribution in respect of any Accounting Period shall be the sum of all income other than capital gains, from which shall be deducted:

- the expenses, as stated in Clause 6.2 to 6.4 of this Offering Document; and
- any taxes of the Fund

All the receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Fund Property under the pertinent Investment Plan, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net appreciation may be distributable to the Unit Holders of the Investment Plan(s) by the Trustee upon the instructions of the Management Company and shall thereafter cease to form part of the Fund Property under the pertinent Investment Plan.

5.3 Payment of Dividend

The Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to receive new Units instead of cash dividend. The Unit Holders shall be entitled to change such option.

All payments for dividend to which a unit holder of the Investment Plan(s) is entitled, shall be credited by the Asset Management Company in the Unit Holder 's designated bank account provided by him/ her or the charge holder's bank account as the case may be unless or otherwise advised in writing on the application of investment and such payment shall be subject to the Regulations and any other applicable laws.

5.4 Dispatch of Dividend Warrants/Advice

Dividend warrants/advices/payment instruments and/or Account Statements shall be dispatched to the Unit Holders or the charge-holders at their registered addresses

5.4 **Reinvestment of Dividend**

The Asset Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via Investor Account Opening Form) to have any Cash Dividend announced for an Investment Plan be reinvested on behalf of the investor through issuance of new Units, of the pertinent Investment Plan, within the Unit Holder register after deduction of applicable taxes. The Unit Holders shall be entitled to change such option subsequently.

5.5 **Bonus Units**

The Asset Management Company may decide to distribute, the distributable income in the form of stock dividend for each Investment Plan (which would comprise of the Bonus Units of the Investment Plan) if it is in the interest of Unit Holders subject to prevailing tax laws. After the fixing of the rate of bonus distribution per Unit of an Investment Plan, in case of distribution in the form of Bonus Units, the Asset Management Company shall, under intimation to the Trustee, issue additional Units of the pertinent Investment Plan issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units would rank pari passu as to their rights in the Net Assets,

earnings and receipt of dividend and distribution with the existing Units of the pertinent Investment Plan from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder within fifteen days of the issue of Bonus Units.

5.6 **Encashment of Bonus Units**

The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units. The Unit Holders shall be entitled to change such option subsequently.

5.7 **Closure of Register**

The Asset Management Company may close the Register by giving at least seven (7) days' notice to Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole thirty days in each year with further period of fifteen days to be allowed by the Commission on application of the Company. During the closure period, the sale, redemption, conversion of Units or transfer of Units will be suspended. Notice for closure of register should be published in two newspapers (Urdu and English language) having circulation in major cities of Pakistan as per direction of SECP.

6. FEE AND CHARGES

6.1 Fees and Charges Payable by an Investor

The following fees and charges shall be borne by the Investor:

6.1.1 **Front-end Load**

Front end Load is a part of Sales Load which may be included in the offer price of the Units. The remuneration of Distributors shall be paid from such Load and if the Front-end Load is insufficient to pay the remuneration of the Distributors, the Asset Management Company shall pay the amount necessary to pay in full such remuneration and no charges shall be made against the Fund Property or the Distribution Account in this respect. Such payments may be made to the Distributors by the Asset Management Company upon the receipt from the Trustee.

The issue price applicable to Bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any sales or processing charge.

6.1.2 **Back-end Load**

Back-end Load deducted from the Net Asset Value of each Investment Plan in determining the Redemption Price for the units of such Investment Plan; provided however that different levels of Back-end Load may be applied to different classes of Units, but Unit Holders within a class shall be charged same level of back-end load. Management Company may change the current level of Back-end Load after giving thirty (30) days prior notice to the Unit Holder through newspaper (either Urdu or English Newspaper) and via post and the unit holders shall be given an option to exit at the applicable NAV without charge of back-end load as specified in the Regulation.

6.1.3 **Expenses borne by the Management Company and the Trustee**

The Management Company and Trustee shall bear all expenditures in respect of their respective secretarial and office space and professional management services provided in accordance with the provisions of the Deed. Neither the Management Company nor the Trustee shall make any charge against the Unit Holders nor against the Trust Property nor against the Distribution Account for their services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Regulations and the Deed to be payable out of Trust Property.

6.1.4 **Remuneration of Distribution Company / Investment Agent / Investment Facilitator**

The Distribution Company employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources on terms to be agreed upon between the Management Company and the Distribution Company. The Investment Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources.

Distributors located outside Pakistan may, if so, authorized by the Trustee and the Management Company, be entitled to remuneration (from the Management Company's own resources) on terms to be agreed upon between them and the Management Company, subject to the law for the time being in force.

6.2 Fees and Charges Payable by the Fund

Separate expense & income accounts may be set up for each Investment Plan. The following expenses shall be borne by the Fund:

6.2.1 **Remuneration of the Management Company**

The remuneration shall begin to accrue from the close of the Initial Offering Period. In respect of any period other than an Annual Accounting Period, such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the Annual Accounting Period concerned.

Current level Management Fee is disclosed in Annexure "B". In addition, the rate of actual Management Fee as percentage of Net Assets Fee shall be disclosed in the monthly FMR as well as the financial accounts.
Any increase in the current level of Management Fee, provided it is within the maximum limit prescribed in the Regulations shall be subject to giving a thirty (30) days prior notice to the Unit Holders and the Unit Holders shall be given an option to exit at the applicable NAV without charge of any exit load.

6.2.2 **Remuneration of the Trustee**

The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with Annexure "A".

The remuneration shall begin to accrue following the expiry of the Initial Period. For any period, other than an Annual Accounting Period such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in an Annual Accounting Period concerned. Any upward change in the remuneration of trustee from the existing level shall require prior approval of the Commission.

6.3 Formation Costs

The formation cost, as per Regulation 60(2) read with Schedule XX, applies proportionately to the Investment Plans being offered under CIS. Formation cost shall not exceed 1.5% of the net assets at the close of the IOP for the first Plan(s), offered individually or simultaneously, or ten million rupees whichever is lower. Formation cost shall be amortized over a period of five years:

Provided that where the formation cost is not entirely amortized and the AMC introduces a new Investment Plan, the unamortized portion of the formation cost will be distributed proportionately among all operational Investment Plans based on the respective Net Assets at the close of the IOP for each Investment Plan. However initial expenses directly associated with the launch of the first Investment Plan(s) will not charge from the subsequently launched plans, and vice versa.

Provided further that any Investment Plan(s) launched after the expiry of 5 years from the date of the first amortization of the formation cost for the respective CIS, such CIS or Investment Plan shall not bear or amortize any expenses Incurred under the head of formation cost for the subject CIS.

6.4 Other costs and expenses

The following charges shall also be payable out of the Fund Property

i) Listing fee payable to the stock exchange, including renewals;
ii) Charges and levies of stock exchange, national clearing and settlement company and central depositary company;
iii) Rating fee payable to approved rating agency;
iv) Auditors' fees and out of pocket expenses as billed by them;
v) Fees payable to the Commission;
vi) Brokerage and transaction costs related to investing and disinvesting of the assets of the Fund;
vii) Expenses incurred by trustee in affecting registration of all registerable assets in the name of the trustee;
vii)) Legal and related costs incurred in protecting the interests of the unit, certificate, shareholders of the Fund;
viii) bank charges, borrowing and financial costs;
ix) Hedging costs including forward cover, forward purchase or option purchase costs;
x) Taxes, fees, duties and other charges applicable to the Fund on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made oversees;
xi) Shariah advisory fee;
xii) any other expense or charge as may be allowed by the Commission."

All the expenses mentioned above or as may be amended from time to time, incurred directly by an Investment Plan shall be charged to the respective plan. Where the expenses are incurred for the CIS as a whole like Audit, Rating, Shariah Advisory fee etc., such expenses shall be allocated among the Investment Plans in proportion to the Net Assets oof the respective Investment Plans

7. TAXATION

7.1 Taxation on the Income of the Fund

7.1.1 Liability for Income Tax

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

Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund will be regarded as a public company liable to a tax rate applicable to a public company.

The income of the Fund will accordingly be taxed at the following rates:

(i) Dividend income at the applicable rate according to the relevant law;
(ii) Capital Gains Tax as applicable according to the relevant law
(iii) Return from all other sources / instruments are taxable at the rate applicable to a public company.

7.1.2 Liability for Income Tax if Ninety Percent of Income is distributed

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders.

The Fund will distribute not less than 90% of its income received or derived from sources other than capital gains realized or unrealized as reduced by such expenses as are chargeable to the Fund.

7.2 Withholding tax

Under the provisions of Clause 47 (B) of Part (IV) of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income will not be subject to any withholding tax.

7.3 Zakat on Fund

The Fund is Saheb-e-Nisab under the Sindh Zakat and Ushr Act 2011. The balance in the credit of savings bank account, or similar account with a bank standing on the first day of Ramzan-ul-Mubarak will be subjected to Zakat deduction @ 2.5%.

7.4 Taxation and Zakat on Unit Holders

7.4.1 Taxation on Income from Investment Plan(s) under the Fund of the Unit Holder

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

7.4.2 Unit Holders under the Fund will be subject to Income Tax as per applicable income tax rate on dividend income distributed by the Fund

The tax deducted on dividend at the rates specified above will be the final tax (except for companies) and the payer will be required to withhold the amount of tax at source from payment of dividend except payment to the banking companies.

7.4.3 Capital gain arising from sale/redemption of Units of the Investment Plan(s) under the Fund will be subject to tax at the applicable tax rate as mentioned in the Income Tax Ordinance 2001.

7.4.4 Unit Holders who are exempt from income tax may obtain exemption certificates from the Commissioner of Income Tax and provide the same to the Management Company and/or Transfer Agent and on the basis of Exemption Certificate income tax will not be withheld.

7.4.5 **Zakat**

Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Sindh Zakat and Ushr Act, 2011, except those exempted under the said Act. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration in due course of time to the Asset Management Company.

7.5 Disclaimer

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

All information contained in Part 7 is based on the current taxation status. The exemptions and rates of taxation are subject to change from time to time, as may be announced by the Government.

8. REPORTS TO UNIT HOLDERS

8.1 Account Statement

AMC shall provide/ send acknowledgement for all transactions and activities in an investor's accounts with AMC to each unit or certificate holder on the registered postal address or through any electronic means including registered email and SMS provided by the unit or certificate holder within 48 hours of such transaction and activity. In case of acknowledgement through electronic means including email or SMS, a real-time intimation be sent for each transaction and activity:

Provided that an Asset Management Company may send electronic transaction/ activity acknowledgement, in lieu of a physical statement, through electronic means including the registered email address of the unit or certificate holder only after obtaining consent in writing from the unit or certificate holder for sending electronic acknowledgement.",

AMC shall provide/ send an investment account statement to each unit or certificate holder on the registered postal address or through any electronic means including registered email provided by the unit or certificate holder on semi-annual basis within fifteen (15) days of close of such semi-annual period:

Provided that an Asset Management Company may send electronic account statement, in lieu of a physical statement, through any electronic means including registered email to the unit or certificate holder, only after obtaining consent in writing through physical or electronic means from the unit or certificate holder for sending electronic account statement: Provided further that an Asset Management Company shall be required to send a semi-annual account statement to every unit or certificate holder, even if the respective unit/certificate holder has chosen the hold mail option:

Provided also that an Asset Management Company shall provide the account statement to the investors within seven working days from the receipt of such request;".

8.2 Financial Reporting

(a) The Management Company shall prepare and transmit the annual report in such form and manner as set out in the Regulations as amended or substituted from time to time.

(b) The Asset Management Company shall prepare and transmit quarterly reports physically (or through electronic means or on the web subject to SECP approval) in such form and manner as set out in Regulations as amended or substituted from time to time.

8.3 Trustee Report

The Trustee shall report to the Unit Holder, to be included in the annual and second quarter Financial Reports issued by the Management Company to the Unit Holders, as to whether in its opinion the Management Company has in all material respects managed the Fund in accordance with the provisions of the Regulations, the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

Fund Manager Report
The Asset Management Company shall prepare Fund Manager Report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also made available at their website latest by 7th of each month.

9. WARNING AND DISCLAIMER

9.1 Warning

9.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your 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 are made) may increase or decrease.

9.1.2 Investment in Investment Plans under this Fund are suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

9.2 Disclaimer

9.2.1 The Units of the Investment Plan are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by the SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Pre-IPO Investors or any other bank or financial institution. The portfolio of the Fund is subject to market risks and risks inherent in all such investments.

9.2.2 Investment Plans' target return/ dividend range cannot be guaranteed. Investment Plans' Unit price is neither guaranteed nor administered/ managed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and profit rates.

10. GENERAL INFORMATION

10.1 Accounting Period / Financial Year of the Fund

Accounting Period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.
Annual Accounting Period means the period shall commence on 1st July and end on 30th June of the succeeding calendar year.

10.2 Inspection of Constitutive Documents

The copies of constitutive documents, such as the Deed and the Offering Document, can be inspected free of charge at the registered office of the management company, however such documents shall also be available on the web site of the Management Company.

3rd Floor, Mackinnons Building, I.I Chundrigar Road, Karachi, Pakistan.

10.3 Transfer of Management Rights of the Fund

(i) the Asset Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license; where the Asset Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Asset Management Company;

(ii) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Management Company;

(iii) if in the opinion of the Commission further management of the Fund by the existing Management Company is detrimental to the interest of the Unit Holders, the Commission may direct the Trustee to transfer the Fund to another Management Company.

(iv) if the Management Company may retire voluntarily with the prior written consent of the Commission.

10.4 Extinguishment/Revocation of the Fund

The Fund may be extinguished by the occurrence of any of the following events in accordance with the procedure laid down in the Regulations, the Deed and the Directives issued by the Commission;

(i) where the Management Company is unable to remove the suspension of redemption of Units of the of the Plan under the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be revoked;

(ii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;

(iii) in the opinion of the Management Company the scheme is not commercially viable or the purpose of the scheme cannot be accomplished subject to the consent of the Trustee;

(iv) the Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust be wound up.

(v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and

(vi) where the Commission deems it necessary to revoke the Fund and so directs either the Trustee or the Management Company in the interest of the Unit Holders;

10.5 Liquidation of Investment Plan(s)

10.5.1 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units of the Investment Plan held by them respectively all net cash proceeds derived from the realization of the Trust Property under the respective Investment Plan after repayment of the following expenses:

a) Repayment of any / financing affected by the Trust of that particular Investment Plan together with any profit remaining unpaid.
b) Retention of such sums as considered appropriate by the Management Company for all costs, charges, expenses, claims and demands (if any) as approved by SECP

10.5.2 The Trustee shall however not be liable if the sale proceeds of the Investments fall short of the adjustments in 10.5.1(a) and 10.5.1 (b) above. However, if there is any surplus out of the sum so retained by the Trustee, the same shall be distributed pro-rata amongst the Unit Holders of the pertinent Investment Plan(s).

However, the simultaneous liquidation of all the Investment Plans does not constitute the liquidation of Trust.

10.6 Procedure and manner of Revocation of the Fund

Revocation of the Fund shall be done in accordance with the procedures and in the manner as mentioned in the Regulations or through circulars / guidelines issued by the SECP from time to time.

10.7 Distribution of proceeds on Revocation

In case of Revocation of the Fund the Trustee shall, according to the procedure laid down in the Regulations, refund the net proceeds to the Unit Holders in proportion to the number of units held by them.

11. GLOSSARY

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

"Accounting Date" means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, under intimation to the Trustee after obtaining approval from the relevant competent authority may change such date to any other date and such change shall be intimated to the Commission.

"Account Opening / Investment Account Opening Form" means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund,

"Account Opening / Investment Account Opening Form" means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund.

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

"Act" means the Companies Act 2017.

"Administrative Plans" means approved Investment Plan (s) offered under the scheme. Each Investment Plan shall invest only in Authorized Investments as approved by the Commission. Details of the Investment Plan (s) shall be disclosed in the Offering Document of the Scheme.

"Annual Accounting Period" or "Financial Year" means the period commence on 1st July and shall end on 30th June of the succeeding calendar year.

"Asset Management Company" means an asset management company as defined in the Rules, Regulations and Circulars.

"Authorized Branches" means those Branches of Distributors which are allowed by the Management Company to deal in Units of the Funds managed by the Management Company.

"Authorized Investments" are those as defined in clause 2.1.1 of this Offering Document.

"Bank" means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.

"Back-end Load" means the charge deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of Units, as specified in this document.

"Bank Accounts" mean those account(s) opened and maintained in Banks or current account with conventional banks for each Investment plan under the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).

"Broker" means any person engaged in the business of effecting transactions in securities for the account of others.

"Business Day" means any day (business hours thereof as specified in the Offering Document) on which Banks are open for business in Pakistan.

"Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.

"Collective Investment Scheme" means any arrangement whose sole purpose is the collective investment of funds in a portfolio of securities, or other financial assets for profits, income or other returns, and where the participants, who have pooled in the funds, do not have any day-to-day control over the management of the scheme, whether or not they have the right to be consulted or to give direction in respect of such management:

Provided that the following shall not be considered as a Collective Investment Scheme for the purpose of these regulations: -

(a) employee welfare trusts or gratuity trusts or employees' provident funds or employees' pension funds setup for the benefit of employees by companies; and

(b) any such pool of funds which is separately regulated by the Commission or which is already established under any specific law;

"Connected Person" shall have the same meaning as assigned in the Rules and Regulations.

"Constitutive Documents" means includes the trust deed, offering document, supplemental documents and other principal documents governing the formation of a Closed End Scheme, Open End Scheme or a Pension Fund and all other related material agreements.

"Custodian" means includes a bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or a trust company which is a subsidiary of such bank or a central depository company approved by the Commission or an NBFC carrying out investment finance services provided it has been approved by the Commission to act as custodian or such other company as may be approved by the Commission to act as custodian.

"Contingent Load" means Load payable by the Unit Holder at actual basis to the extent of loss incurred by fund due to disinvestments if Units are redeemed by any major Unit Holder in such

period of time that the Management Company believes may adversely affect the interest of other Unit Holder (s). Any Contingent Load received will form part of the Trust Property.

"Cut-Off Timing" means day time for dealing in Units of the Fund. The Details of Cut-off Time will be prescribed in Offering Document of the Fund and/or on its website.

"Dealing Day" means every Business Day from **Monday to Friday** of every week. Units will be available for dealing (purchase, redemption, transfer, switching etc.) on Dealing Days during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days' notice in a widely circulated newspaper in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).

"DFI" means Development Financial Institution and includes the Pakistan Industrial Credit and Investment Corporation (PICIC), the Saudi Pak Industrial and Agricultural Investment Company Limited, the Pak Kuwait Investment Company Limited, the Pak Libya Holding Company Limited, the Pak Oman Investment Company (Pvt.) Limited, Investment Corporation of Pakistan, House Building Finance Corporation, Pak Brunei Investment Company Limited, Pak-Iran Joint Investment Company Limited, Pak-China Investment Company Limited, and any other financial institution notified under Section 3-A of the Banking Companies Ordinance, 1962.

"Distribution Account" means the Bank Account (which may be a current, saving or deposit account) maintained separately for each Investment Plan by the Trustee with a Bank as directed by the Asset Management Company in which the amount required for distribution of income to the Unit Holder(s) of the pertinent Investment Plan shall be transferred. income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the respective Investment Plan(s) from time to time, as part of the Trust Property for the pertinent Investment Plan(s) benefit of the Unit Holder(s) of the pertinent Investment Plan(s).

"Distributor / Distribution Company" means Company(ies), Firm(s), Sole Proprietorship concern(s), individual(s), Banks or any other Financial Institution appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and who are registered with MUFAP as Registered Service Providers. The Management Company may itself also perform the Distribution Function.

"Distribution Function" means the functions with regard to:

a) receiving applications for the issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
b) issuing receipts in respect of (a) above;
c) interfacing with and providing services to the Holders including receiving redemption/transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
d) accounting to the Management Company for all: (i) payment instruments received from the applicants for issuance of Units; (ii) payment instruments to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.
e) the above functions may be performed electronically, if appropriate systems are in place.

"Duties and Charges" means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue,

sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any Commission payable to agents on sales and redemption of Units or any Commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

"Exposure" shall have the same meaning as provided in the Regulations.

"Exit Charges" means contingent load, back-end load and any other charges as may be applied by Asset Management Company and defined in the Offering Document of the Fund.

"Front-end Load" means the Sales load which may be included in the offering price of the Units; provided however that different levels of Front-end Load may be applied to different investors, as determined by the Asset Management Company. However, aggregate of Front-end Load and Back-end Load should not exceed 3% of Net Asset Value.

"Federal Government" means the Federal Government of Islamic Republic of Pakistan.

"Financial Institution" means a Bank, Development Finance Institution, Non-Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

"Financial Sector" shall comprise of the savings and term deposits / certificates/ securities/ instruments issued by the entities of Banking Sector, Financial Services Sector, Life Insurance Sector and Non- Life Insurance Sector as classified by Pakistan Stock Exchange and DFIs.

"Force Majeure" means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not be limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of this Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

"Formation Cost" means preliminary expenses relating to regulatory and registration fees of the Scheme, flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of this Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period.

"Government Securities" include monetary obligations of the Government or a Provincial Government or a corporation wholly owned or controlled, directly or indirectly, by the Federal

Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the official Gazette, declare, to the extent determined from time to time, to be a Government Security.

"Holder or Unit Holder" means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of the Trust Deed.

"Initial Period" or "Initial Offering Period" means a period determined by the Asset Management Company during which Units will be offered as mentioned in clause ….. of this Offering Document.

"Investment" means any Authorized Investment forming part of the Trust Property.

"Investment Plan(s)" mean(s) approved Investment Plan(s) offered under the Scheme. Each Investment Plan shall invest only in permissible asset classes and/or other instruments/ authorized investment as approved by the Commission. Details of the Investment Plan(s) shall be disclosed in the Offering Document of the Scheme

"Investment Facilitators/Advisors" means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The investment facilitator/advisor is not authorized to perform the Distribution Functions. The Management Company shall compensate the Investment Facilitators.

"Investment Form" means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units.

"Local Governments" mean all the local / city governments in Pakistan.

"Life of Plan" means duration of plan. From the end day of the Subscription period following realization of all investment's proceeds raised till the close of Subscription period, the Life of Plan may start any time within or no later than seven (7) business days from the close of Subscription period.

"Management Company" is defined in the preamble hereto;

"NBFC" means a non-banking finance company which includes company licensed by the Commission to carry out any one or more forms of business as specified in clause (a) of section 282A of the Ordinance.

"Net Assets", in relation to a collective investment scheme, means the excess of assets over liabilities of the collective investment scheme, such excess being computed in the manner provided in this regulation.

"Net Assets of Investment Plan" means the excess of assets over liabilities of pertinent Investment Plan being offered under the Fund; such excess being computed in the manner as specified in the Regulation.

"Net Assets of the Scheme", means the excess of assets over liabilities combined together, such excess being calculated in accordance with the Regulations or Circulars.

"Net Asset Value" or "NAV" means per Unit value of the pertinent Investment Plan being offered under the Fund arrived at by dividing the Net Asset of the Investment Plan(s) by the number of

Units outstanding for such Investment Plan. The NAV of each Investment Plan shall be announced on each Dealing Day or as per the direction of the Commission from time to time.

"Notified Entity" means a company or class of companies or corporate body or trust or any other entity or person notified by the Federal Government in the official Gazette.
"Offer Price or Purchase (Public Offer) Price" means the sum to be paid by the investor for purchase of one Unit of an Investment Plan, such price to be determined pursuant to this document.

"Offering Document" includes, -
(a) a published document containing information on a Collective Investment Scheme to invite the public for purchase of certificates or units in that scheme;
(b) a document inviting contributions from eligible persons for a pension fund; and (c) all supplementary documents thereto or any document relating to an income payment plan.

"Open End Scheme" means a collective Investment Scheme which offers units for sale based on net asset value on continuous basis without specifying any duration for redemption and which entitles the holder of such units on demand to receive his proportionate share of the net assets of the scheme less any applicable charges on redemption or revocation.
"Offer Price or Purchase (Public Offer) Price" means the sum to be paid by the investor for purchase of one Unit, such price to be determined pursuant to this document.

"Offering Document" means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme.

"Ordinance" means the Companies Ordinance, 1984 (XLVII of 1984).

"Online" means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

"Par Value" means the face value of Rs.100 for a Unit of the Fund.

"Personal Law" means the law of inheritance and succession as applicable to the individual Unit Holder.

"Profit Distribution Date" means the date on which the Asset Management Company decides to distribute the profits (if any).

"Pledge Form" means a standardized form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units and will be stated in this Offering Document.
"Provincial Governments" mean the Provincial Governments of all four provinces of Pakistan.

"Redemption Form" means a standardized form prescribed by the Management Company to be duly filled by the investor to redeem Units.

"Redemption Price or Repurchase Price" means the amount to be paid to the relevant Holder upon redemption of that Unit, such amount to be determined pursuant to this document.

"Register Function" means the functions with regard to:

a) Maintaining the Register, including keeping a record of change of addresses/other particulars of the Holders;
b) Issuing account statements to the Holders;
c) Issuing Certificate; including Certificates in lieu of undistributed income to Holders;
d) Cancelling old Certificates on redemption or replacement thereof;
e) Processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Holders;
f) Issuing and dispatching of Certificates;
g) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends; and
h) Maintaining record of lien/pledge/charge on units, transfer/ switching of units, zakat.
i) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
j) Keeping record of change of addresses/other particulars of the Holders.

"Regulations" means the regulations made by the Commission in exercise of its powers under Part VIIIA of the Ordinance.

"Rules" mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended from time to time.

"SECP" or "Commission" means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.

"Special Instruction Form" means a standardized form prescribed by the Management Company to be duly filled by the investor to change his/her particulars.
"Sales Load" means front end load deducted at the time of investment and load charged at the time of redemption from Scheme. However, the load charged upon redemption and which forms part of the Scheme property shall not classify as sales load. An Asset Management Company may charge sales load maximum up to 3% of the NAV per unit and may charge sales load maximum up to 1.5% of the NAV per unit where transactions are done online or through a website.

"Stock Exchange" means Stock Exchanges registered under the Securities and Exchange Ordinance, 1969.

"Sukuk" means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.

"Total Expense Ratio" means the ratio of the sum of all fees, expenses, taxes or government levies charged to the Collective Investment scheme to average daily net assets value of that Collective Investment Scheme.

"Trustee" means a company appointed as a trustee of a notified entity as per the rules and regulations made under Part VIII A of the Ordinance.

"Trust Deed" or "Deed" means the Trust Deed of the Fund executed between the Asset Management Company and the Trustee along with all the exhibits appended hereto.

"**Transaction Costs**" mean the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust's portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.

"Transfer Agent" means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Function.

"Transfer Form" means a standardized form prescribed by the Management Company to be duly filed by the investor to transfer Units.

"Trust Property of the Scheme"
means the aggregate proceeds of all Units issued from time to time by each of the Investment Plan(s) shall after deducting Duties and Charges, Transactions Costs and any applicable Sales Load, shall constitute part of the Trust Property and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Deed but does not include any amount payable to the Unit Holders of the Investment Plan(s) as distribution. However, any profit earned on the amount payable to the Unit Holders of the Investment Plan(s) as distribution shall become part of the Trust Property of the Investment Plan(s). The property of each investment plan shall always be held as separate property and in no way shall the assets and liabilities of one investment plan be commingled with any other investment plan. However, the trust property shall include the assets of all investment projects initiated under the CIS through an offer document or a supplementary offer document from time to time.

"Trust" or "Unit Trust" or "Fund" or "Scheme" means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.
Words and expressions used but not defined herein shall have the meanings assigned to them in the Act and Rules and Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "written" or "in writing" include printing, engraving, lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of the Trust Deed.

ANNEXURE "A"

REMUNERATION OF TRUSTEE

The Trustee remuneration shall consist of the following tariff:

0.055% of Net Assets

ANNEXURE 'B'

CURRENT LEVEL OF MANAGEMENT FEE AND SALES LOAD

1. An AMC may charge sales load (Front end / back end) maximum up to 3% of NAV per unit if the investors approach directly for investment or where transaction is done through a third-party online distribution portal, through website and may charge front end load maximum up to 1.5% of the NAV per unit where transactions are done through AMC's own online distribution portal or website.

The Asset Management Company may at its discretion charge different levels of sales Load under this Scheme

2. **Management Fee:** Up to 1.5% of Average daily net assets

BUSINESS HOURS AND CURRENT CUT OFF TIME

Business Hours	**Cut off Time**
Monday to Thursday 9:00 a.m. to 5:30 p.m. Friday 9:00 a.m. to 6:00 p.m.	Monday to Thursday 4:00 p.m. Friday 4:30 p.m.

The Cut-Off Time may vary from time to time as may be determined by the Asset Management Company, under intimation to the trustee and SECP and the same shall be communicated to the Unit Holders before such unit transactions shall be effectuated.

Note:

1. Any change in the load structure and/or management fee shall be notified after prior approval of the Commission through a supplemental to this annexure and by publication in a widely circulated newspaper and/or as and how the SECP may direct.

2. Any change in the Cut-off Timing including for the month of Ramadan shall be notified to Investors/ Unit holders via Company's Website.

ANNEXURE 'C'

OFFICES of AL HABIB ASSET MANAGEMENT LIMITED

Head Office- Karachi
3rd Floor, Mackinnons Building,
I.I Chundrigar Road, Karachi, Pakistan.
UAN: 021-111-342-242
PABX: 021-32469115-19

All Branches of AL Habib Asset management Limited are authorized for transactions.

Distributor

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