

**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, Risk Factors mentioned in clause 2.4, Taxation Policies mentioned in Clause 7 and Warnings in Clause 11 before making any investment decision.**

**OFFERING DOCUMENT  
OF  
AKD OPPORTUNITY FUND**



<b>Category of CIS</b>	<b>Risk Profile</b>	<b>Risk of Principal Erosion</b>
Equity	High risk	Principal at high risk

**(An Open End Equity Fund Scheme)**

**MANAGED BY**

**AKD INVESTMENT MANAGEMENT LIMITED**

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**OFFERING DOCUMENT OF  
AKD Opportunity Fund****MANAGED BY**

AKD Investment Management Limited

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

Date of Publication of Offering Document 26 March, 2006

Initial Offering Period: 29 to 31 March, 2006 (both days inclusive)

The AKD Opportunity Fund (the Fund/the Scheme/the Trust) has been established through a Trust Deed under the Trusts Act, 1882, entered into between AKD Investment Management Limited, the Management Company and Central Depository Company of Pakistan Limited, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).

**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 AKD Opportunity Fund (the Fund) under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules). The SECP has approved this Offering Document, under Rule 70 of the Rules.

It must be clearly understood that in giving this approval, the 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.

The provisions of the Trust Deed govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in the Fund. Prospective investors should consult one or more from amongst their legal adviser, stock broker, bank manager or other financial adviser.

Investors must recognize that all investments involve varying levels of risk. The portfolio of the Fund consists of market-based investments, listed as well as unlisted, that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Fund nor the dividends declared by the Fund are or can be assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.4 and Clause 11 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 the SECP. Certified copies of these documents along with documents 2 to 7 below can be inspected at the registered office of the Management Company or the place of business of the Trustee:

1. The SECP's letter No. SC/NBFC-AD/813/2005 dated November 22, 2005 granting license to AKDIML to carry out Asset Management Services with the copy of the license;

2. Trust Deed (Deed) of AKD Opportunity Fund dated December 19, 2005 between AKD Investment Management Limited (AKDIML) as the establisher and the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee;
3. SECP letter No. NBFC-II/DD/AKDIML/26 dated January 09, 2006, authorizing AKD Opportunity Fund;
4. SECP letter No. NBFC-II/AD/AKDIM/857/2005 dated December 07, 2005, approving the appointment of CDC as the Trustee of AKD Opportunity Fund;
5. Letter from M. Yousuf Adil Saleem & Co., Chartered Accountants, Auditors of AKD Opportunity Fund, consenting to the issue of statements and reports;
6. Letter of Consent by the legal advisor, Sattar & Sattar, Attorney-at-Law to act as the legal advisor of the AKD Opportunity Fund;
7. The SECP's letter No. SEC/NBFC-II/DD/AKDIML/2006/169 dated March 20, 2006, approving this Offering Document.

## **1. CONSTITUTION OF THE SCHEME**

### **1.1 Constitution**

The Fund is an open-ended fund and has been constituted by a Trust Deed entered into at Karachi on December 19, 2005 between:

AKD Investment Management Limited (AKDIML), a Non-Banking Finance Company incorporated under the Companies Ordinance 1984, and licensed by SECP to undertake asset management and investment advisory services with its registered office at 606, Continental Trade Centre, Block-8, Clifton, Karachi, as the establisher of the Fund and the Management Company; and

Central Depository Company of Pakistan Limited (CDC), a Company incorporated under the Companies Ordinance 1984, with its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi, Pakistan as the Trustee.

### **1.2 Registered Address, Place and Date of Creation**

The registered address of the AKD Investment Management Limited is 606, Continental Trade Centre, Block-8, Clifton, Karachi. The Trust was created on December 19, 2005. The official web site address of AKD Investment Management Limited is [www.akdinvestment.com](http://www.akdinvestment.com)

### **1.3 Trust Deed**

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, Securities and Exchange Ordinance, 1969 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.

### **1.4 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 on any of the following grounds:

- 1) To such extent as may be required to ensure compliance with any applicable laws and regulations or any amendment of such laws and regulations;
- 2) To enable the provisions of the Deed to be more conveniently and efficiently implemented;

- 3) To enable the Units to be listed on a Stock Exchange or any other Exchange; or
- 4) Otherwise to the benefit of the Unit Holders.

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

Where the Deed has been altered or supplemented, the Management Company shall notify to the Unit Holders at their respective registered addresses and the dispatch of such notices to the Unit Holders will be announced in two daily newspapers having its primary circulation in Pakistan.

However, if the Commission (SECP) modifies the Rules to allow any relaxations or exemptions, these will be deemed to have been included in the Constitutive Documents without requiring any modification as such.

### **1.5 Duration**

The duration of the Fund is perpetual. However, the SECP or the Management Company may, on the occurrence of certain events, wind it up as stated in Section 13 of this Offering Document under the heading "Termination of the Fund".

### **1.6 Units**

**1.6.1** The Fund is divided into Units having a First Offer Price of Rs. 50/- each. This price is applicable to such Units that are issued before any of the assets of the Fund are invested other than deposits, whether or not earning mark-up/profit. Thereafter, the Units shall be issued on the basis of their Net Asset Value (NAV), which shall form the base for determining the Offer and Repurchase Prices. All Units and fractions thereof represent an undivided share in the Fund and rank *pari passu* as to their rights in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Fund proportionate to the Units held by such Unit Holder.

**1.6.2** The Management Company is initially issuing the following Classes of Units:-

- a. Class "A" Units being offered and issued during the Private Placement and Initial Period of Offer (IPO) with no Sales Load.
- b. Class "B" Units which shall be offered and issued after the Initial Offering Period with Sales Load.
- c. Class "C" Units (Restricted/Core Units) Units issued to the Core Investors with no Sales Load. These Units cannot be redeemed for a period of two (2) years from the date of closure of First Offer. However such Units are transferable.

### **1.7 Open-ended Fund**

It shall offer and redeem Units on a continuing basis subject to terms contained herein and to the Rules. There is no upper limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investors' accounts. Fractional Units will be issued to enhance economical and efficient handling. Units are also transferable. Units will be issued in registered, un-certificated form and will be confirmed to investors by means of an account statement issued by the Registrar. Certificates representing the Units will be issued only if so requested by the Unit Holder at the time

of application or at any later stage and upon payment of a fee not exceeding Rs. 50/- per certificate, subject to revision of this fee from time to time by the Management Company.

### 1.8 First Offer (Initial Offering Period)

The First Offer is for Class "A" Units, with no Sales Load, which shall be issued at the First Offer Price of Rs.50/- per unit. The Offer and Issue of Units at First Offer Price shall commence from the start of the banking hours on March 29, 2006 and shall end at the close of the banking hours on March 31, 2006. This price is applicable to such Units that are issued before any of the assets of the Fund are invested other than deposits, whether or not earning mark-up/profit. During the Initial Offering Period Units will not be redeemed.

### 1.9 Transaction in Units after Initial Offering Period

Subsequent to the First Offer, Units can be purchased at the Purchase (Offer) Price and redeemed at the Redemption (Repurchase) Price. The Management Company will fix the Offer (Purchase) and Redemption (Repurchase) Prices daily on the basis of the Net Asset Value (NAV) of the Units after the close of the Stock Exchange(s) / Financial Market(s) business day. In the event there are closed days, for any reason, preceding that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed day(s), the NAV based price per unit shall be fixed after adjusting for the Sales Load (Front-end Load) or the Redemption Load (Back-end Load) as the case may be and any Transaction Costs that may be applicable save under circumstances elaborated in Section 4.7 mentioned herein, such prices shall be applicable to Purchase and Redemption requests, complete in all respects, received during the business hours on the following business day.

The Management Company may issue Units without Sales Load or with a reduced Sales Load to Unit Holders opting to receive Units in lieu of dividends.

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

### 2.1 Investment Objectives

**AKD Opportunity Fund will provide investors with an ideal investment vehicle which will aggressively seek profitable opportunities in the equity markets. The Fund Management team will filter through the opportunities presented in the equity markets for the optimal combination of investment strategies mainly in equities. At times of high volatility or when the Fund Management team feels that equities as an asset class are over-valued, they will seek opportunities in fixed income and money market instruments to provide investors with consistent, balanced and industry leading returns. However, the investment in listed securities will not be less than 50% of the NAV.**

Investment in the Fund will provide investors with a means to access the capital markets by utilizing the professional fund management expertise available with AKD Investment Management Limited (AKDIML).

### 2.2 Investment Policy

The investment criteria and decisions will be based on the following key factors:

- Focus on under-valued stocks and stocks that offer growth
- Indulge in event related stock movements
- Take advantage of market volatility and fund flow movements
- Participate in arbitrage opportunities available in the market, such as presented in the ready and futures market
- Continuous Funding System (CFS), the Fund shall invest upto a maximum of 25% of its NAV in Continuous Funding System (CFS) with not more than 20% of CFS amount in any one script at the time of investment; and
- Any other Authorized Investments



### 2.3 Investment Restrictions

The investment restrictions that apply to AKDOF and its investments in various asset classes are as follows:

1. The Fund Property shall be subject to such exposure limits as are provided in the Rules (except where any exemptions that may be specifically given to the Fund by the SECP): Provided that it will not be necessary for the Trustee to sell any investment merely because owing to appreciation or depreciation of any investment or disposal of any investments or redemption of Units such limit shall be exceeded. The Management Company will have six (6) months to comply with the exposure limits in case such limits are exceeded.
2. The Scheme shall not invest more than twenty five (25) percent of its Net Asset Value in securities of any one sector as per classification of the pertinent stock exchange(s), except where relaxation is granted by the SECP.
3. The purchase or acquisition of a particular listed security shall not exceed in the aggregate ten percent (10%) of the Net Assets Value (NAV) of the Fund at the time of the investment or 10% of the issued capital of the investee company.
4. The purchase of Units of other open-ended funds (unit trusts) by AKD Opportunity Fund shall be restricted up to a maximum of 10% of the Net Assets Value (NAV) of the Fund except for the Funds managed by AKDIML.
5. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Rules, the Management Company shall not make any further investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Unit Holders.
6. Where investment of the Fund Property is made in equity securities, not less than 50% of the Fund Property shall be invested in the listed securities or in securities for the listing of which an application has been approved by a Stock Exchange, except where relaxation is granted by the SECP.
7. The Fund Property shall not be invested in any security of a company if any Director or Officer of the Management Company or any of their Connected Persons owns more than five percent (5%) of the total nominal amount of the securities issued or collectively the Directors and Officers of the Management Company or any of their Connected Persons own more than ten percent (10%) of those securities.
8. The Trust shall not purchase from or sell any security to the Management Company or the Trustee or to any Director, Officer or Employee of the Management Company or Trustee or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company or the Trustee, save in the case of such party acting as a intermediary.
9. The Trust will not at any time:
  - a. Purchase or sell:
    - Bearer securities
    - Securities on margin
    - Commodities contracts or commodities and directly real estate
    - Securities which result in assumption of unlimited liability (actual or contingent)
    - Anything other than Authorized Investments as defined herein

- a. Purchase or sell:
  - Bearer securities
  - Securities on margin
  - Commodities contracts or commodities and directly real estate
  - Securities which result in assumption of unlimited liability (actual or contingent)
  - Anything other than Authorized Investments as defined herein
- b. Participate in a joint account with others in any transaction;
- c. Make short sales of any security or maintain a short position in securities;
- d. Under no circumstances shall the Management Company buy or sell such options on behalf of the Scheme in excess of 10% of the NAV that result in an exposure beyond the number of underlying securities held in the portfolio of the Scheme. The Management Company may, however, buy call options or put options, on one or more items (financial or otherwise) that in its opinion would act as a hedge / defensive proxy for the overall market risk.

### **2.3.1 Exception to Investment Restrictions**

In the event the weightages of securities exceed the limits laid down in the Offering Document or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestments or redemption of Units, the Management Company shall make its best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Management Company shall not invest further in such shares or sectors while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares and/or bonus shares.

### **2.3.2 Borrowing and Borrowing Restrictions**

1. Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Scheme; provided that the borrowing shall not be resorted to, except for meeting the redemption requests.
2. The charges payable to any Bank or Financial Institution against borrowings on account of the Fund shall not be higher than the normal prevailing bank charges or normal market rates.
3. The maximum borrowing for the account of the Trust shall not exceed fifteen percent (15%) of the total Net Assets Value of the Scheme or such other limit as may be provided in the Rules. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or Redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
4. Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
5. For the purposes of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules and/or any law for the time being in force.

6. Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that Unit Holders may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

### 2.3.3 Restriction of Transactions with Connected Persons

- i. The Fund Property shall not be invested in any security of a company if any Director or Officer of the Management Company individually owns more than five percent (5%) of the total nominal amount of the securities issued or collectively the Directors and Officers of the Management Company in their individual capacities own more than ten percent (10%) of those securities.
- ii. The Fund shall not purchase from or sell any security to the Management Company or the Trustee or to any Director, Officer or Employee of the Management Company or Trustee or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company or the Trustee, or the major shareholders of the Trustee Company, save in the case of such party acting as an intermediary.

For the purpose of sub-paragraphs (i) and (ii) above, the term Director, Officer and Employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

Subject to the Rules, any transaction between the Trust and the Management Company or any of their respective connected persons as principal shall only be made with the prior written consent of the Trustee.

## 2.4 Risk Disclosure

Investors into AKDOF must realize that all investments in mutual funds and securities are subject to market risks. Our target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of AKD Opportunity Fund is subject to market fluctuations and risks inherent in all such investments. The risk emanates from various factors that include, but are not limited to:

1. **Credit Risk** - Credit risk is comprised of default risk, credit spread risk and downgrade risk. Each can have a negative impact on the value of a fixed-income security including money market instruments.
  - a) Default risk is the risk that the issuer will not be able to pay the obligation, either on time or at all.
  - b) Credit spread risk is the risk that there will be an increase in the difference between the return/mark-up rate of an issuer's bond and the return/mark-up rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or treasury bill). 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 fixed income securities including money market instruments.
  - c) Downgrade risk is the risk that a credit rating agency, such as PACRA or JCR-VIS or any other reputable Credit Rating Agency, will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those fixed income securities including money market instruments.

2. **Derivative Risk** - Derivatives may be used to limit or hedge potential losses associated with stock markets and return/mark-up rates. This process is called "hedging". Derivatives may also be used for non-hedging purposes - to reduce transaction costs, achieve greater liquidity, and create effective exposure to financial markets or increase speed and flexibility in making portfolio changes. Any use of derivatives has risks, including:
  - a) The hedging strategy may not be effective.
  - b) There is no guarantee that a market will exist when a Fund wants to buy or sell the derivative contract.
  - c) A large percentage of the assets of a Fund may be placed on deposit with one or more counter parties, which exposes the Fund to the credit risk of those counterparties.
  - d) The counter-party to the derivative contract may not be able to meet its obligations.
  - e) If an Exchange halts trading in any particular derivative contract, a Fund may not be able to close out its position in that contract.
  - f) The price of a derivative may not accurately reflect the value of the underlying security or index.
3. **Concentration Risk** - The Fund may concentrate its investments in a relatively small number of securities, certain sectors or specific regions. This may result in higher volatility as the value of the portfolio will vary more in response to changes in the market of these securities, sectors or regions.
4. **Return/Mark-up Rate Risk** - Fixed income securities including money market instruments, which include treasury bills and commercial paper, pay fixed rate of return/mark-up. The value of the fund, due to its holdings in fixed income securities including money market instruments, will rise and fall as return/mark-up rates change. For example, when return/mark-up rates fall, the value of an existing bond will rise because the coupon rate on that bond is greater than prevailing return/mark-up rates and vice versa.
5. **Equity Risk** - Companies issue equities, or stocks, to help finance their operations and future growth. The company's performance outlook, market activity and the larger economic picture influence the price of a stock. When the economy is expanding, the outlook for many companies will be good and the value of their stocks should rise. The opposite is also true. Usually, the greater the potential reward, the greater the risk. For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance.
6. **Government Regulation Risk** - Government policies or regulations are more prevalent in some sectors than in others. Funds that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and/or the cash flows and/or any governmental or court orders restraining payment of capital, principal or income.
7. **Voluminous Purchase/Redemption of Fund Units Risk** - Any significant transaction made by any investor could significantly impact a Fund's cash flow. If the third party buys large amounts of Units of a Fund, the Fund could temporarily have a high cash balance. Conversely, if the third party redeems large amounts of Units of a Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

8. **Liquidity Risk** - Some companies have limited market float of their issued shares and hence are not actively traded in the stock market or they may generally have very few total shares issued and outstanding. Securities issued by such companies may be difficult to buy or sell, which may cause the value of the Funds that buy these securities to rise and fall substantially because any buying or selling of such company shares may have a great impact on that company's share price.
  9. **Repurchase and Reverse Repurchase Transactions and Securities Lending Risk** - The risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus return/mark-up, if the market value of the security has dropped. In the case of a repurchase or a securities lending transaction, the Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.
  10. **Market Risk** - This risk involves volatility in stock prices resulting from their dependence on market sentiment, speculative activity, supply and demand for the securities and liquidity in the market. The volatility in securities prices results in volatility in the NAV based price of the Unit of the Fund.
  11. **Other Risks Involved:**
    - a) Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made.
    - b) Break down of law and order, war, terrorist activity, natural disasters etc.
    - c) Senior rights of creditors over the shareholders in the event of winding up.
- 2.4.1 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial and capital market investments. Capital invested in the financial and capital markets could in extreme circumstances lose its entire value. However, diversification of the investment into a number of highly liquid equities, fixed income securities including money market instruments and repurchase transactions tends to reduce the risk substantially. The historical performance of this Fund, the financial and capital markets or that of any one security or transaction included in the Fund's portfolio does not indicate future performance.**
- 2.4.2 Prices of Units of the Fund and income from them may go up or down.**
- 2.4.3 Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up in such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.**
- 2.5 Disclaimer**
- The Units of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the 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 Core Investors or any other bank or financial institution.**

### 3. OPERATORS AND PRINCIPALS

#### 3.1 Management Company

##### 3.1.1 Organization

AKD Investment Management Limited (AKDIML) was incorporated on July 30, 2004. The company has a paid up capital of Rs. 75,000,000, divided into 7,500,000 ordinary shares of Rs. 10 each, of which AKD Securities (Private) Limited holds 7,497,000 (99.9%) ordinary shares of Rs. 10/- each. It is a wholly owned subsidiary of AKD Securities (Private) Limited. The Company is currently licensed to undertake the business of Asset Management and Investment Advisory Services.

#### Capital Structure

	Rupees
<b>Authorized Capital</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b> (7,500,000 shares of Rs. 10/- each)	<b>75,000,000</b>
<b>Sponsor's Equity:</b>	
AKD Securities (Private) Limited	74,970,000
Mr. Faisal Bengali	10,000
Mr. Farooq Ahmed Awan	10,000
Mr. Farrukh Shaukat Ansari	10,000
	<b>75,000,000</b>

#### Board of Directors

Name, Occupation & Address	Position
Mr. Mohammad Aliuddin Ansari	Chairman
Mr. Faisal Bengali	CEO
Mr. Sadiq Hussain	Director
Mr. Farrukh Shaukat Ansari	Director
Mr. Kashif Shamim	Director
Mr. Farooq Ahmed Awan	Director
Mr. Farrukh Hamid Sabzwari	Director

##### 3.1.2 AKD Securities (Private) Limited

AKDIML is a wholly owned subsidiary of AKD Securities (Private) Limited ("AKD"). As an established leader in Pakistan's capital markets, AKD brings unparalleled expertise in all aspects of the local equity markets. In addition to being the largest broker on the KSE, with a market share of above 8%, AKD has the most active equity research group in the country. AKD's institutional sales group services virtually all of the major institutional investors in the country, and has a special team exclusively targeted towards international investors. In addition, through akdtrade.com, AKD has more retail customers than any other broker in Pakistan.



### 3.2 Board of Directors and Management

#### 3.2.1 Board of Directors

Name, Occupation & Address	Position	Directorships in Listed Companies
<b>Mr. Mohammad Aliuddin Ansari</b> Business Executive B-429, Siraj-ud-Daulah Road Bahadurabad, Karachi.	Chairman	None
<b>Mr. Faisal Bengali</b> Business Executive A-21/A-1, Sunset Boulevard DHA Phase II , Karachi.	Chief Executive Officer	Golden Arrow Selected Stock Fund Limited
<b>Mr. Sadiq Hussain</b> Investment Officer 81/1, Khayaban-e-Badar Phase VI, DHA, Karachi	Director	None
<b>Mr. Farrukh Shaukat Ansari</b> Business Executive 58/II, Khayaban-e-Janbaz DHA, Phase V, Karachi	Director	Saudi Pak Leasing Company Limited Saudi Pak Commercial Bank Limited
<b>Mr. Kashif Shamim</b> Investment Banker 100/1, 5th Commercial Street Phase IV, DHA, Karachi.	Director	None
<b>Mr. Farooq Ahmed Awan</b> Investment Officer 74-B, GOR III Shadman, Lahore	Director	None
<b>Mr. Farrukh Hamid Sabzwari</b> Business Executive Bungalow A-27, KDA Kehkashan, Street No.16 Block 5, Clifton, Karachi	Director	None

#### 3.2.2 Particulars of Directors

##### Mr. Mohammad Aliuddin Ansari - Chairman

Ali Ansari is one of the leading investment bankers in Pakistan, with 15 years of experience in international investment banking. He is a director on the Board of dvcom and Oil and Gas Investments Limited among others as part of his Private Equity and Venture Capital interests. He has held a number of senior management positions including the Chief Executive of AKD Securities (Private) Limited and was based in London with Credit Lyonnais Securities (CLS) as Chief Operating Officer (Emerging Europe, Middle East & Africa - EEMEA). Earlier, he joined CLS as Chief Executive Officer, Pakistan. Mr. Ansari earned BA (Hons.), Business Administration & Economics majoring in Finance, from Richmond College, London, England, in 1985 and received Investment Management Program Certification from London Business School in 1988.

**Mr. Faisal Bengali - Chief Executive Officer**

AKD Investment Management Limited has assembled a seasoned and motivated team with a track record of global fund management headed by Mr. Faisal Bengali. He has been working with Aqeel Karim Dhedhi since 1994. As Director Sales & Trading of AKD, he provided investment advice and recommendations to institutional fund managers and high net worth clients. He enjoys close working relationship with reputable foreign and local institutional clients. Mr. Bengali has a Masters in Business Administration degree from Rice University, USA.

**Mr. Sadiq Hussain - Chief Investment Officer**

Mr. Sadiq Hussain has joined AKDIML as its Chief Investment Officer. He brings with him more than a decade of experience in financial services, including 9 years with Merrill Lynch. His last assignment was with Merrill Lynch's Global (Private) Wealth Management Group, where he was the Senior Financial Adviser managing over USD120m in assets. Prior to that, he spent 8 years with Merrill Lynch Asia Pacific, where he was a Director in the Institutional Client Division. Mr. Hussain is a graduate from the University of Pennsylvania, Wharton School of Business.

**Mr. Farrukh Shaukat Ansari**

Mr. Ansari has 19 years of rich and diversified experience in Investment Banking as well as the corporate sector. He has spent over 14 years in senior management with highly reputable organizations. He held the position of Chief Financial Officer for the Dewan Mushtaq Group; handling banking lines of over Rs. 19bn. Currently, Mr. Ansari is serving as the Chief Executive Officer of Saudi Pak Leasing Company Limited.

**Mr. Kashif Shamim**

Kashif Shamim has over nine years' work experience in investment banking, equity research and audit. He has played an important role in the structuring and execution of corporate finance deals totaling over Rs.30bn. Presently, he is heading the Investment Banking department at AKD Securities. He is also the Chief Executive of TMT Incubation Fund that has a paid-up capital of Rs.250mn and has invested in nine technology start-ups.

**Mr. Farooq Ahmed Awan**

Mr. Awan has a distinguished track record dating back till 1998 when he was an Economic Adviser to the Government of Punjab. He moved on to hold the position of Additional Secretary, Management & Information Technology, Government of Punjab. Currently, Mr. Awan is the Investment Adviser of Employees Old-Age Benefits Institution ("EOBI"), GoP, managing EOBI's portfolio of Rs.71bn.

**Mr. Farrukh Sabzwari**

Prior to joining KASB as Chief Executive Officer, Farrukh was working with AKD Securities (Pvt.) Limited as Head of Sales and Research. He has worked with Credit Lyonnais Emerging Markets as Vice President Sub-Continent Sales in New York. He has over ten years of investment banking experience and has previously held the positions of Country Manager and Head of Sales for Credit Lyonnais's Pakistan operations.

**3.2.3 Particulars of Management****Mr. Faisal Bengali - Chief Executive Officer**

Please see background as explained above in particulars of Directors.



#### **Mr. Sadiq Hussain - Chief Investment Officer**

Please see background as explained above in particulars of Directors.

#### **Mr. Muhammad Amin Hussain - Company Secretary**

Mr. Muhammad Amin Hussain is working as Company Secretary of AKD Investment Management Limited. He is an Associate Member of the Institute of Cost and Management Accountants of Pakistan. Before joining AKD Investment Management Limited he was working as General Manager Corporate Affairs and Company Secretary in Gul Ahmed Energy Limited for over five years. Preceding that, he was also involved with Al-Noor Group of Companies for over nine years in the capacity of Senior Finance Executive. His areas of expertise include finance, secretarial and taxation.

#### **Mr. Imran Motiwala - Head of Operations**

Mr. Imran Motiwala has recently joined AKD Investment Management Limited as Head of Operations. Prior to joining AKDIML he was working as Head of Fund Management in Crosby Asset Management Limited, in which he launched an open-end equity fund. Mr. Motiwala was also responsible for structuring and launching Crosby's securities broking business in Pakistan. He has been working in Capital Markets for more than eleven years and has extensive asset management and securities broking experience. He has also worked for ABAMCO Limited as a fund manager where he structured and launched an Open-end fixed income Fund. Mr. Imran Motiwala has over 9 years securities broking experience, servicing local and foreign clients with companies like JP Morgan (formerly Jardine Fleming Pakistan (Broking) Limited and Ali Husain Rajabali Limited.

### **3.2.4 Funds Managed by AKDIML**

#### **Golden Arrow Selected Stocks Fund Limited (GASSFL)**

Since AKDIML took over Golden Arrow Selected Stocks Fund, the fund has significantly out performed the index.

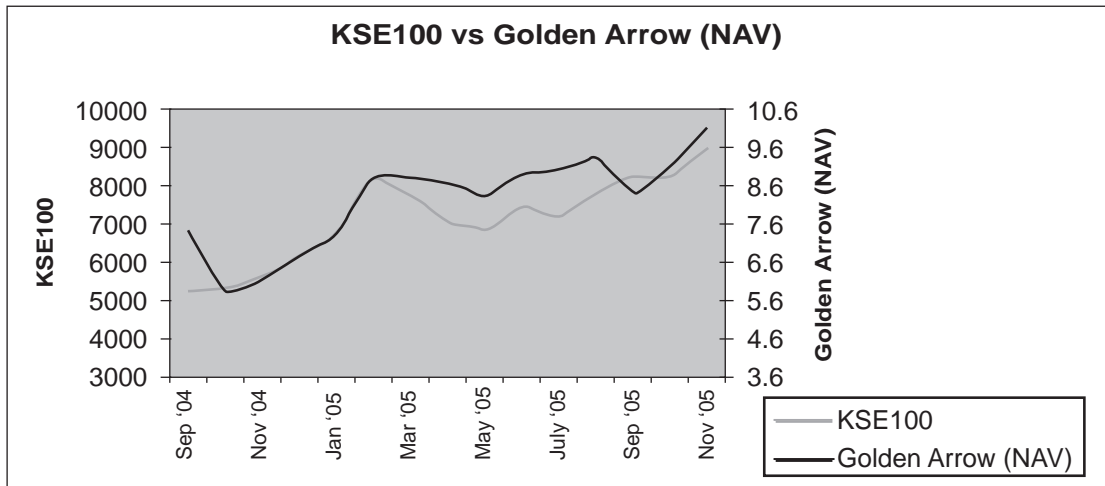
KSE100 absolute return (Sep '04 ~ Sep '05): 57.6%

Golden Arrow absolute return (Sep '04 ~ Sep '05): 63.6%

GASSFL is a closed-end mutual fund. GASSFL invests in a mix of listed equity and debt securities. The investment strategy is to invest in high dividend paying, blue chip stocks, in order to create a quality portfolio, which provides investors with consistent capital gains, and assured dividend yields. It is listed on the Karachi and the Lahore Stock Exchanges.

Date of Launching	May 9, 1983
Nature of Fund	Closed-end Fund
Net Asset Value	Rs. 741,316,000/-*
Par Value per Share	Rs. 5.00/-
N.A.V. per Share	Rs.10.56/-*
Listing	KSE & LSE
Last Distribution (2004-2005)	20.00% Cash
	75.00% Rights

\* As on December 31, 2005



#### AKD Index Tracker Fund (AKDITF)

AKDIML recently launched the first Index fund, the "AKD Index Tracker Fund" (AKDITF) in the Pakistani capital market.

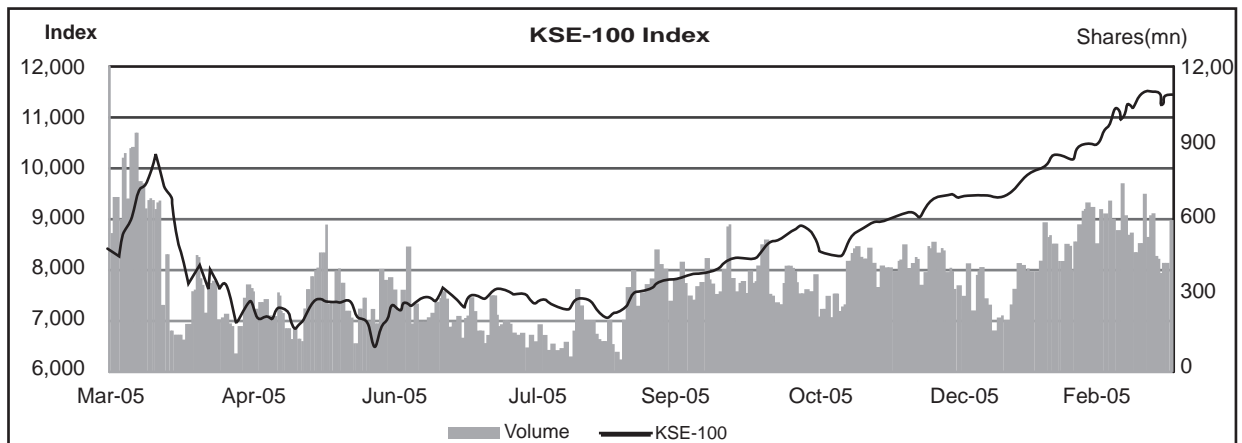
An Index fund is a mutual fund that seeks to produce the same return that investors would get if they owned all the securities in a particular index, in the case of AKD Index Tracker Fund, the fund is tracking the KSE-100 index.

Majority of institutional and retail investors measure their performance by benchmarking it to an index. It is very difficult to consistently outperform an Index. In our case, most Mutual Funds have failed to consistently outperform the KSE-100 Index in the long-run.

AKDITF is to invest its funds in equities, which are components of the KSE-100 Index in the same ratio as prescribed by the KSE (which is based on Market Capitalization). SECP has allocated 90 days for the one time investment to ensure that the investment in individual stocks is done in a staggered, balanced manner, eliminating any chances for stock or market run-up. The Fund will rebalance itself semi-annually according to the exact changes made in the KSE-100 index. As per past practice Karachi Stock Exchange notifies the composition of 100-Index 15 days prior to the implementation. This gives AKDIML enough time to re-arrange its portfolio. To bring such exposure in line with the prescribed limit, AKDITF reserves the prerogative to sell the right allotment letters also. The Fund will not switch from one security to another on any circumstance, except where there is a re-composition in the KSE-100 index.

With a growing economy fueling Pakistan's emerging markets, AKD Index Tracker Fund provides an excellent avenue for investors to participate in the growth of KSE-100 index.

### KSE-100 (Index and Volume) Price Performance



### 3.2.5 Duties and Responsibilities of the Management Company

The responsibilities of the Management Company are to promote the sale of Units of the Fund, invest and manage the assets of the Fund according to the provisions of the Deed and the Rules, in good faith, to the best of its ability and without gaining any undue advantage for itself or any Connected Persons or its Officers. The Management Company shall maintain proper accounts and records of the Fund to enable a complete and accurate view of assets and liabilities, income and expenditure and amounts received in respect of Units and paid out on Redemption of Units and by way of distribution of profits, as required under the Rules. The Management Company shall prepare and transmit physically (or through electronic means or on the web as specified by the Unit Holder) to Unit Holders, the SECP and the Trustee, annual report together with balance sheet and income and expenditure account of the Fund and auditors report thereon. The Management Company shall also prepare and transmit physically (or through electronic means or on the web as specified by the Unit Holder) to Unit Holders, the SECP and the Trustee, the balance sheet and income and expenditure account of the Fund on quarterly basis, in accordance with the Rules. In the unlikely event of its occurrence, the Management Company shall account to Trustee for any loss in value of the assets of the Fund caused by its negligence, reckless or willful act or omission. The Management Company shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its functions as a manager as if they were its own acts or omissions. The Management Company shall not be under any liability except such liability as may be expressly assumed under the Rules and the Deed, nor shall the Management Company (save as otherwise provided) be liable for any act or omission of the Trustee nor for anything else except its own negligence or willful breach of duty. The Management Company shall if it considers necessary request the Trustee in writing, for the protection of Fund Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof.

### 3.3 Trustee

Central Depository Company of Pakistan Limited (CDC), a company incorporated under the Companies Ordinance 1984, with its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi, Pakistan has been appointed as the Trustee for the Fund. The Trustee has considerable amount of experience of trusteeship of open-ended Schemes which are successfully functioning in the country.

### Basic Role of the Trustee

The Trustee will take into custody and/or hold under its control all the property of the Fund in trust for the Unit Holders. The cash and registrable assets shall be deposited or registered in the name of or to the order of the Trustee. The Trustee will carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property, unless they are in conflict with the Deed, the Rules and the Offering Document or applicable laws. The Trustee shall also ensure that all issues and cancellations of Units of the Fund and the method adopted by the Management Company in valuing Units for the purposes of determining the Purchase and Redemption Prices are carried out in accordance with the provisions of the Deed and the Rules. The Trustee shall issue a report to the Unit Holders to be included in the annual report, as to whether in its opinion; the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Rules and the Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

The Trustee shall, if requested by the Management Company or if it considers necessary for the protection of the Fund Property or safeguarding the interest of the Unit Holders, institute or defend any suit, proceedings, arbitration or inquiry or any corporate or shareholders action in respect of the Fund Property or any part thereof if so requested in writing by the Management Company. It is clarified that the Trustee shall be entitled to be reimbursed, out of the Fund Property, for all reasonable costs and expenses incurred in taking the aforesaid action(s). The Trustee shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions and shall account for any loss in value of the Fund Property where such loss has been caused by gross negligence or breach of its duties in connection with the Trust under the Trust Deed or the Rules or any reckless or willful act and/or omission of the Trustee or any of its Directors, Officers, Nominees or Agents. The Trustee shall, however, not be under any liability on account of anything done in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Deed or the Rules.

### 3.4 Core Investors

Core Investors of the Fund are:

Name	Number of Units	Rupees
AKD Securities (Private) Limited	4,600,000	230,000,000
The Bank of Punjab	400,000	20,000,000
Searle Pakistan Limited Provident Fund	100,000	5,000,000
<b>Total</b>	<b>5,100,000</b>	<b>255,000,000</b>

The above core investors have subscribed an aggregate sum of Rs. 255,000,000/- towards the purchase of 5,100,000 Core Units of Rs. 50/- each. These Core Units are not redeemable for a period of first two years, from the date of the closure of the First Offer Period. However, these Units are transferable with the condition that the Units may not be redeemable before the expiry of the period of first two years as mentioned herein. The Registrar will mark the Units as such. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.

### 3.5 Registrar

The Management Company has appointed Gangjees Associates, having its registered office at 516, Clifton Center, Khayaban-e-Roomi Kehkashan, Block-5, Clifton, Karachi, which will perform duties as the Registrar of the Fund. They will be responsible for maintaining the Unit Holders' Register, preparing and issuing Account Statements, Unit Certificate(s) and dividend warrants, and providing related services to the Unit Holders. Gangjees Associates have the required facilities to provide efficient service as a Registrar to AKDOF.

### 3.6 Custodian

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

- i. Segregating all property of the Fund from Custodian's own property and that of its other clients.
- ii. Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- iii. Ensuring that the benefits due on investments are received and credited to the Fund's account.

The Trustee may, if it considers necessary, appoint additional custodians with the approval of the Management Company and at such terms and conditions approved by the Management Company, for the safekeeping of any portion of the Fund Property.

### 3.7 Distributors and Investment Facilitators

**3.7.1** 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 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.

**3.7.2** The Distributors will be responsible for receiving applications for Purchase of Units and Redemption/Transfer applications. They will be interfacing with and providing service to Unit Holders, including receiving applications for change of address and other particulars or application for issuance of duplicate certificates, requests for income tax exemption/Zakat exemption, etc. for immediate transmission to the Management Company or Registrar as appropriate for further action.

**3.7.3** The Management Company may, at its sole responsibility, 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 the Front-end Load included in the Purchase (Offer) Price of the Fund Unit.

### 3.8 Auditors

The auditors of the Fund are:

*M. Yousuf Adil Saleem & Co.*  
*Chartered Accountants*  
*A-35, Cavish Court, Block 7 & 8*  
*K.C.H.S.U., Sharah-e-Faisal*  
*Karachi, Pakistan*

**3.8.1** They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to Accounting Period and will be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for up-to three consecutive terms. Thereafter, that auditor may only be appointed after a break in appointment.

- 3.8.2** 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, Registrar 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.
- 3.8.3** The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules.
- 3.8.4** 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 and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended thereto.
- 3.8.5** The contents of the Auditors report shall be as mentioned in the Rules.

### **3.9 Legal Advisors**

The legal advisors of the Fund are:

**Sattar & Sattar**  
Attorneys-at-law  
3rd Floor UBL Building  
I.I. Chundrigar Road  
Karachi, Pakistan

### **3.10 Bankers**

The banker to the Fund is Metropolitan Bank Limited and any other bank appointed by the Management Company. The Trustee will operate the bank accounts of the Fund.

#### **3.10.1 Bank Accounts**

1. The Trustee, at the request of the Management Company, shall open Bank Account(s) titled "**CDC -Trustee AKD Opportunity Fund**" for the Unit Trust at designated Bank(s) at Karachi for collection, investment, redemption or any other use of the Trust's funds.
2. The Trustee shall also open additional Bank Account(s) titled "**CDC - Trustee AKD Opportunity Fund**" at various branches of such other Bank(s) as requested by the Management Company. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.
3. The Trustee shall open additional Bank Account(s) titled "**CDC - Trustee AKD Opportunity Fund**" at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan) as may be reasonably required by the Management Company from time to time. Such accounts shall be used as collection and redemption accounts. There shall be instructions for all such collection and redemption accounts to promptly transfer the funds collected therein to the main Bank Account and/or transfer the funds to the relevant bank accounts of the Unit Holder for redemption purposes.

4. The Management Company may require the Trustee to open separate Bank Accounts for the Unit Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. This account may also be used to facilitate redemptions and other Trust related (ancillary) transactions.
5. The Management Company may also require the Trustee to open a separate Bank Account for each dividend distribution out of the Unit Trust. Notwithstanding anything in this Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
6. All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
7. All interest, income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund 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.

#### **4. CHARACTERISTICS OF UNITS**

##### **4.1 Minimum Amount of Investment**

The Management Company may from time to time amend the minimum amount of initial investment that is required to open an account with the Registrar. At the initial stage, the minimum amount of investment to open an account is Rs. 5,000/- and the minimum amount for adding to an existing account is Rs. 5,000/- per transaction. The Management Company reserves the right to alter the minimum amounts stated hereinabove. In the event the investment in any investor's account falls below the minimum level as a result of revised limits, changes in valuation, redemption, transfer or transmission, the Management Company may instruct the Registrar to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.

##### **4.2 Various Types of Units to be Offered and their Features**

- a. The Management Company is initially issuing the following Classes of Units:-
  - i. Class "A" Units being offered and issued during the Private Placement and Initial Period of Offer (IPO) with no Sales Load.
  - ii. Class "B" Units which shall be offered and issued after the Initial Offering Period with Sales Load.
  - iii. Class "C" Units (Restricted/Core Units) Units issued to the Core Investors with no Sales Load. These Units cannot be redeemed for a period of two (2) years from the date of closure of First Offer. However such Units are transferable.
- b. All Units of the Fund shall rank pari passu with each other. Units shall be accounted for in fractions up to four decimal places. Statements shall be sent to the Unit Holders at their designated addresses after the close of every year and as per instructions given in the Investor Account Opening Form.
- c. Unit Holders may obtain certificates representing the Units they hold by paying a nominal fee of Rs.50/- per certificate, subject to revision from time to time by the Management Company.



Requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificate(s) if issued earlier. In the event of loss or defacing of certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Management Company / Trustee / Registrar and the associated cost if any will be borne by the Unit Holder.

- d. Registration of Pledge / Lien - The Registrar may register a pledge / lien on any Units in favor of any third party with the specific authority of the Management Company. However, the pledge / lien shall be valid only if evidenced by a statement or letter issued by the Registrar indicating 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. (Please see Clause 4.6 for details).

### **4.3 Procedure for Purchase of Units**

#### **4.3.1 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 in the Fund. The onus for being so qualified lies with the investor and neither the Management Company, nor the Trustee, nor the Registrar, nor the Distributors, nor the Investment Facilitators accept any responsibility in this regard. Application may be made pursuant to the procedures described in paragraph 4.3.2 below including but not limited to:

- Citizens of Pakistan resident in Pakistan: In respect of minors below 18 years of age, applications may only be made by their guardians.
- Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and / or bye-laws.
- Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations / laws. Any person making an application for the Purchase of Units in the Fund shall warrant that he is duly authorized to purchase such Units.
- Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.
- Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act 1882, (11 of 1882).
- Insurance companies under the Insurance Ordinance, 2000.
- Non Profit Organization under Section 213 (i) of the Income Tax Rules, 2002.

#### **4.3.2 Account Opening Application Procedure**

- A. Fully completed Investor Account Opening Form (AKDIML-01 for Individuals and Institutions) together with the Purchase of Units Form (AKDIML-02), accompanied by the payment for the investment and copies of the documents mentioned in the subparagraphs below should be



delivered at any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator during the business hours on the business day which shall be from Monday to Friday or as announced by the Management Company from time to time. Currently only the Authorized Branches of the Distribution Companies as mentioned in Annexure "C" of this Offering Document are authorized to collect application and payment for the issue of Units as laid down in Clause 4.3.4 of this Offering Document.

- B. Investors have to fill out the Investor Account Opening Form, AKDIML-01 (specimen of AKDIML-01 is attached in Annexure D), and provide the following key relevant information:

For Individuals:

- i. Personal Information of the Investor such as name, father's name etc.
- ii. National Identity Card (NIC) copy of the applicant or passport copy.
- iii. In case of Joint Holders the names along with NIC / passport copies.
- iv. Information about Nominee. (where required)
- v. Zakat declaration Form in case of exemption.
- vi. Specimen signature of the applicant plus all Joint Holders.
- vii. Operating Instructions for Redemption/Operation of Account.
- viii. Instructions for Dividend mandate.
- ix. Bank details for Redemption and Dividend mandate.

For Institutions:

- i. Investor name and registered address.
- ii. Registration Number and National Tax Number. (NTN)
- iii. List of Authorized Signatories along with copies of NIC and their specimen signatures.
- iv. Instructions for Redemption.
- v. Bank details.
- vi. Instructions for Dividend mandate, Zakat and Tax status.
- vii. Certified true copies of Certificate of Incorporation, Memorandum and Articles and other relevant documents as mentioned in the Form. (AKDIML-01)

- C. After the above Investor Account Opening Form had been filled up, the Investor next has to fill out the Purchase of Units Form, AKDIML-02 (specimen of AKDIML-02 is attached in Annexure D), and provide the following key relevant information:

- i. Information about the Principal Account Holder.
- ii. Details of Investment along with payment Instrument.

- D. AKDIML-01 has to be filled out only once at the time of first Investment / Purchase of Units. For all subsequent purchases the Investor(s) have to only fill out AKDIML-02.

- E. Once the Investor Account has been opened (after filling out AKDIML-01) the Investor will be allotted a specific Registration Number which can be used for all future transactions and will serve to facilitate reference and linking.

- F. The applicant must obtain a copy of the Account Opening and Purchase of Units Forms signed and duly verified by an Authorized Officer of the Distributor or Management Company acknowledging the receipt of the application(s), copies of other documents prescribed herein and the demand-draft, pay-order, cheque or online transfer as the case may be, marked in favor of "**CDC - Trustee AKD Opportunity Fund**".

Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Rule 65 of the Rules.

- G. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- H. If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant 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 markup. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days and if the investor, in the opinion of the Registrar, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
- I. Investors will be allotted Units based on the Offer (Purchase) Price of the Fund, as announced by the Management Company, of the day on which a correctly filled Purchase of Unit Form is submitted to the Distributor (please refer to Clause 3.7 above) and / or Management Company within the business hours on the business day as may be prescribed by the Management Company from time to time. However, the Investor will be provided the account statement within seven (7) business days after the said purchase amount of the Units purchased have been credited to the Fund Account. In the event a cheque is returned unpaid, the Management Company will presume the application for subscription to be regarded as void and the Units allotted will be cancelled and the investor informed accordingly. The investor will be asked to submit fresh payment for the said Units which will then be allotted Units based on the Offer (Purchase) Price announced by the Management Company on the day the said new Purchase of Units Form together with the payment is received by the Distributor and / or Management Company on the business day within the business hours as may be prescribed by the Management Company from time to time.

#### **4.3.3 Joint Application**

- A. Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first holder basis; however, each person must sign the application form and submit a copy of their National Identity Card or other identification document.
- B. The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the person's designated bank account shall be considered as a valid discharge by the Trustee of its obligation.
- C. In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the application form shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or dividend. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge by the Trustee of its obligations. Provided however 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.

#### 4.3.4 Purchase of Units

An application for purchase of Units may be lodged with any authorized Distributor or presented to the Management Company through an Investment Facilitator. The application shall be in the form prescribed by the Management Company. Application forms are available with Distributors or Investment Facilitators (Facilitators) or may be obtained from the Management Company or its web site. Units shall be issued based on the Purchase (Offer) Price that is determined as mentioned in Clause 4.9.3 below on the Business Day on which the duly completed application along with the funds in favor of the Fund (**CDC-Trustee AKD Opportunity Fund**) is received.

Payment for the Fund Units can be made in the form of:

Demand draft or pay order

Online transfer of money

Cheque (account payee only marked in favor of **CDC-Trustee AKD Opportunity Fund**)

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.

**The aforesaid payments must be handed over to a Distributor and / or Investment Facilitator with the acknowledgement of such payment obtained on the investor's copy of the Application Form.** Such payments must only be deposited in the bank account of the Fund titled "**CDC - Trustee AKD Opportunity Fund**" maintained with the designated banks and their branches.

Acknowledgement for applications and payment instruments can only be validly issued by Distributors and the Management Company.

Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Rule 65 of the Rules.

#### 4.4 Procedure for Redemption of Units

##### 4.4.1 Who Can Apply?

All Unit Holders, other than the holders of Class "C" (Core / Restricted Units) Units are eligible to redeem the said Units. Holders of Class "C" Restricted Units will be eligible for redemption after the expiry of the period of two years from the date of the closure of the First Offer; however such units are eligible for transfer subject to the condition that the new transferee of such unit(s) agrees to the same for the balance period, if any.

##### 4.4.2 Redemption Application Procedure

- A. Fully completed Redemption of Units Form (AKDIML-03) has to be submitted by both Individuals and/or by Institutional Investors. 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 the business day as announced by the Management Company from time to time.
- B. Unit Holders have to fill out the Redemption of Units Forms, AKDIML-03, as attached in Annexure "D", and provide the following key relevant information:
  - i. Registration Number as allotted by the Management Company at the time of Purchase of Units.

- ii. Title of Account, i.e., name of the Principal Account Holder in case of Individual or Name of the Company/Institution in the case of a Corporate Investor(s).
- iii. National Identity Card (NIC) number of the Principal Account Holder or Company Registration number in case of a Corporate Investor(s).
- iv. Redemption Information in terms of number of Units to be redeemed.
- v. Authorized Signatories as per Investor Account Form (AKDIML-01 for Individuals or Institutions and Corporate(s)) to sign the Redemption of Units Form.
- vi. In case of Institutional and Corporate Investor a company stamp is also required to be affixed on the Redemption of Units Form.
- vii. Physical Certificate, if any, has to be submitted at the time of Redemption in case the investor has got issued the same at the time of purchase.

**C. The applicant must obtain a copy of the Redemption of Units Form signed and duly verified by an Authorized Officer of the Distributor or Management Company if the redemption application is given to an Investment Facilitator.**

Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Rule 65 of the Rules.

- D. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- E. If subsequent to receipt of the application by the Distributor, but prior to the Redemption of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant to remove the discrepancy; in the meanwhile 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 application for redemption will be cancelled and be treated as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- F. Units will be redeemed on the basis of daily Net Asset Value (NAV) announced as of the close of business day on the day a correctly filled Redemption of Units Form is submitted within business hours as announced by the Management Company from time to time. The amount payable on redemption may be paid to the Unit Holders by transfer to the Unit Holder's designated banker as mentioned in the Investor Account Opening Form and any other mode(s) of payment and such payment(s) shall be subject to NBFC Rules (which currently say that the maximum interval between the receipt of a properly documented request for redemption of units and the payment of the redemption money shall not exceed six working days unless redemption is suspended; may change from time to time as per SECP directives). In case of Joint Unit Holders the redemption request must be properly signed by the signatories as specified at the time of opening the account with the Fund.
- G. In case the investor has requested encashment of bonus Units in the Investor Account Opening Form (AKDIML-01) then in this case whenever the Fund declares any bonus Units then such bonus Units will be redeemed at the Net Asset Value as announced by the Fund on the next business day after the bonus Units have been credited to the account of the Investor.

- H. Redemption of Fund Units may be suspended or put in queue due to exceptional circumstances. For detailed information about this please refer to Clause 4.7.2 and Clause 4.7.3 below.
- I. Partial Redemption of Units covered by a single Certificate is not permitted. However, Fund Unit Holders may apply for a splitting of the Certificate before applying for redemption. This request has to be filled out in the Service Request Form (AKDIML-04) as attached in Annexure "D" of this Offering Document.
- J. No money would be paid to any intermediary except the unit holder / authorized represented.

#### **4.4.3 Joint Unit Holder(s)**

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

#### **4.4.4 Redemption of Units Forms**

Redemption of Units Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site. Units will be redeemed on the basis of daily Net Asset Value (NAV) announced as of the close of business day on the day a correctly filled Redemption of Units Form is submitted within business hours as announced by the Management Company from time to time. However, the terms contained in Clause 4.7 shall supersede the terms of this Clause in the circumstances indicated in the said Clause.

### **4.5 Procedure for Requesting Change in Unit Holder Particulars**

#### **4.5.1 Who Can Request Change?**

All existing Unit Holders or those who have purchased Fund Units as per Clause 4.3 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via the Service Request Forms (AKDIML-04), as attached in Annexure "D". These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site.

#### **4.5.2 Application Procedure for Change in Particulars**

- A. The information submitted at the time of Investor Account Opening Form (AKDIML-01) can be changed through the Service Request Form.
- B. Some of the key information which the Unit Holder can change is as follows:
  - i. Joint Account Holder details
  - ii. Bank Account details
  - iii. Redemption and Dividend mandate and instruction.

The Unit Holder can also issue the following instructions:

- i. Transfer Unit Holding in favor of someone else
- ii. Transmission of Units
- iii. Deletion and Merger of Units.

The Unit Holder can also issue instructions for Certificate processing such as:

- i. Issuance of Certificate.
- ii. Splitting of Certificate.
- iii. Consolidation and Cancellation of Certificate.

- C. Fully completed Service Request Form (AKDIML-04) has to be submitted by both Individuals and / or by 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 the business day as announced by the Management Company from time to time.

- D. The applicant must obtain a copy of the Service Request Form signed and duly verified by an Authorized Officer of the Distributor or Management Company if the Form is given to an Investment Facilitator. Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Rule 65 of the Rules.
- E. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- F. The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes that the Unit Holder may request via the Service Request Form. These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.
- G. Transfer of Units from one owner to another may be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value (NAV) at the date of request which shall be recovered from the transferee. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder. Any taxes or duties applicable on the transfer and transmission shall be payable by the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the service request.

#### **4.5.3 Joint Unit Holder(s)**

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

#### **4.5.4 Partial Transfer**

Partial transfer of Units is permitted. However, in case of Physical Certificates issued the Unit Holder must first surrender the Certificate for Cancellation and request the partial transfer and the issuance of balance Certificate if so desired.

### **4.6 Procedure for Pledge / Lien / Charge of Units**

#### **4.6.1 Who Can Apply?**

All existing Unit Holders or those who have purchased Fund Units as per Clause 4.3 above 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 (AKDIML-05) as attached in Annexure "D" of this Offering Document. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site.

- 4.6.2** Any Unit Holder and / or Joint Unit Holder(s) (as per mandate in Investor Account Opening Form) may request the Registrar to record a pledge / lien of all or any of his / their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in 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 Registrar



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.

- 4.6.3** 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 Registrar, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Registrar shall take any responsibility in this matter.
- 4.6.4** Payments of 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 made to the lien / charge / pledge holder for the account of the Unit Holder.
- 4.6.5** The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- 4.6.6** Fully completed Pledge of Units Form has to be submitted by both Individuals and/or by Institutional 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 through an Investment Facilitator within business hours on the business day as announced by the Management Company from time to time.
- 4.6.7** 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.

#### **4.7 Suspension of Dealing, Queue System and Winding Up**

Under the circumstances mentioned in Clause 4.8 below, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld.

##### **4.7.1 Suspension of Fresh Issue of Units**

The Management Company may at any time suspend issue of fresh Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue of units is announced. Such suspension may however not affect existing Unit Holders, the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall immediately notify the SECP if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

##### **4.7.2 Suspension of Redemption of Units**

In the event of extraordinary circumstances as mentioned in Clause 4.8 of this Offering Document, the Management Company may suspend or defer Redemption of Units. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, terrorist threat and / or activities, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company, Registrar, Trustee or the Distributors unable to function or any other conditions mentioned in the Rules.

#### **4.7.3 Queue System**

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent (10%) of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and / or arrange borrowing as it deems fit in the best interest of 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 business day, such requests shall be processed on basis proportionate to the size of the requests. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next business day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next business day still exceed ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the redemption price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue.

#### **4.7.4 Winding up in view of Major Redemptions**

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

#### **4.8 Issue and Redemption of Units in Extraordinary Circumstances**

The Management Company may, at any stage, suspend the issue (sale) of Units and for such periods as it may so decide. The Issue and Redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchange(s) on which any of the Securities invested in by the Fund are listed, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. The Management Company may announce a suspension or deferral of redemption. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent (10%) of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. Details of the procedure are given in Clause 4.7 herein above. Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system, shall in the opinion of the Management Company, have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system, the Management Company shall immediately notify the SECP and publish the same in the newspaper in which the Fund's prices are normally published.



**4.9 Frequency of Valuation, Dealing and Mode of the Price Announcement**

**4.9.1** For the Classes of Units and the First Offer (Purchase) Prices, please refer to Clause 1.6.2 and Clause 1.8 of this Document.

**4.9.2** Subsequent to the First Offer, the Management Company shall announce the Purchase (Offer) and Redemption (Repurchase) Prices daily, which shall be from Monday to Friday (provided such days are Business Days), calculated on the basis of the NAV and adjusted for such load, transaction costs, charges and duties as are described herein. The method of calculation shall be cleared to the Trustee's satisfaction that such method is adequate for ensuring accurate calculation of the prices.

**4.9.3** The Purchase (Offer) Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day, Transaction Costs as defined in Clause 14.50, any Front-end Sales Load (Load) not exceeding 5% of the Purchase (Offer) Price (Please refer to Annexure "B" for the current level of load) and such amount as the Management Company may consider appropriate provision for Duties and Charges and such sum shall be adjusted upwards to the nearest 5 paisa. The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor and / or Management Company during the business hours on the Business Day on which the Purchase of Units Form has been received.

**4.9.4** The Redemption Price shall be equal to the NAV as of the close of the Business Day, less Transaction Costs as defined in Clause 14.50, a Back-end Load (Processing charge) not exceeding five percent (5%) of the Redemption Price (Please refer to Annexure B for the current level of load) and such amount as the Management Company may consider an appropriate provision for Duties and Charges and such sum shall be adjusted downwards to the nearest 5 paisa. The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor and / or Management Company during the business hours on the Business Day on which the Redemption of Units Form has been received. However, the Back-end Load may not be deducted from the NAV for such units that are being converted in another scheme being run by the Management Company.

**4.9.5** The Management Company shall, at such frequencies as may be prescribed in this Offering Document or under the Rules, determine and announce the Net Asset Value based prices of the Units. Under certain circumstances as provided in this Offering Document, the Management Company may suspend the announcement of the prices.

**4.9.6** The Management Company shall publish the Purchase (Offer) and Redemption (Repurchase) Prices in at least one daily newspaper widely circulated in Pakistan.

**4.9.7** The prices determined, as described hereinabove shall be subject to adjustment for any taxes payable in the jurisdiction of the transaction.

**4.10 Purchase (Offer) and Redemption (Repurchase) of Units outside Pakistan**

A. Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the Purchase (Offer) of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (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.

B. In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility.

C. The currency of transaction of the Trust is the Pakistan 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 there from.

## **5. DISTRIBUTION POLICY**

### **5.1 Distribution Policy**

The net amount available for distribution at the end of the financial year (or such interim period as may be decided by the Management Company), shall comprise of the revenues earned by the Fund including the net impact of the revenue collected and paid out in the NAV calculation through Purchase (Offer) and Redemption (Repurchase) of Units, less all expenses incurred or accrued attributable to the Fund. The Fund may distribute 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail tax exemption or any other benefits in the interest of the Unit Holder.

### **5.2 Declaration of Dividend**

The Management Company shall decide not later than four months after the end of the Accounting Period whether to distribute profits if any, available for distribution in the form of dividends to the Unit Holders. The balance of the net income will be retained for re-investment in the Fund.

### **5.3 Determination of Distributable Income**

The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of:

a) The total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit, etc.;

b) The proceeds of sales of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Fund Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.

c) Net realized appreciation as set out in (b) above from which shall be deducted expenses as set out in Clause 6.2 below and such other adjustments as the Management Company may determine in consultation with the Auditors, subject to the Rules and the provisions of the Income Tax Ordinance and the Rules there under.

#### **5.4 Reinvestment of Dividend**

Unit Holders may opt to receive the amount equivalent to their share of the annual cash distribution in the form of additional Units. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim distribution) issue such number of Units to the Unit Holder that approximately equates the value of the Cash Dividend for the period. The issue price shall be determined on the basis of the NAV at the Distribution Date after appropriation of the distribution but without any charge of the front-end load normally deducted from the offer price. The issuance of the bonus Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

**5.4.1** A Unit Holder may in writing at the time of opening of an account in the Unit Holder Register during the first purchase of Units or may by completing the prescribed Service Request Form (AKDIML-04) at a later date instruct the Management Company to reinvest the future dividends to which he will be entitled into Fund Units.

**5.4.2** The Purchase (Offer) Price for the Units to be issued under Clause 5.4.1 above will be the NAV at the Distribution Date after the adjustment of the announced dividend.

#### **5.5 Bonus Units**

In case of distribution in the form of bonus Units on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same. Such Units shall be added to the holding of the Unit Holders. A Unit Holder may receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Registrar in writing through Service Request Form (AKDIML-04) prior to the dividend declaration for any relevant period. The NAV applicable to the encashment of such Units will be the NAV as announced by the Fund on the next business day after the bonus Units have been credited to the account of the Investor.

#### **5.6 Payment of Dividend**

All payments for dividend shall be made by transfer of funds to the Unit Holder(s) designated bank account or through any other mode(s) of payment and such payment shall be subject to NBFC Rules (or the charge-holder's designated bank account in case of lien / pledge of Units as the case may be). The dividend shall be transferred within 45 days after the declaration of the dividend.

#### **5.7 Dispatch of Dividend Warrants/Advice**

Dividend warrants or advice shall be dispatched to the Unit Holder's or the charge-holder's registered address within 45 days after the declaration of dividend.

#### **5.8 Closure of Register**

The Management Company may close the Register by giving at least seven (7) days notice to Unit Holders and for period not exceeding forty-five (45) days in a calendar year. During the period the Register is closed, the sale and redemption of units, including transfer applications, will be suspended.

### **6. FEE AND CHARGES**

#### **6.1 Fees and Charges Payable by an Investor**

##### **6.1.1 Sales and Processing Charges (Front-end Load)**

The Unit Purchase Price includes front-end load of a maximum of five percent (5%) of the Purchase

(Offer) Price (The current level of Load is indicated in Annexure B). 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 front-end load. Transfer of Units from one owner to another shall be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value at the date the request is lodged within business hours on the business day to the Authorized Distributor or Management Company, which shall be recovered from the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the transfer or may be charged separately. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

### **6.1.2 Allocation of Front-end Load**

A. The remuneration of Distributors and Investment Facilitators shall be paid exclusively from any front-end load received by the Trustee and / or may be paid by the Management Company when the Trustee pays the front-end load to the Management Company for onward distribution to the Distributors and Investment Facilitators and no charges shall be made against the Fund Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

B. Such payments may be made to the Distributors and Investment Facilitators and the Management Company by the Trustee or may be made by the Trustee on the instructions of the Management Company on monthly basis in arrears within thirty (30) days of the end of the calendar month.

C. A Distributor located outside Pakistan may if so authorized by the Management Company and the Trustee, retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

### **6.1.3 Redemption Processing Charge (Back-end Load)**

The Unit Redemption Price is calculated after deducting a processing charge not exceeding one-half of one percent from the Net Asset Value of the Unit (The current level of Back-end Load is indicated in Annexure B).

## **6.2 Fees and Charges Payable by AKD Opportunity Fund**

The following expenses will be borne by the Fund:

### **6.2.1 Remuneration of the Management Company**

The Management Company shall be entitled to receive:

An annual remuneration of an amount not exceeding that mentioned in NBFC Rules, 2003. The remuneration shall begin to accrue from the close of the First Offer Period.

### **6.2.2 Remuneration of the Trustee**

The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure A), which shall be applied to the average daily Net Asset Value during such calendar month. The remuneration shall begin to accrue from the close of the First Offer Period. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued. Any costs

incurred by the Trustee such as legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders, are reimbursable at actuals, out of the Fund's properties. All expenses incurred by Trustee affecting the registration of all registrable property in Trustee's name for the benefit of the Fund, are reimbursable at actuals, out of the Fund's properties.

- 6.2.3 Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
- 6.2.4 Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders.
- 6.2.5 Bank charges and borrowing / financial costs.
- 6.2.6 Fund Auditors' Fees and expenses.
- 6.2.7 Formation Cost estimated at but not exceeding one percent (1%) of the Core Investment (Seed Capital) that will be amortized over a period not exceeding five years.
- 6.2.8 Listing Fee payable to the Stock Exchange(s) on which Units may be listed.
- 6.2.9 Annual fee payable to the SECP under Rule 79 of the Rules.
- 6.2.10 Taxes, if any, applicable to the Trust and its income and/or its properties.
- 6.2.11 Marketing expenses specifically related to the Fund.
- 6.2.12 Charges and levies of stock exchange(s), SECP charges, National Clearing and Settlement Company, CDC, CVT, Laga, Fund Dividend/Redemption of units transfer charges as payable to bank at time of transfer of funds to Unit Holder and other levies and charges.

Such expenses shall be paid to the Management Company at actuals, if these are paid by Management Company on behalf of the Fund, within 30 days.

### **6.3 Expenses of 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 including all accounting and administrative 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 Fund 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 Rules and the Deed to be payable out of Fund Property.

## **7. TAXATION**

### **7.1 Taxation on the Income of the Fund**

#### **7.1.1 Liability for Income Tax**

Under the Tax Law in Pakistan, the definition of a public company includes a Unit Trust whose units are widely available to the public and any other Trust as defined in the Trust Act, 1882. 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:

Dividend income received from a Pakistani company shall be taxed at an income tax rate of 5%.

Capital gain arising on sale of securities listed on any Stock Exchange(s) in Pakistan is exempt from tax upto tax year 2007.

Return from Term Finance Certificates or Corporate Paper(s), profit on government Securities, return on deposits / certificates of investment with banks / financial institutions, profit from money market transactions, profit from profit and loss sharing accounts with banks or any other income not mentioned above is taxable at the rate applicable to a public company (as per Income Tax law).

Notwithstanding the tax rates 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 as dividend. Further under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance 2001, the Fund's income from dividend, profit on debt, brokerage and commission is exempt from withholding tax under relevant provision of Law.

Under Finance Act, 1989 (V of 1989) as amended by Finance Act 2004 (II of 2004), read with Circular # 06 of 2004 dated July 1, 2004 a Capital Value Tax at the rate of 0.01% of the purchase value of modaraba certificates or any instrument of redeemable capital as defined in the Companies Ordinance, 1984 (XLVII of 1984) or shares of a public company listed on a registered stock exchange in Pakistan shall be charged on purchase of the same. This tax will be collected by the stock exchange concerned and will be payable by the Fund on any purchase transactions.

#### 7.1.2 Zakat

The Fund is Sahib-e-Nisab under Zakat and Ushr Ordinance, 1980.

#### 7.2 Taxation on Unit Holders

**Disclaimer:** The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his tax advisor with respect to the specific tax consequences to him of investing in the Fund.

##### 7.2.1 Unit Holders of the Fund will be subject to Income Tax on dividend income (excluding the amount of dividend paid out of capital gains) as under:

Public Companies & Insurance Companies	5%
Others	10%

The rate of tax so specified will be the final tax and the payer (Trustee) will be required to withhold the amount of tax at source. Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and provide the same to the Management Company and / or Registrar and on the basis of Exemption Certificate income tax will not be withheld.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

##### 7.2.2 Capital Gains

Capital Gains in disposition of Units in the Fund will be subject to capital gains tax at the applicable tax rate. The Units of the Fund will be listed on the Stock Exchange. Consequently, subject to such listing, the Capital Gain on disposal of the Units shall be exempt from tax upto Tax Year ending on 30th day of June 2007.



### **7.2.3 Tax Credit**

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units. The amount on which tax credit will be allowed shall be lower of:

- (a) amount invested in purchase of new Units,
- (b) 10% of the taxable income of the Unit Holder, and
- (c) Rupees One hundred thousand, and will be calculated by applying the average rate of tax of the Unit Holder for the tax year.

If the Units so acquired are disposed within 12 months, the amount of tax payable for the tax year in which the Units are disposed shall be increased by the amount of tax credit.

### **7.2.4 Zakat**

Units held by resident Pakistani shareholders (individuals only) shall be subject to Zakat at 2.5% of the Par value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds.

### **7.3 Dividends**

The Fund may distribute 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail Tax Exemption or any other benefits in the interest of the Unit Holder(s).

### **7.4 Disclaimer**

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

The entire information in Clause 7 is based on the current taxation status. The exemptions and rates of taxation are subject to change from time to time.

## **8. REPORTS AND ACCOUNTS**

### **8.1 Financial Year of AKD Opportunity Fund**

The Accounting Period will commence from the date of registration of the Fund for the first year to June 30, 2006, and from July 01 to June 30 for all the following years.

### **8.2 Financial Reporting**

The following reports will be sent to the Unit Holders physically (or through electronic means or on the web as specified by the Unit Holder):

a. Audited financial statements, together with the auditors report, the report by the Management Company (Director's Report) and the report by the Trustee within four months of the close of each Accounting Period.

b. Un-audited financial statements (subject to limited scope review by auditors), together with the report by the Management Company within two months of the close of the second quarter of the Accounting Period, as per the Rules.

c. Un-audited financial statements, together with the report by the Management Company within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by SECP or the Rules.

d. The Trustee shall issue a report to the Unit Holders to be included in the annual report, or at such times as directed by the SECP, in accordance with the Law, whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Rules and the Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

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

## **9. SERVICE TO UNIT HOLDERS**

### **9.1 Availability of Forms**

All the Forms mentioned and/or included in this Offering Document will be available at the Authorized Branches of the Distribution Companies as well as from the Management Company or on its web site at [www.akdinvestment.com](http://www.akdinvestment.com).

### **9.2 Register of Unit Holders**

A Register of Unit Holders may be maintained by Registrar **Gangjees Associates** presently having its office at 413, Clifton Center, Khayaban-e-Roomi Kehkashan, Block-5, Clifton, Karachi, or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders. 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. The Holder will be entitled to ask for copies of his account statement thereof on any Business Day within business hours by applying to the Registrar in writing and providing such fee that the Management Company may notify from time to time. The Register shall be conclusive evidence as to the Units held by each Unit Holder.

### **9.3 Information in the Register**

The Register will normally contain the following major information:

#### **9.3.1 About Unit Holders**

- a. Name of Unit Holder / Joint Unit Holders;
- b. Address of Unit Holder / first named Joint Holder;
- c. National Identification Number(s) of Unit Holder/ Joint Unit Holders and / or identification number of passport if applicable;
- d. Father's or Husband's name of Unit Holder in case of individual;
- e. Occupation of Unit Holder;
- f. Tax status of the Unit Holder;
- g. Bank details;



- h. Zakat status of the Unit Holder(s);
- i. Record of signature of Unit Holder/ Joint Holders;
- j. Particulars of Nominee(s);

### **9.3.2 About Units**

- a. Type;
- b. Certificate number, if applicable;
- c. Dates of purchase / redemption / transfer;
- d. Number of Units held by the Unit Holder; and
- e. Information about lien / pledge / charge on Units.

### **9.3.3 Instructions**

- a. Instruction about reinvestment or payment of dividend or the encashment of bonus Units;
- b. Instructions for redemption application;
- c. Information and instruction about Pledge of Units / lien;
- d. Information and instruction about Nominee(s) in case of death of Unit Holder; and
- e. Bank details for Redemption / Dividend mandate.

### **9.3.4 Request for Changes**

All existing Unit Holders or those who have purchased Fund Units as per Clause 4.3 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via the Service Request Form (AKDIML-04), as attached in Annexure "D" of this Offering Document. These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site.

The Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.

## **9.4 Account Statement**

The Registrar may send directly to each Unit Holder an account statement each time there is a transaction in the account.

## **9.5 Certificates**

**9.5.1** Unit Certificates will be issued only if requested by the Unit Holder(s).

**9.5.2** Unit Holders can apply for the issue of Certificate by completing the prescribed application form and submitting it to the relevant Distribution Company and to Management Company or to the Management Company through an Investment Facilitator together with a fee at the rate of Rs. 50/- per Certificate or any other amount as determined by the Management Company from time to time.

**9.5.3** The issued Certificate would be sent through postal or courier service 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 Holder / Principal Account Holder, if the relevant Unit or Units are jointly held.

- 9.5.4** Each Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.
- 9.5.5** In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such Joint Holder(s) and delivery of such Certificate to the first named Joint Holder/Principal Account Holder named first therein shall constitute sufficient delivery to all Joint Holders. All payments required under this document (i.e. redemption and dividend) will be made to first name Joint Holder/Principal Account Holder.
- 9.5.6** Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.

## **9.6 Replacement of Certificates**

- 9.6.1** The Registrar 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 (Service Request Form AKDIML-04) 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.
- 9.6.2** 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.
- 9.6.3** Each new issue of Certificates will require payment of Rs.50/- per Certificate, subject to revisions of fee from time to time by the Management Company.

## **9.7 Pledge/Lien of Units/Charge**

For details about Pledge / Lien of Units / Charge please refer to Clause 4.6 above.

## **9.8 Nomination**

Subject to any Personal Laws that may be applicable to a Unit Holder, a single Unit Holder can nominate a successor to receive the Units upon his death by filling in the relevant portion of the Investor Account Opening Form (AKDIML-01) or may request a nomination or change in nomination through the Service Request Form (AKDIML-04). Nominee(s) can be nominated only by single Unit Holder when there are no Joint Holders. The maximum number of Nominee(s) can be two (02) in number with their respective shares mentioned in percentage against their respective names. Such nomination shall however not restrict the Management Company or the Trustee or the Registrar from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.

## **10. FINANCIAL INFORMATION**

- 10.1 Auditors Certificate on Core Investors' Investment in the Units of the Fund is enclosed as Annexure E**
- 10.2 Auditors Certificate on the Net Asset Value of the Fund is enclosed as Annexure F**
- 10.3 List of Pre-IPO investors is enclosed as Annexure G**
- 10.4 Formation Cost**

All preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, legal costs, printing,

circulation and publication of the Offering Document, marketing of the Fund and inviting investment therein and all expenses incurred during the period leading up to the First Offer, shall be borne by the Fund and amortized over a period of not more than five years. Such cost will not exceed one percent (1%) of the Core Investors Investment into the Fund.

## **11. WARNING**

### **11.1 Offering Document**

The provisions of the Trust Deed & the Rules govern this Offering Document. This Offering Document sets out the arrangements covering the basis of the Fund Units. It sets forth information about the Fund that a prospective investor should know before investing in any Unit of the Fund. Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager, or other financial adviser.

### **11.2 Fluctuation in Price and Income**

Prices of Units and income from them may go up or down.

### **11.3 Disclaimer**

Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial and other market investments whether listed or otherwise. Capital invested in extreme circumstances may lose its entire value. However, diversifications of the investment into a number of highly liquid equities, fixed income securities including money market instruments and repurchase transactions and other financial and other market assets whether listed or otherwise tends to reduce the risk substantially. The historical performance of this Fund, financial and other markets or instruments or investments whether listed or otherwise included in the Fund portfolio does not necessarily indicate future performance.

**Investors are advised to read risk disclosure as mentioned in this document in Clause 2.4 and Clause 2.5 above for more information concerning risk.**

## **12. GENERAL INFORMATION**

### **12.1 Inspection of Constitutive Documents**

The copies of constitutive documents, that are Trust Deed and Offering Document, can be inspected free of charge at the addresses given below:

#### **AKD Investment Management Limited**

606, Continental Trade Center  
Block 8, Clifton  
Karachi - Pakistan

#### **Central Depository Company of Pakistan Limited**

CDC House  
99-B, Block 'B'  
S.M.C.H.S.  
Main Shakra-e-Faisal  
Karachi - Pakistan

### **12.2 Information given in this Document, Responsibility of Management Company**

AKDIML accepts the responsibility for the information contained in this Offering Document as being accurate at the date of publication

### **13. TERMINATION OF THE FUND**

#### **13.1 By the Management Company**

The Fund may be terminated by the Management Company by giving three (3) months notice in writing to the Unit Holders on the grounds given in Clause 4.7.4 and 4.8 of this Offering Document. The grounds on which termination is made shall be mentioned in the notice to the Unit Holders.

#### **13.2 By the Securities and Exchange Commission of Pakistan**

If the SECP considers that further continuation of the authorization of the Fund will not be in the interest of Unit Holders, it will give a three months notice to the Unit Holders about its intention not to maintain such authorization, provided that no notice shall be served without offering an opportunity of hearing to the Management Company.

#### **13.3 Winding up**

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

### **14. GLOSSARY**

Unless the context requires otherwise the following words or expressions used in this document shall have the following meanings respectively assigned to them viz:

- 14.1** "Accounting Date" means the date 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and the Commissioner of Income Tax, change such date to any other date.
- 14.2** "Accounting Period" means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund is registered and in any other case from the end of the preceding Accounting Period.
- 14.3** "AKD Opportunity Fund", "AKDOF", "The Scheme", "Trust", "Unit Trust" or "Fund" means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.
- 14.4** "Auditors" means a firm of chartered accountants that is appointed by the Management Company, with the consent of Trustee, as the auditor for the Scheme, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Rules;
- 14.5** "Authorized Branch or Branches" means those branches of the Distributors whose addresses are given in the Offering Document. These branches are subject to change by the Management Company from time to time;
- 14.6** "Authorized Investment" means investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:-
- 14.6.1** Securities, shares, stock, bonds, debentures, debenture stock, participation term certificates, modaraba certificates, musharika certificates, term finance certificates, participation term certificates, convertible bonds and other asset backed or mortgage backed securities or securities traded or to be traded Over-The-Counter (OTC) Markets. Such investments shall include those for ready settlement as well as those for future settlement;

- 14.6.2** Treasury bills and other Government Securities;
- 14.6.3** Money Market Instruments, Certificates of Deposit and Bankers' Acceptances;
- 14.6.4** Deposits with Banks or Financial Institutions (subject to an appropriate investment grade rating, or as per the criteria that may be laid down by the SECP);
- 14.6.5** Units in any other unit trust schemes;
- 14.6.6** Any other equity or money market security (subject to an appropriate investment grade rating, or as per the criteria that may be laid down by the SECP) in respect of which permission to deal on a Stock Exchange is effective;
- 14.6.7** Reverse REPOs, Purchase or sale of a security for ready settlement and the reverse thereof (sale or purchase, as the case may be) for future settlement;
- 14.6.8** Investment in Continuous Funding System (CFS), the Fund shall invest upto a maximum of 25% of its NAV in Continuous Funding System (CFS) with not more than 20% of CFS amount in any one script at the time of investment;
- 14.6.9** Investment in any equity or money market security that may or may not be listed on the Stock Exchange but does not include bearer security or any security that would involve assumption of unlimited liability;
- 14.6.10** Real Estate Investment Trusts (REITS), subject to applicable laws and specific SECP approval.
- 14.6.11** Any other security and / or instruments that may be allowed by the SECP, the NBFC Rules or any other regulatory authority from time to time;
- 14.6.12** Subject to SECP and other regulatory approvals the Fund may seek to invest in foreign securities issued, listed and traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time; and
- 14.6.13** Warrants, options (including financial options and contracts), derivatives and contracts. The investment in this asset class shall be for hedging purposes only and on such other terms and conditions as may be specified by the SECP from time to time.
- 14.7** "Back-end Load" means a Processing Charge, not exceeding five percent of the Redemption Price, deducted by the Management Company from the Net Asset Value in determining the Redemption Price.
- 14.8** "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 14.9** "Bank Accounts" means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holders.
- 14.10** "Business Day" means a day (such business hours thereof) when offices of the Management Company are open for business in Pakistan.
- 14.11** "Continuous Funding System (CFS)" is a form of financing transacted through the Stock Exchange. It consists of two simultaneous transactions, the first for purchase of an underlying security (shares) on the next settlement date and the second for selling back the security at a higher price for a subsequent settlement date.

- 14.12** "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.
- 14.13** "Connected Person" shall have the same meaning as assigned in the Rules.
- 14.14** "Constitutive Document" means the Principal Documents governing the formation of an open ended scheme and all related material agreement.
- 14.15** "Core Investors" of the Scheme shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of Clause 67(2) (f) of the Rules. The Core Investors shall be issued Core Units representing their subscriptions. Particulars of the Core Investors are included in this Offering Document.
- 14.16** "Core Units" shall mean such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the close of the First Offer Period. Such Units are transferable with this condition, but otherwise shall rank pari passu with all other Units, save for this restriction. Any transfer of the Core Units, during the first two years of their issue as mentioned herein, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.
- 14.17** "Custodian" means a bank, the Central Depository Company, or any other Depository for the time being appointed by the Trustee in consultation with the Management Company and the SECP, to hold and protect the assets of the Trust or any part thereof as custodian on behalf of the Trustee.
- 14.18** "Discount Rate" means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.
- 14.19** "Distribution Account" means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund property for the benefit of the Unit Holders.
- 14.20** "Distributor(s)" means Company(ies), Firm(s), or Bank(s) appointed by the Management Company for performing any or all of the Distribution Functions and shall include the Management Company itself if it performs the Distribution Functions;
- 14.21** "Distribution Functions" means the functions with regard to:
- 14.21.1** Receiving applications for purchase of Units together with aggregate Purchase (Offer) Price for Units applied for by the applicants;
- 14.21.2** Issuing acknowledgment in respect of 14.20.1 above;
- 14.21.3** Interfacing with and providing services to the Unit Holders including receiving redemption and purchase applications, transfer and pledge applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate; and



- 14.21.4** Accounting to the Management Company for (1) monies received from the applicants when they purchase Fund Units; (2) payments made to the Unit Holder on Redemption of Units; and (3) expenses incurred in relation to the distribution functions.
- 14.22** "Duties and Charges" means in relation to any particular transaction or dealing all stamp and other duties, taxes, government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, sale, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distributor or any Front-end or Back-end Load or commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 14.23** "First Offer" means the price of Rs. 50/- per Unit during the initial offering period determined by the Management Company, which shall not exceed a period of ten days (provided that this period may be extended with the prior approval of SECP).
- 14.24** "Formation Cost" means all preliminary and floatation expenses of the Scheme including expenses in connection with authorization of the Scheme and its application fee payable to SECP, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund, marketing of the Fund to Unit Holders and inviting investment therein and all expenses incurred during the period leading up to the First Offer.
- 14.25** "Front-end Load" means the sales and processing charges, also described as Sales Load in Clause 14.46 payable to the Management Company, which are included in the Offer Price of Units. The Management Company may at its discretion charge different levels of the Load to different investors.
- 14.26** "Fund's Auditors" mean the Auditors.
- 14.27** "Fund Property" means the aggregate proceeds of the sale of all Units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) or Redemption (Repurchase) Prices after deducting therefrom or providing there-against the value of Redemption, Front-end Load, Back-end Load, Duties and Charges (if included in the Purchase (Offer) Price or Redemption (Repurchase) Price) applicable to the issue or redemption of Units and any expenses chargeable to the Fund; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising therefrom and all cash and other movable or immovable assets and properties of every description, whether accrued or accruing for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed and shall include the income, profit, interest, etc., earned on the amount credited to the Distribution Account.
- 14.28** "Holder" or "Unit Holder" means the investor for the time being entered in the Register as owner of a Unit or a fraction thereof including investor jointly so registered pursuant to the provisions of the Trust Deed.
- 14.29** "Initial Period of Offer" (IPO) means the same as "Initial Offering Period" and "Initial Public Offer" which means the period during which First Offer of Units shall be made, which shall be indicated in the Offering Document.
- 14.30** "Investment" means any Authorized Investment forming part of the Fund Property.



- 14.31** "Investment Facilitator" (Facilitator) means an individual, firm, corporate or other entity appointed by the Management Company, at its sole responsibility, to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Facilitators out of the Sales Load collected by it in the Purchase (Offer) Price.
- 14.32** "Net Assets" means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the NBFC Rules.
- 14.33** "Net Asset Value" means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 14.34** "Offer Price (Purchase Price)" means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to this document.
- 14.35** "Offering Document" means this document and any other prospectus, advertisement or document (approved by the SECP), which contains the investment and distribution policy and all other information in respect of the Scheme, as required by the Rules and is calculated to invite offers by the public to invest in the Scheme.
- 14.36** "Ordinance" means Companies Ordinance 1984.
- 14.37** "Pakistan Origin Investments" includes securities or instruments that are issued, traded or listed outside Pakistan as long as they are of Pakistani Origin.
- 14.38** "Par Value" means the First Offer Price of a Unit that shall be fifty (50) Pakistani Rupees.
- 14.39** "Personal Law" means the law of inheritance and succession as applicable to the individual Unit Holder.
- 14.40** "Redemption Price" means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to this document.
- 14.41** "Redemption Request Form" means the prescribed form, which is to be stated in the Offering Document.
- 14.42** "Register" means the register of the Unit Holders kept pursuant to the Rules and the Trust Deed.
- 14.43** "Registrar" means an organization that the Management Company may appoint for performing the Registrar Functions and may include a department of the Management Company. The term and definition of "Transfer Agent" is also covered within the definition of a Registrar.
- 14.44** "Registrar Functions" means the functions with regard to:
- 14.44.1** Maintaining the Register;
- 14.44.2** Processing requests for Purchase (Offer), Redemption (Repurchase), Transfer and Transmission of Units and requests for recording of lien or for recording of changes in data with regard to the Unit Holders;
- 14.44.3** Issuing account statement to the Unit Holder(s);
- 14.44.4** Issuing Certificates to Unit Holders if required;

- 14.44.5** Dispatching income distribution advice and / or bank transfer intimations; and
- 14.44.6** Canceling old Certificates on redemption or replacement.
- 14.45** "Rules" means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 14.46** "Sales Load" means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) of the Purchase (Offer) Price. The Management Company may, at its discretion, charge different levels of the load to different investors from time to time.
- 14.47** "SECP" means the Securities and Exchange Commission of Pakistan.
- 14.48** "Stock Exchange" means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969.
- 14.49** "Subscription Day" means every Business Day excluding public holiday provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in the news papers declare any particular Business Day not to be a Subscription Day.
- 14.50** "Transaction Costs" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Redemption (Repurchase) Price. The Transaction Costs shall not normally be applied in determining these prices, however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may with intimation to the Trustee, apply such charge either to the Purchase (Offer) or the Redemption (Repurchase) Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without intimating the Trustee provided the difference between the Purchase (Offer) Price and the Redemption (Repurchase) Price does not exceed five percent (5%). The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.
- 14.51** "Unit" means one undivided share in the Scheme and where the context so indicates a fraction thereof.

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

## **15. ARBITRATION**

In the event of any disputes arising out of the Trust Deed or this Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Management Company and the Trustee, as well as those relating to the interpretation of the terms and conditions of the Trust Deed and/or the Offering Document relating to the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous

decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned Law Firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

**Subject to Arbitration Clause above applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders, irrevocably submit to the exclusive jurisdiction of the courts at Karachi.**

**ANNEXURE A**
**Central Depository Company of Pakistan**
**Tariff Structure for Trusteeship of Open-ended Mutual Funds (Unit Trusts)**

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

<b>From</b>	<b>Net Assets (Rupees in million) To</b>	<b>Tariff</b>
1	1,000	Rs.0.7 million or 0.20 % p.a. of NAV whichever is higher.
>1,000	& above	Rs.2.0 million plus 0.10 % p.a. of NAV exceeding Rs. 1,000 million.

## ANNEXURE B

### **Current Level of Front-end and Back-end Loads and Management Fee**

#### **Effective from Close of First Offer**

**Front-end Load: 3.00%** (The Management Company at its discretion increase or decrease the Front-end Load, but at no time will the Front-end load be greater than 5% of NAV).

**Back-end Load: 0%**

#### **Management fee:**

A remuneration of an amount not exceeding three percent (3.0%) per annum of the average daily Net Assets for the first five years of the scheme and there after of an amount equal to two percent (2.0%) per annum of the average daily Net Assets.

Provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Any change in the load and fee structure, provided it is within the maximum limit disclosed in Clause 4.9.3 and Clause 6.2.1, shall be notified through an addendum to this annexure.

**ANNEXURE C****LIST OF DISTRIBUTION OFFICES****AKD Investment Management Limited**

Head Office  
606, Continental Trade Center  
Block-8, Clifton  
Karachi - Pakistan  
Phone: (92-21) 111-AKDIML (111-253-465)  
Fax: (92-21) 5373217

**The following locations will be distribution points for the fund:**

**AKD Securities (Private) Limited**

Head Office  
Suite # 214, 2nd Floor  
Continental Trade Centre  
Block 8, Clifton  
Karachi - Pakistan  
UAN: 111-253-253  
Fax: (92-21) 583-6517

**AKD Securities (Private) Limited**

Islamabad Office  
M-4, Islamabad Stock Exchange Building,  
101-E, Fazal-e-Haq Road, Blue Area,  
Islamabad - Pakistan  
UAN: 111-253-253  
Fax: (92-51) 227-6621

**AKD Securities (Private) Limited**

Lahore Office  
512, 513, 5th Floor, Lahore Stock Exchange Building,  
19, Khayaban-e- Aiwan-e-Iqbal Road,  
Lahore - Pakistan  
UAN: 111-253-253  
Branch UAN: 111-253-111  
Fax: (92-42) 628-0745

**First International Investment Bank (Inter Bank)****Karachi Office**

7th Floor, Shaheen Commercial Complex,  
Dr. Ziauddin Ahmed Road,  
Karachi-74200.  
E-mail: fiibl.khi@interbank.com.pk

**Lahore Office**

Ground Floor, 5 F.C.C,  
Syed Maratib Ali Road,  
Gulberg, Lahore.  
E-mail: fiibl.lhr@interbank.com.pk

**Islamabad Office**

Mezzanine Floor, Razia Sharif Plaza,  
90 - Blue Area, G-7,  
Islamabad.  
E-mail: fiibl.isl@interbank.com.pk

**UNIVERSAL ACCESS NUMBERS**

Telephone: 111-234-234  
Fax: 111-567-567

**Bank of Punjab****Lahore Office**

Main Branch  
Lahore  
Telephone: 042-9200419, 9200383  
Fax #: 042-9200351

Model Town  
Lahore  
Telephone: 042-9230254, 9230451  
Fax #: 042-9230927

LCCHS  
Lahore  
Telephone 042-5741792, 5722885  
Fax #: 042-5724365

**Sialkot Office**

Railway Road  
Sialkot  
Telephone: 052-9250097, 9250098  
Fax #: 052-9250096

**Multan Office**

Quaid-e-Azam Road  
Multan Cantt.  
Telephone: 061-9200889, 9200057  
Fax#: 061-9200886

**Gujranwala Office**

Trust Plaza  
Gujranwala  
Telephone: 055-9200362, 9200366  
Fax #: 055-9200363

**Faisalabad Office**

Railway Road  
Faisalabad  
Telephone: 041-9201194, 9200466  
Fax: 041-9201195



**Sahiwal Office**

Rashid Minhas Road  
Sahiwal  
Telephone: 040-4220523  
Fax: 040-4465171

**Islamabad Office**

Jinnah Avenue  
Islamabad  
Telephone: 051-2878269, 2823997  
Fax #: 051-2878268

**Mirpur Office**

Allama Iqbal Road  
Mirpur  
Telephone: 058610-44809  
Fax #: 058610-47547

**Peshawar Office**

Saddar Road  
Peshawar  
Telephone: 091-5284260, 5274878, 5286774, 5284131  
Fax #: 091-5276016

**Please note that the above branches may change from time to time as per the discretion of the Management Company. The Trustee will be informed accordingly.**

The Management Company may also appoint Investment Facilitators at its sole discretion from time to time. The Management Company may appoint additional distributors or investment facilitators or change any one of the existing ones from time to time.



**GUIDELINES FOR FILLING OUT INVESTOR ACCOUNT OPENING FORM (for Individuals, Institutions &/or Corporates)**  
**(FORM AKDIML - 01)**

This Form is a one-time requirement and is required from Individual / Institutional Investors only at the time of creation of account within Unit Holder Register. Please complete the Investor Account Opening Form in Block Letters and write with a ball pen.

**Information about the Investor**

i) The following information of the Investor is required under this section:

<p><b>For Institutions:</b></p> <ul style="list-style-type: none"><li>• Name of the Institution / Corporate</li><li>• Address/ Contact number(s) of the Investor.</li><li>• Registration number of the Investor (Company/Corporation/Bank/Partnership/Sole Proprietor/Club etc.).</li><li>• Declaration of whether or not Zakat is to be deducted is required. If the option is selected as 'NO', the Zakat Declaration CZ-50 under Zakat and Ushr Ordinance, 1980, needs to be attached</li><li>• Type of Institution (Company/Corporation/Bank/Partnership/Sole Proprietor/Club etc.).</li><li>• Details of Authorised Signatories including their name(s), their identification i.e. National Identity Card number and their specimen signatures. Copy of Memorandum &amp; Article of Association/Incorporation.</li></ul>	<p><b>For Individuals:</b></p> <ul style="list-style-type: none"><li>• Name / Father's / Husband's name</li><li>• Address / Nationality / Contact Number / Occupation</li><li>• Details of identification i.e. National Identification Card (NIC) / Passport No. Foreign Nationals are required to submit a copy of passport.</li><li>• Declaration of whether or not Zakat is to be deducted is required. If the option is selected as 'NO', the Zakat Declaration CZ-50 under Zakat and Ushr Ordinance, 1980, needs to be attached.</li><li>• Details of Joint Holder(s), their name(s), their identification i.e. National Identity Card / Passport No., their specimen signatures. (Please note that Joint Holders can be introduced only in case when there is no Nominee available).</li></ul>
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ii) At any point in time, the maximum number of Authorized Signatories (for institutions) or Account Holder(s) (for individuals) allowed for the purpose of this Form will not exceed four (04) in number. Choose the desired option.

iii) For Individual accounts, nominee(s) can be nominated only by the Principal Account Holder when there are no Joint Holder(s). The maximum number of Nominee(s) can be two (02) in number with their respective share mentioned in percentage against their respective names. The required details about the nominee should also be provided.

**Bank Details (for Redemption/Dividend mandate)**

iv) In order to receive proceeds as a result of Redemption of Units and Dividend(s) from any open-end fund(s) under the management of AKDIML, bank details of the Investor is required which includes the following: • Bank Account Title and its Number. • Name/Address of the Bank along with its Branch. (Error in filing of this information can result in delay in fund transfer).

**Requirements of Dividend Distribution**

v) Choose the desired option of receiving dividends. By default cash dividends will always be transferred to bank account.

**Statements**

vi) Choose instructions regarding Account Statement requirement. All correspondences will be addressed to Authorized Signatory(ies) (for Institutions) and Principal Account Holders (for Individuals) as specified in the Form.

**Declaration**

vii) All the required Authorized Signatories (including Joint Holder(s) incase of Joint investors) will have to sign this Form.

viii) In case the Unit Holder is unable to sign the Form, then he/she is required to submit a clear copy of NIC with his / her thumb impression on it and the same should be affixed along with a passport size photograph on the Form authenticated by his / her banker.

ix) The Investor should either mark all empty spaces in the Form "Void" or cross (X) out.

x) It shall be responsibility of the applicant to pay all stamp and other duties, taxes and processing charges

**Death of Unit Holder (For Individuals)**

xi) At the time of submission of this Form, clear instruction regarding the operation of the Account has to be specified by the Unit holder(s) by selecting any one option out of four options provided in the Form, under the heading of "Operating Instructions".

**Application Checklist (for Institutions)**

The Investor has to enclose copies as applicable of the following documents depending upon the requirements:

1. Certified copies of NIC(s) of Authorized Signatories.
2. List of Directors and Officers.
3. Documentary evidence for Tax exemption (if available).
4. Certificate of Incorporation/Registration (Certified true copy).
5. Certificate of Commencement of Business (certified true copy).
6. Certified true copy of Board Resolution (Authorizing Investment).
7. Membership Certificate (in case of Sole Proprietor).
8. Partnership Deed and Certificate of Registration (in case of registered partnership firm).
9. Power of Attorney's (Notarized & on stamp paper).
10. Memorandum & Articles of Association/Bye Laws/Trust Deed (Certified true copy).
11. Others (Please specify).

ix) In the event of any conflict between these Guidelines and the Trust Deed and/or the Offering Document, the provisions of the Trust Deed and/or the Offering Document, as the case may be, shall prevail.

**Recommended Format for Board Resolution (Authorizing Investment)**

RESOLVED that:

a) Investment be made by the Company in the Units of \_\_\_\_\_ (the fund being invested in) to the extent of Rs. \_\_\_\_\_;

b) An application be made on behalf of the Company to AKD Investment Management Limited (AKDIML) or the Distribution Company (name of the Distribution Company) for the purchase of Units of \_\_\_\_\_ (fund being invested in) under the joint\*/several\* Signatories of Mr. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_;

c) Mr. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ are further hereby authorized singly\*/jointly\* to make applications/requests to AKDIML for Purchase of Units of \_\_\_\_\_ (fund being invested in) from time to time at their discretion within the overall maximum limit for total investments in the Units of \_\_\_\_\_ (fund being invested in) sanction by the Board and mentioned in para (a) above.

d) Mr. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ be and are hereby authorized singly\*/jointly\* for and on behalf of the Company to sign, execute and deliver the said application and other necessary documents in connection therewith and to do any other acts, deeds or things for and on behalf of the Company in respect of Company's application for the purchase of Units of \_\_\_\_\_ (fund being invested in); and

e) Mr. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ further be and are hereby authorized singly\*/jointly\* for and on behalf of the Company to redeem the fund's (fund being invested in) Units as and when they deem appropriate in the interest of the Company and for this purpose, to sign, execute and deliver redemption applications/forms and fulfill all other formalities as may be required by AKDIML for redeeming the Units.

f) Mr. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ be and are hereby authorized singly\*/jointly\* for and on behalf of the Company to represent to Company to deal, liaise and correspond with AKD Investment Management Limited (AKDIML) and or the Distribution Company (name of Distribution Company) and to fulfill the responsibilities and obligations of the Company from time to time and to do all other incidental and ancillary acts, things and deeds in connection with the purchase and redemption of \_\_\_\_\_ (fund being invested in) Units.

**CERTIFIED TRUE COPY:**

I hereby certify that the above Resolution was duly passed by the Board of Directors of the Company in its meeting held on (date of meeting) and the same has been entered in the minutes book of the Company in accordance with the Articles of Association of the Company.

\_\_\_\_\_  
Company Secretary

\*Please delete as applicable

If you need any assistance or require additional information, please e-mail to [info@akdinvestment.com](mailto:info@akdinvestment.com) or call the AKDIML - 92-21-5371305-7

# AKD Investment Management Ltd.



AKD Investment Management Ltd.

Ref # \_\_\_\_\_

(AKDIML - 02)

## PURCHASE OF UNITS FORM

Information about the Principal Account Holder  
(FULL NAME(S) AND ADDRESS IN BLOCK LETTERS)

Date \_\_\_\_\_

Name: Mr./ Ms./ Mrs./ M/s.	NIC No.																			
Registration Number (if any)																				

### DETAILS OF INVESTMENT

Payment shall be made through, payees account cheque, bank transfer, pay order, demand draft only

Name of Fund:
Rs. _____ Rupees.
Mode of Payment <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Demand Draft <input type="checkbox"/> Pay Order
Instrument Number
Drawn on (Name of Bank & Branch)

**FORM OF UNITS** - Please note that units by default will be issued in registered uncertified form & will be confirmed through an Account Statement, however, if the Investor requires in any of the following forms, please mention specifically.

**Physical Certificates** (Allocation % \_\_\_\_\_)

(Units will be issued in Certificate form, if requested and on payment of additional Rs. 50/- per Certificate. Please note that if after applying percentage units appear in fractions, then the balance will be rounded off to the nearest unit)

**Choice of Certificates:**

- i) \_\_\_\_\_ Certificates of \_\_\_\_\_ Units each
- ii) \_\_\_\_\_ Certificates of \_\_\_\_\_ Units each

**Units in CDC** (Allocation % \_\_\_\_\_)

(Units can be transferred to CDC account. If so desired, please provide the following details)

<b>Participant ID</b>	<b>Sub - A/c ID</b>	<b>House Account ID</b>	<b>Investor Services A/c ID</b>	<b>Investor A/c ID</b>
_____	_____	_____	_____	_____

### DECLARATION & AUTHORIZATION

I / We hereby acknowledge of having read and understood the relevant Trust Deed, Offering Document and the guidelines that govern this transaction and further acknowledge understanding of the risks involved.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Note: In case of Institutional Investor please affix Company stamp.

### TO BE FILLED BY THE APPLICANT'S BANKER IN CASE THE APPLICANT IS UNABLE TO SIGN THE FORM

I, \_\_\_\_\_ Manager of \_\_\_\_\_ (the "Bank") certify that to the best of my knowledge and belief, the declaration of or on behalf of the applicant given in this Form is correct.

\_\_\_\_\_  
Manager's signature & Bank stamp

Note: The contents of this Form and the Guidelines attached hereto, were read over and explained to the Applicant(s) in Urdu/ native language and he/ she/ they appear to have fully understood the same.

### FOR OFFICIAL USE ONLY

#### FACILITATOR INFORMATION

Facilitator	Facilitator Code	Remarks / Instructions	Signature

#### FOR DISTRIBUTOR / SALES REPRESENTATIVE

Distributor	Distributor Code	Transaction Date	Data and Attachments Verified <input type="checkbox"/> Yes <input type="checkbox"/> No	Authorized Signature & Stamp

Remarks \_\_\_\_\_

#### FOR REGISTRAR USE

Investment Form Received on	Data Input Date	Data and Attachments Verified <input type="checkbox"/> Yes <input type="checkbox"/> No	Authorized Signature & Stamp

Client's Copy

## GUIDELINES FOR FILLING OUT PURCHASE OF UNITS FORM (FORM AKDIML-02)

This Form is required from both Individual and Institutional Investors at the time of purchasing units of the fund being invested in. The investor shall specify the name of Fund being invested in and such Units, will be only in Pak Rupees and at the day end Purchase Price based on Net Asset Value (NAV) per unit. Units will be allocated only on the basis of daily Net Asset Value (NAV) announced as of the close of the business day on which a correctly filled Purchase of Units Form has been delivered at the selected authorized branches of AKDIML and Distribution Companies within the business hours of that day. The NAV can increase/decrease depending on the market conditions. Please complete the Purchase of Units Form (for Individuals and Institutions) in Block Letters and write with a ball pen.

### **Information about the Principal Account Holder/Investor**

i) Every customer whether Individual or Institutional is given a unique Registration Number at the time of creation of his/her/its account within the Unit Holder Register. The said number is then mailed by the Transfer Agent/Registrar to the registered address of the Investor. New Investors are not required to fill the Registration Number box, however, existing investors must fill the already allotted Registration Number by the Management Company at the time of Purchasing Units of the fund being purchased.

ii) The Title of Account of the Principal Account Holder/Investor is required.

### **Details of the Investment**

iii) Payments shall be made specifically in favor of the **Trustee** against the Purchase of Units of the fund to be invested through the following modes:

- Account Payee Cheque.
- Pay Order.
- Demand Draft.
- Bank Transfer.

Please mention Instrument details of account payee cheque/payorder/demand draft and the bank details where these instruments are to be drawn on.

iv) Form of Units

Unit Holder, depending upon his/her/its requirement can request (by ticking the relevant check box) for issuance of units in the following manner:

- Physical Certificate Form.
- CDC Form.

Specific instructions for any one of the aforesaid options is required.

### **Declaration & Authorization**

v) As per the instructions given in respect of operation of account through Investor Account Opening Form (AKDIML-01), all the required Authorized Signatories (including Joint Holder(s) in case of Joint Investors) will have to sign this Form before submitting at any selected branch of AKDIML or the Distribution Company.

vi) In case the Unit Holder is unable to sign the Form, then he/she is required to submit a clear copy of NIC with his/her thumb impression on it and the same should be affixed on the Form as well. The Form should be authenticated by his/her banker and the applicant is also required to attach a recent duly attested passport size photograph with it.

vii) The Unit Holder should either mark all empty spaces in the Form "Void" or cross (X) out.

viii) It shall be responsibility of the applicant to pay all stamp and other duties, taxes and processing charges in relation to the units acquired by him/her/it.

If you need any assistance or require additional information, please e-mail to [info@akdinvestment.com](mailto:info@akdinvestment.com) or call the AKDIML - 92-21-5371305-7



## **GUIDELINES FOR FILLING OUT REDEMPTION OF UNITS FORM (FORM AKDIML-03)**

This Form is required from both Individual and Institutional Investors at the time of Redemption of Units. Please complete the Redemption of Units Form (for Individuals and Institutions) in Block Letters and write with a ball pen.

### **Information about the Principal Account Holder/Investor**

i) Every Unit Holder whether Individual or Institutional is given a unique Registration Number at the time of creation of his/her/its account within the Unit Holder Register. The said number is then mailed by the Transfer Agent/Registrar to the registered address of the Unit Holder. All applicants must fill the already allotted Registration Number by the Management Company at the time of Redemption.

ii) The Title of Account of the Principal Account Holder/Investor is required.

### **Redemption Information**

• The Unit Holder shall specify the name of the fund for which the redemption request is being made.  
iii) Redemption will only be processed in the form of Units on the basis of daily Net Asset Value (NAV) announced as of the close of the business day on which correctly filled Redemption of Units Form is received at the authorized branch of AKDIML or Distribution Company. The Unit Holder is given following three (03) options for applying of Redemption of Units of the fund invested in through this Form:

- Number of units to be redeemed. Through this option the Unit Holder can apply for the specific Redemption of Units up to four decimal places.
- Redeem all units. Through this option the Unit Holder can apply for the Redemption of all units available in his/her/it(s) account without closure of his/her/it(s) account.
- Redeem all units and close account. Through this option the Unit Holder can apply for the Redemption of all units available in his/her/it(s) account with closure of his/her/it(s) account.

### **Specific instruction for any one of the aforesaid options is required.**

iv) Where an Investor, at the time of Purchase of Units has specifically requested for the issuance of units in Physical Certificate Form, he/she/it should while applying for Redemption surrender the said Physical Certificate for the purpose of its cancellation by the Transfer Agent/Registrar and should tick-off the relevant check box within the Form.

### **Declaration & Authorization**

v) Investor Account Opening Forms both for Individuals and Institutions i.e. AKDIML-01 requires for specific instructions authorizing Redemption of units of the fund invested in. These instructions are mandatory for all Unit Holders and without supplying the relevant information/authorities the creation of account of a new investor is not possible within the Unit Holder Register. Accordingly, while applying for Redemption of Units through the Redemption of Units Form, the Unit Holder(s) has to comply with the instructions already supplied as aforesaid, otherwise Redemption of Units Form submitted at the selected branch of AKDIML or the Distribution Company will be considered as "Void".

Authorization specified in AKDIML-01 is therefore required.

vi) In case the Unit Holder is unable to sign the Form, then he/she is required to submit a clear copy of NIC with his/her thumb impression on it and the same should be affixed on the Form as well. The Form should be authenticated by his/her banker and the applicant is also required to attach a recent duly attested passport size photograph with it.

vii) The Unit Holder should either mark all empty spaces in the Form "Void" or cross (X) out.

viii) It shall be responsibility of the applicant to pay all stamp and other duties, taxes and processing charges in relation to Redemption of Units applied by him/her/it.

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

ix) The Redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchange(s) on which any of the Securities invested in by the Scheme are listed. The circumstances under which the Management Company may suspend Redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order including terrorist activities, break down of the communication system, closure of banking system or strikes or other events that render the Management Company or its Distributors unable to function. For more detailed information, please refer to the respective Trust Deed and Offering Document of the fund(s) invested in.

### **Queue System**

x) In the event Redemption requests on any day exceed ten percent of either the number of Units outstanding or the Rupee Redemption value of the Units in issue, the Management Company may invoke a queue system whereby request for Redemption shall be processed on a first come first served basis for up to ten percent of the units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the Redemption request(s) based on such action. Where it is not practical to determine the chronological ranking of any request in comparison to others received on the same business day, such request(s) shall be processed on a proportional basis proportionate to the size of the request. For more detailed information, please refer to the respective Trust Deed and Offering Document of the fund(s) invested in.

If you need any assistance or require additional information, please e-mail to [info@akdinvestment.com](mailto:info@akdinvestment.com) or call the AKDIML - 92-21-5371305-7



# AKD Investment Management Ltd.



AKD Investment Management Ltd.

Ref # \_\_\_\_\_  
(AKDIML - 04)

## SERVICE REQUEST FORM

Information about the Principal Account Holder  
(FULL NAME(S) AND ADDRESS IN BLOCK LETTERS)

Date \_\_\_\_\_

Name: Mr./ Ms./ Mrs./ M/s.											NIC No.											
											Registration Number											
<b>FOR CHANGE IN PARTICULARS OF UNIT HOLDER(S)</b>																						
New Address																						
New Nos.		Phone No. (Off.)				(Res.)				(Fax)				(Mobile)				(Email)				
CHANGE IN JOINT HOLDER DETAILS - if any (Applicable in case of Individuals only)																						
<b>DELETION</b>											<b>ADDITION</b>											Specimen Signature
Mr./Ms./Mrs.					NIC No.						Mr./Ms./Mrs.					NIC No.						
CHANGE IN NOMINEE DETAILS - if any (Applicable in case of Individuals only, however, not required in case of Joint Holder)																						
<b>DELETION</b>											<b>ADDITION</b>											Specimen Signature
Mr./Ms./Mrs.					NIC No.						Mr./Ms./Mrs.					NIC No.						
SUBMISSION OF ZAKAT DECLARATION FORM & / OR TAX EXEMPTION CERTIFICATE											Zakat Declaration					Tax Exemption						
Note: Please enclose certified copy(ies) of Declaration & /OR Exemption Certificate																						
CHANGE IN INSTRUCTIONS FOR ACCOUNT OPERATION / REDEMPTION OF UNITS																						
Jointly by all signatories <input type="checkbox"/> Jointly by any three <input type="checkbox"/> Jointly by any two <input type="checkbox"/> Any one <input type="checkbox"/>																						
CHANGE IN BANK ACCOUNT DETAILS											CHANGE IN DIVIDEND MANDATE (please specify)											
Account Title																						
Account No.											CHANGE IN FREQUENCY OF STATEMENTS (please specify)											
Name of Bank / Address																						
<b>FOR CHANGE IN UNITS PROCESSING</b>																						
<b>DETAILS OF UNIT PROCESSING REQUESTS</b>																						
Name of Fund:																						
Certificate No. / Units (If certificates have not been issued, indicate no. of units _____)		1				2				3				4				5				
<b>Transmission</b>		<b>Deletion</b> (in case of death of unit holder)						<b>Merger</b>						<b>Transfer of Units</b>								
I/We the undersigned being the beneficiary(ies)/successor(s) request you to register me / us as Holder(s) of the above Units/Certificates now registered under above Registration No. in the name of the above deceased/insolvent.		I/We the undersigned being the Holder(s) of the above Units/Certificates registered under above Registration No. do hereby:												Transfer the said Units/ Certificates to the hereinafter named Transferee(s) to hold subject to the same conditions on which I/We hold them.								
		Inform that Mr./ Ms./ Mrs. _____ Has expired on _____ and request you to kindly delete his/her name from above Units/Certificates						Request that all the Units/ Certificates specified above to be merged under the above Registration No.														
In case of Transmission/Transfer of Units: I/We the said beneficiary(ies) / successor(s) do hereby agree to accept & take the said units subject to the same conditions on which they were held by the said deceased/insolvent/transferor(s)																						
Name _____																						
Signature _____																						
In case of Transmission/Transfer of Units, beneficiary(ies)/successor(s) are required to submit Investor Account Opening Form i.e. (AKDIML-01) at AKDIML's designated offices.																						
I/We do hereby authorize you to recover the fees and charges by encashing the Units/Certificates of equivalent value.																						
<b>FOR CHANGE IN CERTIFICATE PROCESSING</b>																						
Certificate numbers (not required for fresh issuance of certificates)		1				2				3				4				5				
<b>For Issuance of Certificates</b> Please issue the Certificates for ( )/all units held by me/us. Choice of Certificates: i) ___ certificates of ___ units each ii) ___ certificates of ___ units each						<b>For Cancellation of Certification</b> Please cancel the attached Certificates, the numbers of which are specified above and issue statements in future.						<b>For Mutilated or Defaced Certificates</b> Please issue new certificates against the attached mutilated/ defaced Certificates, the numbers of which are specified above.										
<b>For Split of Certificates</b> Please issue new certificates against the Certificates attached, the numbers of which are specified above and split them as follows i) ___ certificates of ___ units each ii) ___ certificates of ___ units each						<b>For Lost / Stolen or Destroyed Certificates</b> Please issue new certificates against the lost / stolen / destroyed Certificates, the numbers of which are specified above						<b>For Consolidation of Certificates</b> Please issue a new certificate against the attached Certificates, the numbers of which are specified above Certificates of _____ units.										
I / We do hereby authorize you to process the above request and recover the fees and charges by encashing the Units / Certificates of equivalent value.																						
<b>DECLARATION &amp; AUTHORIZATION</b>																						
Name _____																						
Signature _____																						
Note: In case of Institutional Investor affix Company stamp.																						
TO BE FILLED IN BY THE APPLICANTS BANKER IN CASE THE APPLICANT IS UNABLE TO SIGN THE FORM																						
I, _____ Manager of _____ (the "Bank") certify that to the best of my knowledge and belief, the declaration of or on behalf of the applicant given in this form is correct. _____																						
Manager's Signature & Bank stamp																						
Note: The contents of this Form and the Guidelines attached hereto, were read over and explained to the Applicant(s) in Urdu/native language and he/she/they appear to have fully understood the same.																						
<b>FOR OFFICIAL USE ONLY</b>																						
<b>FOR DISTRIBUTOR / FACILITATOR / SALES REPRESENTATIVE USE</b>																						
Code		Forms Received on				Data / attachments verified <input type="checkbox"/> Yes <input type="checkbox"/> No				Authorized Signature & Stamp												
Remarks																						
<b>FOR REGISTRAR USE</b>																						
Forms Received on		Data Input Date				Data / attachments verified <input type="checkbox"/> Yes <input type="checkbox"/> No				Authorized Signature & Stamp												
Remarks																						

#### **GUIDELINES FOR FILLING OUT SERVICE REQUEST FORM (for change in Unit Holder particulars) (FORM AKDIML - 04)**

In respect of any change(s) desired by the Unit Holder(s) in their particulars, a facility through this Form is being provided to the Unit Holder(s) to incorporate such change(s) within the Unit Holder Register. However, such change will only be permissible, provided it is authenticated by all the required Authorized Signatories specified at the time of creation of account within the Unit Holder Register through Investor Account Opening Form (AKDIML - 01).

This Form is required from Unit Holders both Individual and Institutional Investors in case:

- They intend to change the details in respect of their particulars.
- They intend to change the status of their Units in case of Transmission/Deletion (in case of death of Unit Holder)/Merger/Transfer of Units.
- They intend to change the status of their Physical Certificate(s) in case of Issuance/Cancellation/Mutilated/Split/Destroyed/Consolidation of Certificates.

Please complete the Service Request Form (for Individuals and Institutions) in Block Letters and write with a ball pen.

#### **For Change in Particulars of Unit Holder(s)**

i) Every Unit Holder whether Individual or Institutional is given a unique Registration Number at the time of creation of his/her/its account within the Unit Holder Register. The said number is then mailed by the Transfer Agent/Registrar to the registered address of the Unit Holder. All applicants must fill the already allotted Registration Number by the Management Company at the time of filling out the Service Request Form.

ii) The Title of Account of the Principal Account Holder/Investor is required.

iii) Unit Holder(s) can change their address/contact detail(s) supplied at the time of creation of their account within Unit Holder Register through Investor Account Opening Form (AKDIML-01). For this purpose all the Unit Holder(s) will have to sign this Form.

iv) In case of Individual Unit Holder(s), the status of Joint Holder(s)/Nominee(s) can be changed through this Form. They can Delete/Add one Joint Holder/Nominee simultaneously at any point in time. In case of Addition specimen signature of Joint Holder is required, however, in case of Nominee just the relationship with the Principal Account Holder will suffice. For this purpose all the Unit Holder(s) will have to sign this Form.

v) Unit Holder(s) can change the status of Zakat &/or Tax exemptions, by ticking off the available option as provided. It is also mandatory for the Unit Holder to supply the certified true copy(ies) of said declaration &/or exemption certificate as an evidence.

vi) Unit Holder(s) can change the instructions for Account Operation/Redemption of Units supplied at the time of creation of their account within Unit Holder Register through Investor Account Opening Form (AKDIML-01). In case of Institutions, the said change may also include addition/deletion of any particular signatory which should be duly authenticated by certified true copy of Board Resolution. Specimen signature(s) of the signatory(ies) should also be provided on a Company's letterhead and should be authenticated by a Company Secretary. Signatory copy of NIC(s) is also required.

vii) Unit Holder(s) can change the details of Bank Account supplied at the time of creation of their account within Unit Holder Register through Investor Account Opening Form (AKDIML-01).

viii) Unit Holder(s) can change the status of dividend mandate and frequency of Statement supplied at the time of creation of their account within Unit Holder Register through Investor Account Opening Form (AKDIML-01).

#### **For Change in Units Processing**

ix) For the purpose of Transmission/Deletion (in case of death of Unit Holder)/Merger/Transfer of Units, the Unit Holder(s) can change the status of Units in his/her/its account. Unit Holder(s) has to specify the status of Units, whether in the form of Physical Certificates or Units in Account Balance Form. Maximum provision for upto five (05) Physical Certificate(s) is being given in the Form.

The following actions for aforesaid events will therefore be required:

Transmission (applicable only in case of Individuals with no information of Joint Holder(s))

- The Beneficiaries/Successors will have to tick-off the relevant box available in the Form to identify their action.
- They have to produce Death Certificate of the deceased/insolvent and a Succession Certificate issued by Competent Court to establish their claim. The onus of proof for their entitlement/ownership will be solely upon them.
- They also have to declare the acceptance of the said units in the same condition as they were in the name of deceased/insolvent.
- For the purpose of creation of their account within Unit Holder Register, they also have to submit Investor Account Opening Form, simultaneously; Deletion (in case of death of Unit Holder)
- The surviving Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- The surviving Unit Holder(s) have to inform about the death of the deceased Unit Holder through this Form. For this purpose they have to produce Death Certificate of the deceased/insolvent and a Succession Certificate issued by Competent Court establishing the claim of legal heirs of the deceased. The onus of proof for their entitlement/ownership will be solely upon them.
- All surviving Unit Holder(s) will have to sign this Form.

Merger

• Through this Form the Unit Holder(s) can request for the Merger of all Units/Certificates (details of units/certificates to be given) under the same Registration Number. For this purpose, they have to tick-off the relevant box available in the Form to identify their action.

• All Unit Holder(s) will have to sign this Form.

Transfer of Units

• The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.

• Through this Form the Unit Holder(s) can request for the Transfer of Units/Certificates (details of units/certificates to be given) in the name of Transferee(s) subject to the same conditions in which they hold them.

• The Transferee being the Beneficiary/Successor will have to give specific acceptance about the same and take the said Units/Certificates subject to the same conditions on which they held by the said Transferor.

• For the purpose of creation of Transferee account within the Unit Holder Register, he/she/it has to submit Investor Account Opening Form, simultaneously;

• All Unit Holder(s) will have to sign this Form.

#### **For Change in Certificates Processing**

x) For the purpose of change in the status of Physical Certificates, the Unit Holder(s) can request for Issuance/Cancellation/Split/Consolidation options of having units in the form of Physical Certificates. Maximum provision for up to five (05) Physical Certificate(s) is being given in the Form.

The options as aforesaid can be exercised by the Unit Holder(s) in the following manner:

#### **Issuance of Certificates**

- The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- Unit Holder(s) can request for the issuance of Physical Certificate(s) for the entire holding of Units or any specific number of Units held by them. Two choices are given in the Form through which they can submit their request and have Physical Certificate(s) of different denominations. Unit Holder(s) have to specify their choices.
- All Unit Holder(s) will have to sign this Form.

#### **Cancellation of Certificates**

- The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- Unit Holder(s) can request for the cancellation of Physical Certificate(s) (details of the physical certificates to be given and physical certificates to be attached) for the entire holding of Units or any specific number of Units held by them.
- All Unit Holder(s) will have to sign this Form.

#### **Mutilated or Defaced Certificates**

- The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- Unit Holder(s) can request for the issuance of new certificates against the mutilated/defaced certificate(s) (details of physical certificates to be given) which needs to be attached with this Form.
- All Unit Holder(s) will have to sign this Form.

#### **Split Certificates**

- The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- Unit Holder(s) can request for the splitting (sub division) of the existing Physical Certificate(s) held by them (details of physical certificates to be given) which needs to be attached with this Form.
- Two choices are given in the Form through which they can submit their request and have Physical Certificate(s) of different denominations. Unit Holder(s) have to specify their choices.
- All Unit Holder(s) will have to sign this Form.

#### **Lost/Stolen or Destroyed Certificates**

- The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- Unit Holder(s) can request for the issuance of new certificates against the lost/stolen or destroyed certificate(s) (details of physical certificates to be given).
- All Unit Holder(s) will have to sign this Form.

#### **Consolidation of Certificates**

- The Unit Holder(s) will have to tick-off the relevant box available in the Form to identify their action.
- Unit Holder(s) can request for the issuance of one consolidated Physical Certificate against the existing Physical Certificate(s) held by them (details of physical certificates to be given) which needs to be attached with this Form.
- All Unit Holder(s) will have to sign this Form.

#### **Declaration & Authorization**

xi) As per the instructions given in respect of operation of account through Investor Account Opening Form (AKDIML - 01), all the required Authorized Signatories (including Joint Holder(s) in case of Individual Investors) will have to sign this Form before submitting at any selected branch of AKDIML or Distribution Company.

xii) In case the Unit Holder is unable to sign the Form, then he/she is required to submit a clear copy of NIC with his/her thumb impression on it and the same should be affixed on the Form as well. The Form should be authenticated by his/her banker and the applicant is also required to attach a recent duly attested passport size photograph with it.

xiii) The Unit Holder should either mark all empty spaces in the Form "Void" or cross (X) out.

If you need any assistance or require additional information, please e-mail to [info@akdinvestment.com](mailto:info@akdinvestment.com) or call the AKDIML - Call Centre 92-21-5371305-7

# AKD Investment Management Ltd.



AKD Investment Management Ltd.

Ref # \_\_\_\_\_

(AKDIML - 05)

## PLEDGE OF UNITS FORM

Information about the Principal Account Holder  
(FULL NAME(S) AND ADDRESS IN BLOCK LETTERS)

Date \_\_\_\_\_

INFORMATION ABOUT THE PRINCIPAL ACCOUNT HOLDER / INVESTOR				
Title of Account:			Registration Number:	
REQUEST FOR PLEDGING OF UNITS				
Name of Fund:				
I / We own the Units/Certificate(s) held under the above Registration Number and Account Name and request you to issue a Statement confirming the registration of the said units in favor of _____ Having (NIC * / Reg No.) _____				
BANK ACCOUNT DETAILS OF THE PLEDGE				
Account Title		Account No.		
Bank Name & Branch				
Bank Address				
Pledge Authorization**	Name / Designation		Name / Designation	
	Signature		Signature	
DETAILS OF UNITS TO BE PLEDGED				
Number of Units	Form of Units:			
	Physical Certificates attached - if issued please mention the number of required certificate(s): _____			
	Account Balance Statement Only			
Specific account in favor of Pledgee will be created for this purpose within Unit Holder Register and the Statement will be issued for the same.				
DECLARATION & AUTHORIZATION				
In making this request, I / We recognize and understand that:				
" The registration of this pledge places a responsibility on the Management Company to ensure that all benefits accruing on such units (hereinafter referred to as the pledged units) shall be held or paid to the order of the Pledgee.				
" Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged units shall be paid to the order of the Pledgee or first named Joint Pledgee, any bonus units that the pledged Units are entitled to, automatically be marked in favor of Pledgee and in the event the pledged units are redeemed by the Pledgee for any reason whatsoever, the proceeds shall be paid to the order of the Pledgee.				
" The Management Company does not however, accept any responsibility for the validity of my/our act of pledging of units nor for any obligation or commitments undertaken by me/us in respect thereof.				
" The pledge shall continue till such time it is released by the Pledgee in writing.				
Name _____				
Signature _____				
Note: In case of Institutional Investor please affix Company stamp.				
TO BE FILLED IN BY THE APPLICANT'S BANKER IN CASE THE APPLICANT IS UNABLE TO SIGN THE FORM				
I, _____ Manager of _____ (the "Bank") certify that to the best of my knowledge and belief, the declaration of or on behalf of the applicant given in this Form is correct. _____				
Manager's Signature & Bank stamp				
Note: The contents of this Form and the Guidelines attached hereto, were read over and explained to the Applicant(s) in urdu/native language and he/she/they appeared to have fully understood the same.				
FOR OFFICIAL USE ONLY				
FACILITATOR INFORMATION				
Facilitator	Facilitator Code	Remarks / Instructions		Signature
FOR DISTRIBUTOR / SALES REPRESENTATIVE				
Distributor	Distributor Code	Form Received on	Data and Attachments Verified <input type="checkbox"/> Yes <input type="checkbox"/> No	Authorized Signature & Stamp
Remarks				
FOR REGISTRAR USE				
Pledge Form Received on	Pledge Marked on	Data and Attachments Verified <input type="checkbox"/> Yes <input type="checkbox"/> No	Authorized Signature & Stamp	
* Copy of NIC of Pledge is required.				
** Where the Pledge is an Institution with whom units are pledged, it will have to submit an undertaking signed by its Authorized Signatories that it is legally authorised to lend money in favour of the pledge (Unit Holder). Pledgee's Board Resolution is required, authorizing the arrangement of borrowing and simultaneously authorizing the Authorized signatories to operate the account within the Units Holders Register.				

## GUIDELINES FOR FILLING OUT PLEDGE OF UNITS FORM (FORM AKDIML - 05)

This Form is required from both Individual and Institutional Investors when they enter into any borrowing arrangement(s) with lending Institution thereby pledging his/her/its Units including in Physical Certificate Form as collateral.

Please complete the Pledge of Units Form (for Individuals and Institutions) in Block Letters and write with a ball pen.

### **Information about the Principal Account Holder/Investor**

i) The Unit Holder(s) whether Individual or Institutional is given a unique Registration Number at the time of creation of his/her/its account within the Unit Holder Register. The said number is then mailed by the Transfer Agent/Registrar to the registered address of the Unit Holder. All applicants must fill the already allotted Registration Number by the Management Company at the time of Pledge of Units of \_\_\_\_\_ (Underlying fund).

ii) The Title of Account of the Principal Account Holder/Investor is required.

### **Request for Pledging of Units**

iii) Unit Holder(s) are required to declare the arrangement made with lending Institution and accordingly have to specify the following details in order to facilitate the Pledging of Units:

- Name & Identification (National Identity Card/Registration No.) of the Pledgee.
- Bank Account details of the Pledgee.
- Authorization by Pledgee Authorized Signatory(ies). Provisions for two (02) signatories are given.
- Details of Units to be pledged, if the Units are in Physical Certificates Form please mention the number.

Transfer Agent/Registrar will send an account statement exhibiting Units blocked in favor of Pledgee to the Pledgor as proof of units being pledged in favour of Pledgee.

### **Declaration & Authorization**

iv) In this section of the Form, the Unit Holder(s) is required to declare the following:

- Placing of responsibility on the Management Company for ensuring that all the benefits accruing on the Units pledged shall be held/ paid to the order of the Pledgee.
- Save any legal bar or court order requiring otherwise, any dividends declared on the pledged units shall be paid to the order of the Pledgee, any bonus units on the Pledged Units shall be marked in favour of Pledgee and in the event of Redemption of Pledged units the proceeds shall be paid to the order of Pledgee.
- The Management Company does not however accept any responsibility for the validity of pledging of units in favour of Pledgee nor take any obligation/commitment in respect thereof.
- The Pledge shall continue till such time it is release by the Pledgee.

v) As per the instructions given in respect of operation of account through Investor Account Opening Form (AKDIML - 01), all the required Authorized Signatories (including Joint Holder(s) in case of Individual Investors) will have to sign this Form before submitting at any selected branch of AKDIML.

vi) In case the Unit Holder is unable to sign the Form, then he/she is required to submit a clear copy of NIC with his/her thumb impression on it and the same should be affixed on the Form as well. The Form should be authenticated by his/her banker and the applicant is also required to attach a recent duly attested passport size photograph with it.

vii) The Unit Holder should either mark all empty spaces in the Form "Void" or cross (X) out.

viii) It shall be responsibility of the applicant to pay all stamp and other duties, taxes and processing charges in relation to the units pledged by him/her/it.

If you need any assistance or require additional information, please e-mail to [info@akdinvestment.com](mailto:info@akdinvestment.com) or call the AKDIML - 92-21-5371305-7

ANNEXURE E

**Deloitte.**

**M. Yousuf Adil Saleem & Co**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Sharea Faisal,  
Karachi-75350  
Pakistan

UAN: +92 (0) 21 111-55-2626  
Fax: +92 (0) 21- 454 1314  
Web: www.deloitte.com

01-06-B/1302  
18 March 2006

**The Board of Directors**  
AKD Investment Management Limited  
606, Continental Trade Centre  
Block 8, Clifton, Karachi.

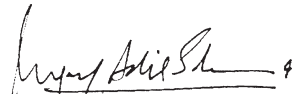
Dear Sirs,

**CERTIFICATE ON CORE INVESTORS' INVESTMENTS IN THE UNITS OF THE FUND**

As requested we are pleased to confirm to have verified from books and records of AKD Opportunity Fund (the Fund) that Rs.255 million (Rupees Two Hundred and Fifty Five Million) have been received by the Fund as core investment as follows:

<b>Name of Investors</b>	<b>Investments (Rupees)</b>
Aqeel Karim Dhedi Securities (Private) Limited.	230,000,000
The Bank Of Punjab	20,000,000
Searle Pakistan Limited Provident Fund	5,000,000
<b>Total</b>	<b>255,000,000</b>

Yours truly,



Chartered Accountants

**ANNEXURE F**

**Deloitte.**

01-06-B/1303  
18 March 2006

**The Chief Executive Officer**  
AKD Investment Management Limited  
606, Continental Trade Centre  
Block 8, Clifton, Karachi.

**M. Yousuf Adil Saleem & Co**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Sharea Faisal,  
Karachi-75350  
Pakistan

UAN: +92 (0) 21 111-55-2626  
Fax: +92 (0) 21- 454 1314  
Web: [www.deloitte.com](http://www.deloitte.com)

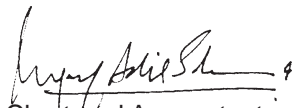
Dear Sir,

**AUDITORS CERTIFICATE ON NET ASSET VALUE OF UNITS**

In accordance with your request, we state that on the basis of unaudited books and records of AKD Opportunity Fund (the Fund) as on March 18, 2006 the Net Asset of AKD Opportunity Fund amounted to Rs. 357,732,991/-. The Net Asset Value of each unit amounted to Rs.50.14/-, which was arrived at by dividing the Net Asset by 7,135,000 number of units.

We draw attention to paragraph 10.4 of the offering documents in which the Management Company has estimated the formation cost of AKD Opportunity Fund up to Rs. 2,550,000/- prior to and during the initial period, in which units will be offered at the Initial Price in accordance with the terms of the offering documents. The Net Assets as on March 18, 2006 have been determined without writing off formation costs incurred up to that date.

Yours truly,

  
Chartered Accountants

**ANNEXURE G**
**List of Pre-IPO investors:**

<b>Name</b>	<b>Number of Units</b>	<b>Rupees</b>
The Bank of Punjab	1,600,000	80,000,000
Century Insurance Company Limited	200,000	10,000,000
Lakson Tobacco Employees Provident Fund	100,000	5,000,000
Attock Cement Pakistan Limited Non- Management Employees Gratuity Fund	90,000	4,500,000
First Dawood Investment Bank Limited	60,000	3,000,000
AKD Securities (Private) Limited Staff Provident Fund Trust	50,000	2,500,000
Novartis Pharma (Pakistan) Limited Junior Provident Fund	40,000	2,000,000
B.R.R. International Modaraba	40,000	2,000,000
Guardian Modaraba	20,000	1,000,000
Getz Pharma Employees Provident Fund	20,000	1,000,000
AKD Investment Management Limited Staff Provident Fund	5,000	250,000
Century Paper and Board Mills Ltd. Employees Contributory Provident Fund	2,000	100,000
Individuals	286,000	14,300,000
<b>Total</b>	<b>2,513,000</b>	<b>125,650,000</b>