

Risk Disclaimer: Investments in Mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. Investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in Clause 2.2, Risk Factors mentioned in Clause 2.7, Taxation Policies mentioned in Clause 7 and Warnings in Clause 9 before making any investment decision.

**OFFERING DOUCMENT
OF
GOLDEN ARROW STOCK FUND
(EQUITY FUND)**

**An Open End Equity Scheme constituted by the Conversion of
Golden Arrow Selected Stocks Fund Limited ("GASSFL"), a Closed End Fund into an
Open End Scheme**

**MANAGED BY
AKD INVESTMENT MANAGEMENT LIMITED
[An Asset Management Company Licensed under the Non-Banking Finance
(Establishment and Regulation) Rules, 2003]]**

Category of CIS	Risk Profile	Risk of Principal Erosion
Equity	High risk	Principal at high risk

Table of Contents

1. CONSTITUTION OF THE SCHEME	7
1.1 Constitution	7
1.2 Trust Deed (the “Deed”)	7
1.3 Modification of Trust Deed	8
1.4 Duration	8
1.5 Effect of Conversion and status of Unit Holder(s)	9
1.6 Trust property	10
1.7 Transaction in Units after Effective Date	10
1.8 Offering Document	10
1.9 Modification of Offering Document	11
1.10 Responsibility of the Management Company for information given in this Document	11
2. INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER	11
2.1 Investment Objective	11
2.2 Investment Policy	11
2.3 Benchmark	11
2.4 Authorized Investments	12
2.5 Changes in Investment Policy	12
2.6 Investment Restrictions	12
2.7 Risk Disclosure	17
2.8 Disclaimer	18
3. OPERATORS AND PRINCIPALS	18
3.1 Management Company	18
3.2 Board of Directors of the Management Company	19
3.3 Role and Responsibilities of the Management Company	23
3.4 Maintenance of Unit Holders Register	26
3.5 Role of the Trustee	26
3.6 Transfer Agent	28
3.7 Custodian	28
3.8 Distributors/Facilitators/Sales Agents	29
3.9 Auditors	29
3.10 Legal Advisors	30
3.11 Bankers	30
3.12 Rating of the Scheme	31
3.13 Minimum Fund Size	31
4. CHARACTERISTICS OF UNITS	32
4.1 Units	32
4.2 Class of Units	32
4.3 Types of Units	32
4.4 Purchase and Redemption of Units	33
4.5 Procedure for Purchase of Units	33
4.6 Procedure for Redemption of Units	39
4.7 Purchase (Public Offer) and Redemption (Repurchase) of Units outside Pakistan	41
4.8 Determination of Repurchase (Redemption) Price	42
4.9 Procedure for Requesting Change in Unit Holder Particulars	43
4.10 Procedure for Pledge / Lien / Charge of Units	45
4.11 Suspension of Dealing and Queue System	47
5. DISTRIBUTION POLICY	48
5.1 Declaration of Dividend	48
5.2 Determination of Distributable Income	49
5.3 Payment of Dividend	49
5.4 Dispatch of Dividend Warrants/Advice	50
5.5 Reinvestment of Dividend	50
5.6 Bonus Units	50

5.7 Closure of Register	50
6. FEE AND CHARGES	50
6.1 Fees and Charges Payable by an Investor	50
6.2 Fees and Charges Payable by the Fund	52
6.3 Conversion Costs	53
6.4 Other costs and expenses	53
7. TAXATION	54
7.1 Taxation on the Income of the Fund	54
7.2 Withholding tax	55
7.3 Zakat on Fund	55
7.4 Taxation and Zakat on Unit Holders	55
7.5 Disclaimer	56
8. REPORTS TO UNIT HOLDERS	56
8.1 Account Statement	56
8.2 Financial Reporting	56
8.3 Trustee Report	56
8.4 Fund management Report	57
9. WARNING AND DISCLAIMER	57
9.1 Warning	57
9.2 Disclaimer	57
10. GENERAL INFORMATION	57
10.1 Accounting Period / Financial Year of the Fund	57
10.2 Inspection of Constitutive Documents	58
10.3 Transfer of Management Rights of the Fund	58
10.4 Extinguishment/Revocation of the Fund	58
10.5 Procedure and manner of Revocation of the Scheme	59
10.6 Distribution of proceeds on Revocation	59
11. GLOSSARY	59

OFFERING DOCUMENT

OF

**GOLDEN ARROW STOCK FUND
(EQUITY FUND)**

**An Open End Equity Scheme constituted by the Conversion of
Golden Arrow Selected Stocks Fund Limited ("GASSFL"), a Closed End Fund into an
Open End Scheme**

MANAGED BY**AKD INVESTMENT MANAGEMENT LIMITED**

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

**Effective Date of Conversion of GASSFL from a
Closed End Fund into an Open End Scheme: November 25, 2019**

Date of Publication of the Offering Document: November 15, 2019

Golden Arrow Stock Fund ("GASF" or "the Trust" or "Unit Trust" or "the Scheme" or "the Fund") has been established through a Trust Deed dated June 25, 2019 under the Trust Act 1882 entered into between AKD Investment Management Limited ("AKDIML") and Central Depository Company of Pakistan Limited ("CDC"), the Trustee and is registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulations")

BACKGROUND

- A. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the ("SECP")) as an Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "Rules", which expression shall include any amendments thereto and substitutions thereof) for the purpose of undertaking asset management services under License No.AMCW/20/AKDIML/AMS/09/2016 dated 06 December 2016.
- B. The Management Company (then known as the Investment Adviser) was authorized to manage Golden Arrow Selected Stocks Fund Limited ("GASSFL"), a listed public company incorporated in Pakistan, having an Authorized Share Capital of Rs.1,250,000,000/- (Rupees One Billion Two Hundred and Fifty Million only) Ordinary Shares of Rs.5/- each of which 152,098,344 Ordinary Shares of the aggregate par value of Rs.760,491,720/- (Rupees Seven Hundred and Sixty Million Four Hundred Ninety One Thousand Seven Hundred and Twenty only) were issued and fully paid-up. GASSFL was a Closed End Fund, constituted as an Investment Company under the repealed Investment Companies and Investment Advisors Rules, 1971, which have been superseded by the Rules and the Regulations.
- C. The Board of Directors of GASSFL, upon the recommendation of the Management Company and after thorough deliberations in its meeting held on January 8, 2018 considered and approved conversion of GASSFL from an Investment Company into an Open End Scheme, subject to the approval of the Commission in accordance with a Scheme of Arrangement for Conversion dated January 9, 2018 after fulfilling all

legal and regulatory requirements and passing of a special resolution by the shareholders of GASSFL in a general meeting.

- D. For the purpose of conversion and pursuant to the resolution passed by the Board of Directors of GASSFL, an extra-ordinary general meeting of the shareholders of GASSFL was convened on February 15, 2018, whereat a special resolution was proposed and passed by an overwhelming majority of 99.98% shareholders who were present in person or through proxies at the meeting ("**Special Resolution**") approving the *Scheme of Arrangement for Conversion of Golden Arrow Selected Stocks Fund Limited from a Closed End Fund to an Open End Scheme* ("**Scheme of Arrangement**") with 0.02% dissenting vote.
- E. To effectuate the conversion of GASSFL into an Open End Scheme, a Unit Trust is required to be created by a Trust Deed and a trustee is also required to be appointed by the Management Company with the approval of the Commission. The Management Company has therefore appointed Central Depository Company of Pakistan Limited, as the Trustee of the Open End Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship.
- F. The SECP vide its letter No.SCD/AMCW/GASSFL/297/2019 dated February ,14 2019 conveyed its no objection to the conversion of GASSFL from Closed End Fund to an Open End Scheme to be known as "**Golden Arrow Stock Fund**".
- G. The SECP vide letter No.SCD/AMCW/AKDIML/GASSF/395/2019 dated May 03, 2019also approved the appointment of CDC as the Trustee and vide its letter No. SCD/AMCW/AKDIML/GASSF/396/2019dated May 03, 2019also approved the Trust Deed of "**Golden Arrow Stock Fund**" and conveyed its no objection to the execution of the Trust Deed by the Management Company and the Trustee.

REGULATORY APPROVALS AND CONSENTS

Approval of the Securities and Exchange Commission of Pakistan

The SECP has approved the conversion of GASSFL from Closed End Fund to an Open End Scheme to be known as "**Golden Arrow Stock Fund**" ("**GASF**") and has registered GASF as a *notified entity* under Regulation 44 of Regulations vide letter No SCD/AMCW/AKDIML/GASF/56/2019 dated September 04, 2019 and has further approved this Offering Document under Regulation 54 vide letter No. SCD/AMCW/AKDIML/GASF/111/2019 dated October 14, 2019.

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

Offering Document

This Document sets out the arrangements covering the basic structure of "**Golden Arrow Stock Fund**". It sets forth information about the Fund that a prospective investor should know before investing in any class of Unit of the Fund. The provisions of the Trust Deed, the Rules and the Regulations, the Companies Act, Part-VIIIA of the Companies Ordinance and the SECP's circulars, directives etc as specified hereafter govern this Offering Document.

If a prospective investor has any doubt about the contents of this Offering Document, he/she/it should consult one or more from amongst their investment advisers, legal advisers, bank managers, stockbrokers or financial advisers to seek independent professional advice.

Investors must recognize that the investments involve varying levels of risk. The portfolio of the Fund consists of listed investments that are subject to market fluctuations and risks inherent. Neither the value of the Units in the Fund nor the dividend declared by the Fund is, or can be, assured. Investors are requested to read the Risk Disclosures, Warning and Disclaimer statements contained in Clause 2.7 and Clause 9 respectively in this Offering Document.

Filing of this Offering Document

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

- (1) Special resolution dated passed by the shareholders of GASSFL;
- (2) Scheme of Arrangement for Conversion of Golden Arrow Selected Stocks Fund Limited from a Closed End Fund to an Open End Scheme ("**Scheme of Arrangement**") dated January 9, 2018 approved by the shareholders of GASSFL;
- (3) License No. AMCW/20/AKDIML/AMS/09/2016 dated 06 December 2016 granted by SECP to AKD Investment Management Limited to carry out Asset Management Services;
- (4) Trust Deed dated June 25, 2019 executed between AKDIML, as the Management Company and the CDC as the Trustee
- (5) SECP's letter No.SCD/AMCW/AKDIML/GASSF/395/2019 dated May 03, 2019, approving the appointment of CDC as the Trustee of GASF;
- (6) SECP's Letter No. SCD/AMCW/AKDIML/GASF/56/2019 dated September 04, 2019 registering the Scheme as a *notified entity* in terms of Regulation 44 of the Regulations;
- (7) Letter No.07-33/1679 dated May 20, 2019 from Deloitte Yousuf Adil, Auditors of the Scheme, consenting to the issue of statements and reports;
- (8) Letter No.AKD-30/740/19/257 dated July 12, 2019 from Bawaney & Partners, consenting to act as Legal Advisor;
- (9) SECP's Letter No. SCD/AMCW/AKDIML/GASF/111/2019 dated October 14, 2019 approving this Offering Document.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Fund has been constituted by the Trust Deed entered into at Karachi on June 25, 2019 (the "**Trust Deed**"), executed **between:**

AKD Investment Management Limited, a Non-Banking Finance company incorporated under the erstwhile Companies Ordinance, 1984 (now Companies Act, 2017) having its registered office at 2nd Floor, Continental Trade Centre, Block-8, Clifton, Karachi, (hereinafter called the "**Management Company**"; and

Central Depository Company of Pakistan Limited, a company incorporated in Pakistan under the former Companies Ordinance, 1984 [now repealed (except for Part-VIII A) and substituted by Companies Act, 2017], and registered by SECP to act as a Trustee of the Collective Investment Scheme, having its registered office at CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahr-e-Faisal, Karachi, as the **Trustee**.

1.2 Trust Deed (the "Deed")

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities and Exchange Ordinance 1969, the Companies Act, 2017, Part-VIII A of the repealed Companies Ordinance, 1984 and all other applicable laws, rules and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between this Offering Document and the Deed the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules and/or the Regulations and/or Circulars issued by SECP, the latter shall supersede and prevail over the provisions contained in the Deed.

The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency.

1.3 Modification of Trust Deed

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

Where the Deed has been altered or supplemented, the Management Company shall duly notify to the Unit Holders and posted on its official website.

1.4 Duration

The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or in Clause 10.4 of this Offering Document.

1.5 Effect of Conversion and status of Unit Holder(s)

- 1.5.1 GASSFL has been converted from a Closed End Fund into this Scheme as an Open End Scheme with effect from the commencement of November 25, 2019 mentioned above, being the first Business Day after the expiry of the book closure that was announced by the Management Company under intimation to Trustee and the SECP for the purpose of determining the entitlement of the shareholders of GASSFL to the Conversion Units of the Scheme, in lieu of the shares of GASSFL held by them, for

which authorization has been granted by the SECP and GASF has been registered as a notified entity in terms of Regulation 44 of the Regulations, which date shall be the effective date of the conversion ("the **Effective Date**").

- 1.5.2 The Scheme shall issue to each shareholder of GASSFL whose name is entered into register of members of GASSFL as at the Effective Date (on the commencement of the first Business Day after book closure), Conversion Units of the Scheme pursuant to the Scheme of Arrangement in the ratio 1:1, i.e. for each fully paid share of the par value of Rs.5/- (Rupees Five) of GASSFL, each shareholder whose name is entered into the Register of Members of GASSFL on the Effective Date shall be issued fully paid-up one Unit of the Open End Scheme of the par value of Rs.5/- (Rupees Five) without any payment of the Offer Price or Front End Load, regardless of the Net Asset Value of the Scheme ("**Conversion Units**") and the investment made by each shareholder of GASSFL in the share capital of GASSFL based on the shares of GASSFL held on the Effective Date shall be deemed to be the Offer (Purchase) Price of the Conversion Units which shall be credited as fully paid-up and which shall also constitute the initial capital of the Scheme. The corresponding share certificates of GASSFL shall be deemed to be cancelled and of no effect and the status of the Shareholders of GASSFL shall stand changed to that of the Unit Holders of the Open End Scheme upon issuance of the Conversion Units.
- 1.5.3 A statement of Account shall be issued by the Registrar to the Conversion Units Holders within 10 Business Days from the Effective Date, based on their respective entitlements as mentioned above. Conversion Units will be either credited to their respective accounts with CDC or alternatively issued by the Management Company in electronic form. Physical certificates in respect of Conversion Units shall also be issued to those Conversion Unit Holders who subsequently request for issuance of physical certificates in lieu of credit of Units in electronic form.
- 1.5.4 Redemption/Conversion of Conversion Units during the first six months from the date of issuance thereof shall however, be subject to deduction of contingent Load of 1.00% of the NAV of the Open End Scheme. No contingent Load on redemption/conversion of Conversion Units shall be charged after six months from the date of issuance. The contingent Load shall form part of the Trust Property of the GASF.
- 1.5.5 After issuance of the Conversion Units to the Shareholders of GASSFL, the Scheme shall offer and redeem new Units to investors on a continuous basis. The Offer and Redemption Prices shall be based on the Net Asset Value of the Scheme on a daily basis and shall carry a Front End Load of 3% (three percent) with no Back End Load.
- 1.5.6 The Management Company may offer Bonus Units in lieu of undistributed profits to the Units Holders in accordance with the decision of the Management Company's Board of Directors, subject to the permissibility under the law. No Front End Load or Back End Load shall be charged on Bonus Units.
- 1.5.7 After the issuance of the Conversion Units to the Conversion Unit Holders as above, the Management Company shall offer Units of the Fund to the general public, including banks and financial institutions as per the terms and conditions contained in this Offering Document.
- 1.5.8 GASF shall be an Open End Equity Scheme. It shall offer Units on a continuous basis after the issuance of Conversion Units to the Shareholders of GASF. There is no upper or lower limit set on the number of 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 may be redeemed for cash pursuant to the Redemption Procedures. Units are also transferable. Units will be issued in registered form and will be confirmed to investors by means of an account statement issued by the Registrar. Certificates, being the definitive certificate acknowledging the number of Units registered in the name of the Holder, may be issued at the request of the Unit Holder subject to terms herein at a nominal charge. An electronic account statement may also be provided to the Unit Holders by the Management Company in future.

1.6 Trust Property

- 1.6.1 On the Effective date, The Trust Property of the Open End Scheme shall comprise all the deposited property, assets & liabilities along with allied balances, subject to levies and charges, if any. Thereafter, proceeds of all Units issued from time to time to investors shall also become part of the Trust Property after deducting any applicable Duties and Charges, Transaction Costs and Front End Loads.
- 1.6.2 From the Effective date, The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges, Transactions Costs and any applicable Sales Load, shall constitute part of the Trust Property and shall include the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every kind and description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Deed, but shall not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property.
- 1.6.3 Bank Accounts for the Scheme shall always be in the name of the Trustee.
- 1.6.4 All expenses incurred by the Trustee in effecting the registerable investments in its name shall be payable out of the Trust Property. Except as specifically provided in the Deed, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrance whatsoever to secure any loan, guarantee or any other obligation actual or contingent incurred assumed or undertaken by the Trustee or the Custodian or any other person.

1.7 Transaction in Units after Effective Date

Subsequent to Effective Date, Units will be at the Offer Price and redeemed at the Redemption Price. The Management Company will fix the Offer (Purchase) and Redemption (Repurchase) Prices for every Dealing Day on the basis of the Net Asset Value (NAV). The NAV based price shall be fixed after adjusting the Sales Load as the case may be and any Transaction Costs that may be applicable. Except for circumstances as elaborated in Clauses 4.11 and 4.10 of this Offering Document; such prices shall be applicable to Purchase and Redemption requests in respect of Units, complete in all respects, received during the Business Hours on the Dealing Day.

1.8 Offering Document

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

1.9 Modification of this Offering Document

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

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

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

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

2.1 Investment Objective

The objective of the Fund is to provide “disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep-value, coupled with few cherry-picked growth companies.”

2.2 Investment Policy

2.2.1 Golden Arrow Stock Fund is an Open End Equity Scheme and primarily invests in listed equities. The Fund shall be subject to such exposure limits as are specified in the Regulations and SECP's directives.

2.2.2 At least 70% of Net Assets of the Scheme shall remain invested in listed equities during the year based on quarterly average investment calculated on daily basis

2.2.3 The remaining net assets of the Scheme shall be invested in cash and or near cash instruments which consist of cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days remaining maturity; and

2.2.4 It shall not take exposure in Margin Trading System (MTS)

2.3 **Benchmark:**

The Benchmark of the Scheme is KSE-100 Index.

2.4 **Authorized Investments**

2.4.1 **Asset Allocation**

In line with Investment Objective, the Fund will seek to make investments in the **Authorized Investments** as list below:

S.No	Authorized Investment	Minimum Rating of		Exposure Limits (% of NAV)	
		Entity	Instrument	Minimum Investment as % to Net Assets	Maximum Investment as % to Net Assets
1	Listed Equities	N/A	N/A	70%*	100%
2	Cash in Bank Accounts (excluding TDRs)	BBB	BBB	0%	30%**
3	Treasury Bills not exceeding 90 days maturity	N/A	N/A	0%	30%**

* During the year based on quarterly average investments calculated on daily basis

** Remaining amount to be invested as per Regulations and SECP circulars / directives

The Investment in asset classes mentioned above will be subject to such Exposure limits and minimum ratings as specified herein and/or otherwise as specified in the Regulations/directives/circulars.

2.4.2 **Risk Control in the Investment Process**

In line with the investment objective of the Scheme, the Investment Committee aims to identify investment opportunities which offer superior risk adjusted yields, at lower volatility levels. The Investment Committee will be guided through the internal and external rating of the investee companies, research covering credit evaluation of the proposed investments, and industry dynamics pertinent to the proposed investment.

In addition to the above mentioned controls, the Investment Committee will continuously monitor the macroeconomic environment, including the political and economic factors, money supply in the system, government borrowing, demand and supply of money market and debt instruments, among others affecting the liquidity and interest rates.

The Investment process would adapt a preemptive risk management framework to dilute risk levels and volatility during the portfolio construction process. The investment restrictions defined in this section will also contribute to the reduction in overall risk pertinent to the portfolio and result in diversification of exposure.

The Management Company shall abide by the requirements of risk assessment criteria and risk mitigation under Anti-Money Laundering Act, 2010, Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 and Guidelines on Anti-Money Laundering, Countering Financing of Terrorism and Proliferation Financing, as amended from time to time, as well as other directives or notifications that may be issued by the SECP and other competent authorities and agencies as applicable to the Scheme.

2.4.3 Management Company Can Alter Investment Mix

The Management Company can from time to time alter the weightings, subject to the specified limits as per Clause 2.4.1 above, between the various types of Investments if it is of the view that market conditions so warrant. The funds not invested in the foregoing avenues shall be placed as deposit with scheduled banks.

2.5 Changes in Investment Policy

The investment policy will be governed by the Regulations and/or SECP directives. Any fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving 90 days prior notice to the Unit Holders as specified in the Regulations.

2.6 Investment Restrictions

- (a) The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, this Offering Document of the Fund, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP and are explicitly mentioned under the heading Exceptions to Investment Restriction in this offering document or subsequently in writing. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and/or owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations, circular or notification issued by SECP from time to time.
- (b) The Management Company, on behalf of the Fund, shall not enter into transactions with any broker that exceeds the limit provided in the Regulations and or circulars and notifications issued by the Commission from time to time.

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

- (c) The Management Company on behalf of the Scheme shall not:
 - i. Purchase or sell -
 - a. Bearer securities;
 - b. Securities on margin;
 - c. Real estate, commodities or commodity contracts;

- d. Securities which result in assumption of unlimited liability (actual or contingent);
 - e. Anything other than Authorized Investments as defined herein;
- ii. participate in a joint account with others in any transaction;
- iii. affect a short sale in a security whether listed or unlisted;
- iv. make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company;
- v. invest in securities of the Management Company;
- vi. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;
- vii. apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission;
- viii. invest in any security of a company, if, -
 - a. any director or officer of the Management Company owns more than five per cent of the total amount of securities issued by that company; or
 - b. the directors and officers of the Management Company collectively own more than ten per cent of those securities;
- ix. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- x. in any form borrow, except with the approval of trustee, for meeting redemption request(s) and such borrowing shall not exceed fifteen per cent or such other limit as specified by the Commission of the total net asset value of the Scheme at the time of borrowing. The maximum period of such borrowing shall be 90 days however; any net cash flows during interim period shall be utilized for repaying of borrowing, if allowed as per agreement;
- xi. except for issuance of Conversion Units, sell Units for consideration other than cash unless permitted by the Commission;
- xii. without obtaining prior approval of the Commission merge the Scheme or acquire or take over any other Collective Investment Scheme;
- xiii. take exposure in any other Collective Investment Scheme;
- xiv. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts.
- xv. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company;
- xvi. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- xvii. make a loan or advance money to any person from the assets of the Scheme;
- xviii. take exposure of more than thirty five per cent (35%) of the Net Assets of the Scheme in any single group. "Group" means persons having at least 30% common

directors or 30% or more shareholding in any other company, as per publicly disclosed information;

- xix. take exposure to any single entity that exceeds an amount equal to ten per cent (10%) of total Net Assets of the Scheme or index weight of the security subject to maximum limit of 15% whichever is higher; or exposure to equity securities of a company in excess of ten percent of the issued capital of that company;
- xx. take exposure more than 30% of net assets of the Scheme or index weight whichever is higher, subject to maximum of 35% per cent of total Net Assets of the Scheme in securities of any one sector as per classification of the stock exchange;
- xxi. take exposure in Margin Trading System;

Exemption to Investment Restrictions

In order to protect the rights of the Unit Holders, the Management Company may take an Exposure in any unauthorized investment for recovery of any defaulted amounts from any counter party of any Authorized Investment with the approval of the Commission.

2.6.1 Financing Arrangements

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

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

- (b) Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financings from banks, financial institutions and other companies specified by the Commission. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such financings.
- (c) For the purposes of securing any such borrowing, the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.
- (d) Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.

2.6.2 Restriction on Transactions with Connected Persons

- (a) The Management Company in relation to the Scheme shall not invest in any security of a company if any director or officer of the Management Company owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent of those securities collectively subject to exemption provided in the Regulations.
- (b) The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of the Trustee, purchase or sell any security from or to any Connected Person or employee of the Management Company.
- (c) All transactions with connected persons carried out by the Management Company on behalf of the Scheme shall be disclosed in the annual report of the Scheme.

2.7 Risk Disclosure

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

- (1) **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. Usually when the economy is expanding, the outlook for many companies is good and the stock prices may rise and vice versa.
- (2) **Government Regulation Risk** - Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- (3) **Credit Risk** - Credit Risk comprises Default Risk and Credit Spread Risk. Each can have negative impact on the value of the income and money market instruments including Sukuk etc.
- (4) **Default Risk** - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all;
- (5) **Credit Spread Risk** - The risk that there may be an increase in the difference between the return/markup rate of any issuer's security and the return/markup rate of a risk free security. The difference between this return/mark up rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of income and including money market instruments;
- (6) **Price Risk** - The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.
- (7) **Liquidity Risk** – Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.

- (8) **Settlement Risk** – At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.
- (9) **Reinvestment Rate Risk** –In a declining interest/ markup rate economic environment, there is a risk that maturing securities or coupon payments will be reinvested at lower rates, which shall reduce the return of the Fund compared to return earned in the preceding quarters.
- (10) **Events Risk** - There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
- (11) **Redemption Risk** - There may be special circumstances in which the redemption of Units may be suspended or the redemption payment may not occur within six working days of receiving a request for redemption from the investor.
- (12) **Distribution Taxation Risk:** Dividend distribution may be liable to tax because the distributions are made out of the profits earned by the Fund, and out of the profits earned by each Unit Holder. Unit holders who invest in a fund before distribution of dividends may be liable to pay tax as they may have earned any gain on their gross investment as return of capital to investors upon distribution is taxable.

2.7.1 There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'category'. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment – specific issues. Investors are advised to study the latest Fund Manager Report specially portfolio composition and Financial Statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned category. The latest monthly Fund Manager Report as per the format prescribed by Mutual Funds Association of Pakistan (MUFAP) and financial statements of the Scheme are available on the website of the Management Company and can be obtained by calling / writing to the Management Company.

2.8 **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 Offering Document and the Deed) or any of the shareholders of the Management Company or any other bank or financial institution. The portfolio of the Fund is subject to market risks and risks inherent in all such investments.

3. **OPERATORS AND PRINCIPALS**

3.1 **Management Company**

AKDIML, an Asset Management Company under the Non-Banking Finance Companies Rules, 2003, is a wholly owned subsidiary of Aqeel Karim Dhedhi Securities (Pvt) Limited (AKDSPL). AKDSPL is majority owned by Mr. Aqeel Karim Dhedhi - Chairman of AKD Group - a renowned figure in Pakistan's capital

market. The company is currently managing four open-end and one closed-end fund with assets under management

Principle Shareholders -

Paid up share capital of AKD Investment Management Limited is 110mn held by :

AKD INVESTMENT MANAGEMENT LIMITED

DETAIL OF PATTERN OF SHAREHOLDING

As At June 30, 2016

PARTICULAR	SHARES HELD	PERCENTAGE
<u>Associated Companies, Undertakings and Related Parties</u>		
Aqeel Karim Dhedhi Securities (Pvt) Limited	10,996,337	99.967
<u>Directors, Chief Executive & their spouses and minor children</u>		
Mr. Ali Wahab Siddiqui	500	0.005
Mr. Saim Mustafa Zuberi	100	0.001
Mr. Hasan Ahmed	1,500	0.014
Ms. Aysha Ahmed	100	0.001
<u>Others</u>		
Mr. Faisal Bengali	1,463	0.013
Total	11,000,000	100.000

3.2 Board of Directors of the Management Company

3.2.1 Profile of Director:

3.2.2 Profile of the Directors

Mr. Imran Motiwala Chief Executive Officer

“Mr. Imran Motiwala has been serving as the Chief Executive Officer of AKD Investment Management Limited since 2009, while also serving as a Director on the Company from 2007 and Chief Executive Officer of Golden Arrow Selected Stocks Fund Limited. Mr. Motiwala joined AKD Investment Management Limited in February 2006 as the Company’s Chief Operating Officer and also over viewed several key areas including fund management, sales and marketing besides serving as a Member of the Investment Committee. With a career spanning almost 25 years in the capital markets, Mr. Motiwala is a seasoned finance professional with experience ranging from stock broking to asset management. Mr. Motiwala initiated his career with Ali Hussain Rajabali as an equity sales trader for both domestic and foreign institutions. He has also had the privilege of working with several prestigious financial institutions during his career including JP Morgan as an institutional securities sales broker and after almost 8 years of securities broking moved to asset management with ABAMCO Limited (now JS Investments) where he served as a Fund Manager and led the team in launching the Company fixed income fund. After which Mr. Motiwala moved to Crosby Asset Management Limited as Head of Fund Management where his responsibilities entailed managing the entire asset management business. Mr. Imran Motiwala is a marketing graduate from Southeastern University and a Certified Director from the Pakistan Institute of Corporate Governance. Mr. Motiwala has also served on the Board of Directors of the Mutual Funds Association of Pakistan in the years 2012-14, 2015-17, besides currently serving as an active member of the Board since 2018”

Mr. Abdul Karim Memon

“Mr. Abdul Karim Memon is the Chairman of AKD Investment Management Limited. He holds an MA in Economics degree along with having a Masters in International Relations. Mr. Karim is a tax consultant by profession and runs his own consultancy business by the name of Karim & Co. He also serves as the Director on the board of Golden Arrow Selected Stocks Fund Limited.”

Mr. Ali Wahab Siddiqui

“Mr. Ali Wahab Siddiqui is currently serving on the board of AKD Investment Management Limited. With a career spanning well over 15 years, Mr. Siddiqui has in-depth knowledge regarding capital markets and investment banking transactions. An MBA from Institute of Business Administration, Karachi, Pakistan, Mr. Siddiqui has served in several well reputed companies in Pakistan and UAE including Wavetec, Pak Kuwait Investment Company and Sharjah Islamic Bank. He currently heads Debt Capital Markets business at Sharjah Islamic Bank where he is involved in fund raising as an issuer as well as bookrunner in sukuk transactions.”

Ms. Anum Dhedhi - Chief Investment Officer.

Ms. Anum Aqeel Dhedhi is currently working as a Chief Investment Officer at AKD Investment Management Limited. She has previously worked as an Economist at AKD Securities and worked under various capacities of research. At a very young age she has attained significant accomplishments in her career. She is also serving as a Director on the Board of Golden Arrow Selected Stocks Fund. She holds a BSc in Financial Economics Degree from the City University Of London, United Kingdom.

Mr. Hasan Ahmed

“Hasan Ahmed serves as a Director on the board of AKD Investment Management Limited. He brings with himself a wide array of experience spread across various sectors of the industry. Currently he is serving as the Chairman of Lahore City University. He also serves on the Board of Directors of Prosperity Weaving Mills and is also Chairman of the Audit Committee of the Board of Prosperity Weaving Mills. Mr. Ahmed is a Certified Public Accountant from United States and brings with him vast experience in the field of finance, capital market and corporate governance.”

Ms. Aysha Ahmed

- 3.2.3 “Ms. Aysha Ahmed is currently serving on the board of AKD Investment Management Limited. With over 11 years of professional experience, of which over 8 years were in the UAE, Ms. Ahmed has expertise across the private equity, real estate and retail sectors. Ms. Ahmed has worked with renowned institutions including Abraaj Capital, Dubai Investment **Listed Group** and Burj Capital. Ms. Ahmed holds an Executive MBA in Corporate Strategic Management and an Honors BA in Political Science and Communication Studies from York University Canada. Ms. Ahmed is currently also on the Board of Nine West Pakistan.”

Mr. Saim Mustafa Zuberi

Zuberi serves as a Director on the board of AKD Investment Management Limited. He has over twelve years of diverse and extensive experience in Mobility solutions & Telecommunications field. Mr. Zuberi is currently working as Regional Vice President for M3 Technologies, a multinational and stock listed company based out of Malaysia. His expertise includes Mobile Value Added Products and Systems, Billing & Recon Systems, Enterprise Mobility Solutions, M2M Communication System (AMI, AMR, Smart Home), Social & Mobile Marketing Strategies and System Integrator with extensive expertise in creating in Customer Experiences with New products and technology. Mr. Zuberi holds a Bachelor Degree from NED University in Computer and Information Systems and Project Management Certification from Project Management Institute, USA.

3.2.4 Profile of the Management**3.2.5 Mr. Imran Motiwala -Chief Executive Officer**

As Mentioned above under section 3.2.2

3.2.6 Ms. Anum Dhedhi - Chief Investment Officer.

As Mentioned above under section 3.2.2

3.2.7 Mr. Muhammad Yaqoob - Chief Operating Officer & Company Secretary.

Mr. Muhammad Yaqoob is currently working as the Chief Operating Officer and Company Secretary at AKD Investment Management Limited. He joined AKD Investment in the year 2005 and has worked in various capacities including Research, Product Development, Business Development and Fund Management. He is serving as a Director on the Boards of BIAFO Industries Limited. He is also the Chairman of the Audit Committee and member of the Human Resource & Remuneration Committee of BIAFO Industries Limited. He has previously served on the Boards of Golden Arrow Selected Stocks Fund Limited and Pak Datacom Limited. He holds a Masters of Business Administration in Finance and Certified Financial Analyst (CFA). He is a certified Director from the Pakistan Institute of Corporate Governance. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan’s Market Regulations and Mutual Fund Distributors.

3.2.8 Mr. Nadeem Saulat Siddiqui – Director Corporate Sales

Mr. Nadeem Saulat Siddiqui is currently working as Director Corporate Sales at AKD Investment Management Limited. He joined the company back in October 2009 as General Manager Marketing and Sales, a position that required him to be actively involved in the boosting up the company's sales along with focusing on its marketing strategies. Prior to joining AKD Investment Management Limited, Mr. Siddiqui led Shaukat Khanum Memorial Cancer Hospital & Research Centre fund collection drive as he held the position of In charge South - Manager Marketing & Resource Development there. Mr. Siddiqui holds an MBA in Marketing from College of Business Administration Lahore. He is a certified Director from the Institute of Chartered Accountants of Pakistan. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan's Market Regulations and Mutual Fund Distributors.

3.2.9 Mr. Muhammad Munir Abdullah - Chief Financial Officer

Mr. Muhammad Munir Abdullah brings with himself a vast experience of 21 years in Accounting & Finance, Financial Reporting & Analytical Skills with different organizations including Financial & Non-Financial Sector. Mr. Abdullah joined AKD Investment Management Limited in 2005. He is currently serving as the Chief Financial Officer of the Company. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan's Market Regulations.

3.2.10 **Mr. Rashid Ahmed - Head of Compliance**

Mr. Rashid Ahmed has more than 21 years of working experience in the financial sector. He has been associated with AKD Investment Management Limited since September 2004. Prior to taking over as the Head of Compliance, Mr. Ahmed was working in the Finance Department in the capacity of Senior Manager Accounts. His current duties include looking after pre and post compliance of all applicable rules and regulations, dealing with matters regarding taxation and application of new and existing laws to the Company. Mr. Rashid is a Commerce Graduate from the University of Karachi.

3.2.11 **Mr. Toqir Hussain - Head of Information Technology**

Mr. Toqir Hussain currently serves as the Head of Information Technology for AKD Investment Management Limited. Mr. Hussain joined AKDIML in 2007 as an IT Manager prior to which he was working with AMZ Access, the BPO arm of the AMZ Group. Mr. Toqir independently developed the IT department of AKD Investment Managements Limited from the scratch and equipped it with state of the art equipment. He also contributed towards the development of SOPs for the IT department along with successfully complying with all regulatory and statutory observations. Mr. Hussain has done MPA (MIS) from Karachi University

3.2.12 **Mr. Ubaid Ur Rehman Khan - Head of Retail Sales**

Mr. Ubaid Ur Rehman Khan is currently working as a Head of Retail Sales. Mr. Ubaid is a seasoned Sales and Marketing professional with work experience spanning over 26 years ranging from supply chain to Sales and Marketing in various sectors including Pharmaceuticals and Financial Services, to name but a few. In year 2008 he Joined AKD investment Management Limited as a Manager Sales. Mr. Ubaid is a Graduate from Karachi University and a Certified Mutual Fund Distributor from Institute of Financial Markets of Pakistan.

3.3 **Role and Responsibilities of the Management Company**

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, Regulations directives, circulars and guidelines issued by SECP and the Deed and this Offering Document.

3.3.1 **Administration of the Scheme**

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

3.3.2 **Management of Trust Property**

The Management Company shall manage the Trust Property in the interest of the Unit Holders in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons and group companies or its officers, and subject to the restrictions and limitations as provided in the Deed, the Rules and the Regulations. Any purchase or sale of investments made under any of the provisions of the Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Deed or the Rules and Regulations. The Management

Company shall not be liable for any loss caused to the Trust or to the value of the Trust Property due to elements or circumstances beyond its reasonable control.

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

3.3.3 Appointment of Distributors

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

The Management Company shall ensure, where it delegates the Distribution Function, that:

- (a) the Distributors to whom it delegates, have acquired registration with the SECP
- (b) the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information

3.3.4 Appointment of Investment Facilitator

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

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

- a. the investment facilitator have acquired prescribe certification; and
- b. the written contract with the Investment facilitator clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

3.3.5 Maintenance of Accounts and Records

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions

for the account of the Scheme, amounts received by the Scheme in respect of issue of Units, payments made from the Scheme on redemption of the Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

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

- (a) Cash settled transaction based on the formal issuance and redemption requests
- (b) Net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).

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

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

3.4 Maintenance of Unit Holders Register

- 3.4.1 A Register of Unit Holders may be maintained by the Management Company itself or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.
- 3.4.2 The office of the Transfer Agent is located at JWAFS Registrar Services (Pvt.) Ltd 407-408, Al Aameera Center, Shahrah-e-Iraq Saddar, Karachi where Register of Unit Holder will be maintained.
- 3.4.3 Every Unit Holder will have a separate Registration Number. The Management Company shall use such Registration Number for recording Units held by the Unit Holder. Unit Holder's account identified by the registration number will reflect all the transactions in that account held by such Unit Holder.

3.4.4 Disclaimer

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

3.5 **Role of the Trustee**

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

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

- a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and
- any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s)

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

In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.5.1 **Obligations under Regulations and Constitutive Document**

The Trustee shall perform all the obligations entrusted to it under the Regulations, circulars, directives, the Deed and this Offering Document and discharge all its duties in accordance with the Rules, Regulations, the Trust Deed and this Offering Document. Such duties may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the willful acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by negligence or any reckless willful act or omission of the Trustee or any of its attorney(ies), or agents.

3.5.2 **Custody of Assets**

The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Fund on behalf of the beneficial owners (the Unit

Holder(s)), within the framework of the Regulations, the Trust Deed and Offering Document issued for the Fund.

3.5.3 Investment of Trust Property at direction of Management Company

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

3.5.4 Carrying out instructions of the Management Company

The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of the Deed, this Offering Document(s), the Regulations, the Circulars and Directives of SECP or any other applicable law.

3.5.5 Liabilities of the Trustee

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations and/or the Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company or for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Trustee shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder. The Trustee shall not be liable for any loss caused to the Trust or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.

3.5.6 Disclaimer

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

3.6 Transfer Agent

The Management Company has appointed JWAFS Registrar Services (Pvt.) Ltd 407-408, Al Ameera Center, Shahrah-e-Iraq Saddar, Karachi as Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders

3.7 **Custodian**

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

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

The Trustee may, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and agreed by the Management Company for the safe keeping of any portion of the Trust Property.

3.8 **Distributors/Facilitators**

- 3.8.1 Parties detailed in Annexure "C" of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches. The addresses of these branches are given in Annexure "C" of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management Company may, from time to time, appoint additional Distributors (if they fulfill the requirement of regulations) or terminate the arrangement with any Distributor and intimate the Trustee and Commission accordingly. The Management Company may also itself perform the functions of a Distributor either directly or through sub-distributors.
- 3.8.2 The Distributors will be responsible for receiving applications for Purchase, Redemption, Conversion or Transfer of Units etc. They will be interfacing with and providing services to Unit Holders, including receiving applications for change of address or other particulars or applications for issuance of duplicate certificates, requests for income tax exemption or Zakat exemption, etc. for immediate transmission to the Management Company or Transfer Agent as appropriate for further action. The Management Company shall remunerate the Distributors out of its resources and/or from Sales Load.
- 3.8.3 The Management Company may, at its sole discretion, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of its resources and/or from Front End Load.

3.9 **Auditors**

Deloitte Yousuf Adil
Cavish Court, A-35, Block 7 & 8, K.C.H.S.U. Shara-e-Faisal Karachi

- 3.9.1 They will hold office until the transmission of the reports and accounts, which will cover the period from the Effective Date of the Scheme up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the

Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Act, as amended from time to time. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and the Regulations.

- 3.9.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- 3.9.3 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 Regulations.
- 3.9.4 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet, profit and loss account, cash flow statement and statement of movement in Unit Holders' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.
- 3.9.5 The contents of the Auditors report shall be as mentioned in the Regulations.

3.10 Legal Advisers

Bawaney & Partners

3rd & 4th Floor, 68-C, Lane-13,
Bukhari Commercial Area,
Phase-VI, DHA,
Karachi, Pakistan

3.11 Bankers

Habib Metropolitan Bank Limited
MCB
Bank Alfalah Limited
Summit Bank Limited

*List of Bankers to the Management Company

3.11.1 Bank Accounts

- (a) The Trustee, at the request of the Management Company, shall open Bank Account(s) titled "*CDC- Trustee Golden Arrow Stock Fund*" for the Scheme at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, the Trust Deed, the Rules and the Regulations, for collection, investment, redemption or any other use of the Scheme's funds.
- (b) The Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution by the Scheme.

Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

- (c) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Scheme.
- (d) All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- (e) The Trustee shall, if requested by the Management Company at its discretion also open separate Bank Account(s) designated by the Management Company. These Bank Account(s) may be used for the purpose of collection of sale proceeds, where collections received on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s). Such account(s) may also be used for temporary parking for the purpose of redemption. Provided however, in relation to the other unit trusts managed by the Management Company mentioned above, there are similar provisions in the trust deeds of such Funds and have Trustee as common between them then such accounts shall be in the title of "*CDC- Trustee AKD Funds*".

3.12 Rating of the Scheme

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

3.13 Minimum Fund Size

The minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the Scheme or such other limit as may be prescribed by the SECP. In case of after the effective date at any time if the size of the Open End Scheme falls below that minimum size of one hundred million rupees, the Management Company shall ensure compliance with the minimum fund size within three (3) months of its breach and if the fund size remains below the minimum fund size limit for consecutive ninety (90) days the Management Company shall immediately intimate the grounds to the Commission upon which it believes that the Scheme is still commercially viable and its objective can still be achieved.

4. CHARACTERISTICS OF UNITS

4.1 Units

All Units and fractions (up to four decimal places) 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. For the convenience of investors, the Management Company with the consent of the Trustee may issue Units with different options for different arrangements as chosen by the investor from time to time, after seeking prior approval of the Commission and amending this Offering Document.

4.2 Classes of Units

The Management Company shall initially issue the following classes of Units:

1. Class "A" Units are Units being issued in lieu of the certificate(s) held by the Holders on the Effective Date, such Units shall be redeemable by the Fund with a Contingent Load of 1%, which shall only be charged up to six months following such Units shall be redeemed free of Contingent Load. Provided that the Management Company shall not issue further Class "A" Units after the Effective Date.
2. Class "B" Units being offered and issued after the conversion of the Fund from a closed-end to an open-end Scheme with Front-end Load

4.3 Type of Units

Units shall be issued as Growth Units only.

- (a) Growth Units: The Unit value grows in line with the growth in the NAV, and the Unit Holders shall receive additional units at prevailing price, after adjusting for taxes against cash dividend (if any) at the time of distribution unless specified otherwise by the investor in the Account Opening Form (Form 01). The management company may also decide to distribute income in the form of bonus units which shall be growth units of the Fund. The Unit Holder through the account opening form (Form 01) may specify the management company to redeem bonus units.

4.4 Purchase and Redemption of Units

- (b) Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in this Offering Document.
- (c) Units are issued after realization of subscription money, except Conversion Units which shall be issued without any payment;
- (d) During the period the Register is closed, the sale, redemption, transfer and conversion of Units will be suspended.
- (e) The Management Company may decline an applicant for issue of Units if it is of the opinion that it will not be possible to invest the substantial inflow of funds or to meet any regulatory requirements.

4.5 Procedure for Purchase of Units

4.5.1 Who Can Apply?

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

- (a) Citizens of Pakistan resident in Pakistan. In respect of minors below 18 years of age, applications may only be made by their guardians.
- (b) Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan provided such investment is permitted under their respective memorandum and articles of association and / or bye-laws.
- (c) 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/she is duly authorized to purchase such Units.
- (d) Provident Funds constituted by companies registered under the Act.
- (e) Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act 1882, (11 of 1882).
- (f) Insurance companies under the Insurance Ordinance, 2000.
- (g) Non-Profit Organization under Rule 213 (i) of the Income Tax Rules, 2002.
- (h) Fund of Funds.

How can Units be purchased?

4.5.2 Account Opening Procedure

The procedure given below is designed for paper-based transactions. The Management Company at a later date after seeking approval of the Commission may introduce electronic/Internet based options for the transactions.

- (a) Before purchasing Units of the Fund an investor must open an account with Management Company using the Account Opening Form (Form 01) attached to this Offering Document.
- (b) In case of individuals, a photocopy of the Computerized National Identity Card (CNIC), NICOP or Passport etc. of the applicant or any other form of identification acceptable to the Management Company needs to be furnished
- (c) In case of a body corporate or a registered society or a trust the following documents would be required
 - (i) Duly certified copy of the memorandum and articles of association/ Charter/ Byelaws or rules and regulations;
 - (ii) Duly certified copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officers to invest the Funds and/ or to realize the Investment and;
 - (iii) Duly certified copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.
- (d) In case of existing Unit Holders, if any of the documents [in (a) to (c) above] have previously been submitted with the Management Company and/or Transfer Agent,

fresh submission of documents will not be required provided that submitted documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.

- (e) Any change of name or address of any unit holder as entered in the Register shall forthwith notified in writing by relevant unit holder to the distributor company or transfer agent.
- (f) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening Form (Form 01). In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy.
- (g) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the 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 amount will be refunded without any interest or mark-up. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days and if the investor, in the opinion of the Registrar, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
- (h) The Investor Account Opening Form (FORM 01) can be lodged with any Distributor or directly lodged with the Management Company. No other person (including Investment Facilitators) is authorized to accept the forms or payment.
- (i) The Management Company will make arrangements, from time to time, for receiving Account Opening Forms (FORM 01) from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan

4.5.3 Joint Application

- (a) Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first holder basis (Principal Account Holder). However, each person must sign the Account Opening Form (form01) and submit a copy of Computerized National Identity Card, NICOP, Passport and other identification document.
- (b) The first named Holder (Principal Account Holder) shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the person's designated bank account shall be considered as a valid discharge of obligation by the Trustee and the Management Company.
- (c) In the event of death of the first Holder (Principal Account Holder), the person first in the order of survivor(s) as stated in the Account Opening Form shall be the only person recognized by the Trustee and the Management Company to receive all notices and correspondences with regard to the accounts, as well as proceeds of any redemption requests or dividend. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge of obligation by the Trustee and the Management Company.

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

4.5.4 Purchase of Units

- (a) After opening an account, an account holder may purchase Units of the Fund using the Investment Application Form attached to this Offering Document. Payment for the Units must accompany the form.
- (b) Application for Purchase of Units shall be made by completing the prescribed Purchase of Units Form(form 03) and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "*Account Payee only*" as specified below:-
- Demand draft or Pay order in favor of "*CDC –Trustee Golden Arrow Stock Fund*"
 - Online transfer to Bank Account(s) of "*CDC –Trustee Golden Arrow Stock Fund*"
 - Cheque (account payee only marked in favor of "*CDC -Trustee Golden Arrow Stock Fund*")

Additionally, investors may choose to invest in the Fund through Demand Drafts, Online Transfers or Cheque (account payee only) into the account "*CDC- Trustee AKD Funds*" maintained with the Trustee. Cash and bearer instruments are not allowed for investments in collective investments schemes.

- (c) The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of Commission.
- (d) Applicants must indicate their account number in the Investment Application Form except in cases where the Investor Account Opening Form is sent with the Investment Application Form.
- (e) The applicant must obtain a copy of the application signed and stamped by an authorized officer of the Distributor or the Management Company, as the case may be, acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be. Acknowledgement for applications and payment instruments can only be valid if issued by Distributors.
- (f) The Distribution Company and/or Management Company will be entitled to verify the detail given in the Investment Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy (except for discrepancy in payment instrument, in which case application will be rejected immediately).

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

4.5.5 **Minimum Amount of Investment**

Par Value of Conversion Units shall be Rs.5/-. After Effective date, for initial investment minimum investment size shall be Rs.1000/- (Rupees One thousand only) and thereafter the minimum amount for investment would be of Rs.1000/- (Rupees One thousand only) per transaction, at applicable NAV or purchase price, other than reinvestment of Dividend, Bonus or additional Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove after giving thirty days prior notice to the Unit Holders. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

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

- (a) From the Effective Date and after issuance of the Conversion Units, the Purchase (Offer) Price for Class-B Units and any other class of Units that may be introduced by the Management Company, shall be determined from time to time pursuant to the sub-clause (b) hereafter and shall be announced by the Fund for Dealing Days during the period when the Fund is open for subscription.
- (b) The Purchase (Offer) Price of Class-B Units shall be equal to the sum of:
- (i) The Net Asset Value as of the close of the Business Day (Forward pricing);
 - (ii) Any Front-end Load as disclosed in this Offering Document or Supplemental Offering Document, if any.
 - (iii) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
 - (iv) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.
 - (v) Such sum shall be adjusted to the nearest fourth decimal places.
- (c) The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which the completely and correctly filled purchase of Units form (form 03) is received.
- (d) The Purchase (Offer) Price determined by the Management Company shall be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

4.5.7 **Allocation/ Issuance of Units**

From Effective Date, Class-B Units shall be issued based on the Purchase Price determined as stated above, which shall apply to all Investment Request Forms, complete in all respects, received by the Management Company at its registered address or by the Distributor at its Authorized Branch(s) during Business Hours on

that Dealing Day. Any Investment Request Forms received after Business Hours will be transferred to the next Dealing Day.

- (a) Units will be allocated at the Purchase Price as determined in Clause 4.5.6 above and issued after realization of Funds in the bank account of the Scheme.
- (b) The Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account. Such statements or report shall be sent either by electronic means or through mail or courier to the Unit Holder's address recorded in the Register of Unit Holders.
- (c) In case the Management Company announce a suspension of further issue of Units of Fund, it may allow existing Unit Holder to continue acquiring Units out of any dividend declared on the Units held.

4.5.8 Issuance of Physical Certificates

- (a) Unit Certificates will be issued only if requested by the Unit Holder(s).
- (b) Unit Holder can apply for the issue of Certificate by completing the prescribed application form and submitting it to the relevant Distributor together with a fee of Rs.50/- per Certificate or any other amount as determined by the Management Company from time to time.
- (c) The Certificate will be posted at the applicant's risk within 21 Business Days after the request for the Certificate has been made to the address of the Unit Holder or to the address of the first named Joint Unit Holder, if the relevant Unit or Units are jointly held.
- (d) The Certificate will be issued in such form as may from time to time be agreed between the Management Company and the Trustee, which shall be signed by the authorized officers of the Management Company, Trustee and the Transfer Agent.
- (e) A Unit shall not be represented by more than one Certificate at any one time.

4.5.9 Replacement of Certificates

- (a) The Transfer Agent or Management Company may replace Certificates, which are defaced, mutilated, lost or destroyed on application received by them from the Unit Holder on the prescribed form on the payment of all costs and on such terms as to evidence, indemnity and security as may be required. Any defaced or mutilated Certificate must be surrendered before a new Certificate is issued.
- (b) The Unit Holder shall on application on prescribed form be entitled to consolidate the entire holding in the Fund into one (01) Certificate upon surrender of existing Certificates.
- (c) Each new issue of Certificates will require payment of Rs 50/- per Certificate, subject to revisions of fee from time to time by the Management Company.

4.5.10 Issuance of Units in Book Entry form in CDS

Unit Holder may obtain Units in Book Entry form in CDS. The Issuance of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.6 Procedure for Redemption of Units

4.6.1 Who Can Apply?

All Unit Holders shall be eligible for redemption from the Effective Date, subject to the contingent Load mentioned in Clause 1.5.4 above relating Conversion Units (Class-A Units).

4.6.2 Redemption Application Procedure

- (a) Request for Redemption of Units shall be made by completing the prescribed redemption form (form 02) and the same is received at the Authorized Branch or office of the Distributor on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Transfer Agent, if so required by the Management Company.
- (b) The Management Company may redeem only part of the Units comprised in a Certificate and reissue a new Certificate for the remaining Units, however, in the case where Certificate is not issued any number of Units may be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units (Form 02), if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate.
- (c) The Registrar with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.
- (d) In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the investor Account Opening Form (Form 01).
- (e) The Distribution Company or the Registrar shall verify the particulars given in the application for Redemption of Units (Form 02). The signature of any Unit Holder or joint Unit Holder on any document required to be signed by him under or in connection with the application for redemption of Units may be verified by Management Company or the Registrar or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Unit Holder's user ID and password will authenticate his identity.
- (f) The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- (g) If subsequent to receipt of the redemption application by the Distributor, but prior to the redemption of the Units, the application is found by the Management Company or the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Management Company or Registrar or the Distributor will advise the applicant to remove the discrepancy. In the meanwhile, the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days,

the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.

- (h) The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.
- (i) The amount payable on redemption shall be paid to the Unit Holder or first named joint Unit Holder by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form (form02) within six Business Days from the date of presentation of the duly completed Redemption form, electronic or otherwise, at the Authorized Branch or office of the Distributor or the Management Company.
- (j) The amount can also be paid to the third party upon instruction of the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption Form.
- (k) No Money shall be paid to any intermediary except the Unit Holder or his authorized representative.
- (l) The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities under prior arrangement with the Trustee and seeking prior approval of the Commission.
- (m) The receipt of the Unit Holders for any amount payable in respect of the Units shall be a good discharge to the Trustee and the Management Company. In case of joint Unit Holders any one of them may give effectual receipt for any such moneys.
- (n) Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Dealing Days. Where redemption requests on any one Dealing Day exceed ten (10) percent of either the total number of Units outstanding, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the Clause 4.11.4.
- (o) On the occurrence of any circumstance specified in the Regulation or the Deed that may require the Fund should be suspended, the Management Company shall suspend the Sale and Redemption of Units and the intimation of suspension shall be made to the Unit Holders, the Trustee and the Commission according to the procedure laid down in the Regulation.

4.6.3 Redemption of Units in Book Entry form in CDS

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

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

- 4.7.1 Subject to exchange control, SECP prior approval and other applicable laws, Rules and Regulations, in the event of arrangements being made by the Management

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

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

4.8 Determination of Redemption (Repurchase) Price of Units

- 4.8.1 The Redemption (Repurchase) Price shall be equal to the Net Asset Value of the Scheme as of the close of Business Day less:
- (a) Any Contingent Load / Back End Load as per the details in this Offering Document; and;
 - (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc; and
 - (c) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
 - (a) Such sum shall be adjusted to the nearest fourth decimal places.

An increase in Back End Load will require 90 days prior notice to the Unit Holder or any other period as specified in the Regulations.

- 4.8.2 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which a correctly and properly filled redemption application is received.
- 4.8.3 The Redemption Price determined by the Management Company shall be made available for every Dealing day to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in any daily newspaper widely circulated in Pakistan and will be published at Management Company's and MUFAP's website.

4.9 Procedure for Requesting Change in Unit Holder Particulars

4.9.1 Who Can Request Change?

All Unit Holders are eligible to change their Unit Holder details if they so desire. For such change in particulars, a request shall be made via the Special Instructions Form (form 04). These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website.

However, if Units are held in CDS account then request should be made through CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

4.9.2 Application Procedure for Change in Particulars

- (a) Some of the key information which the Unit Holder can change is as follows:
- i. Change in address / contact details
 - ii. Nominee or detail
 - iii. Change in Bank Account details
 - iv. Account Operating instructions
 - v. Systematic Conversion Option
 - vi. Frequency of profit payments

Change will not be allowed in Joint holders details, CNIC numbers or in the Title of Account (without any documentary evidence).

- (b) Fully completed Special Instructions Form (form 04) has to be submitted by both Individuals and/or Institutional Investor(s). This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within Business Hours on a Dealing Day.
- (c) The applicant must obtain a copy of the Special Instructions Form signed and duly verified by an Authorized Officer of the Distributor or Management Company.
- (d) The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Special Instructions Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- (e) The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes. These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.
- (f) Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Special Instructions Form for such Units.

4.9.3 Transfer, Nomination, Transmission and Systemic Conversion Procedure

- 4.9.3.1 Unit Holder may, subject to the law, transfer any Units held by them to any other person. The transfer shall be carried out after the Management

Company/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.

- 4.9.3.2 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the register. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value.
- 4.9.3.3 Where Certificates have been issued, the Management Company / Transfer Agent with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document. The Management Company or the Transfer Agent shall retain all instruments of transfer.
- 4.9.3.4 The Transfer Agent shall, with the prior approval of the Management Company or the Management Company itself be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered at any time after the expiration of twelve years from the date of registration thereof and all the Certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years from transmission to the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided that (i) this provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall impose upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner. Complete list of unclaimed dividends will be maintained by AMC's and shall not be destroyed. Unit Holder may nominate any successor/nominee for transmission, subject to all legal requirements, in case of the decease of Unit Holder.
- 4.9.3.5 Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Transfer Agent or the Management Company itself as Registrar after satisfying as to all legal requirements such as intimation of death of deceased Unit Holder along-with certified copy of death certificate, indemnity from nominee along-with copy of CNIC of nominee and deceased Unit Holder, original unit certificate (in case of physical certificate) etc. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Transfer Agent.
- 4.9.3.6 A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company by redeeming the Units of first Scheme and issuance of

Units of later Scheme(s) at the relevant price applicable for the day. The Transfer Agent or Management Company itself shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.

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

4.9.3.8 **Partial Transfer of Units**

Partial transfer of Units covered by a single Certificate is permitted provided that in case of physical certificates issued, the Unit Holder must apply for splitting of the unit certificate representing the partial amount and then the new certificate shall be applied for transfer.

However in case of Units in Book Entry form in CDS, the Transfer, Nomination, Transmission and Conversion of Units in CDS shall be made in accordance with the procedure laid down in CDC Regulations.

4.10 **Procedure for Pledge/Lien/Charge of Units**

Who Can Apply?

- (a) All Unit Holders 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 (form05) as attached in Annexure "E" of this Offering Document. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website.

However, if Units are held in CDS account then request should be made to the CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

- (b) Any Unit Holder either singly or with Joint Unit Holder(s) (where required) may request the Management Company or Transfer Agent to record a pledge / lien of all or any of his / her/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Management Company or Transfer Agent shall register a lien on any Unit in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Management Company or Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- (c) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.

- (d) Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien / charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address of Pledgee mentioned in the Pledge Form (form02) and/or Investor Account Opening Form (form01) submitted. In case of Units are pledged through Central Depository System, payments of cash dividends or the issuance of bonus Units goes to the Pledger as per Central Depositories Act.
- (e) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- (f) Fully completed Pledge of Units Form (Form 05) has to be submitted by both Individuals and/or non-individuals Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within Business Hours on a Dealing Day.
- (g) All risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

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

4.11.1 Temporary Change in the Method of Dealing

Under the circumstances mentioned in Clauses 4.11.2 and 4.11.3, Subject to compliance with Regulation (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units.

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

4.11.2 Suspension of Fresh Issue of Units

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

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

Such suspension may however not affect existing Unit Holders for the issue of bonus Units as a result of profit distribution The Management Company shall announce the details of circumstances at the time a suspension of fresh issue is announced. The

Management Company shall immediately notify SECP and Trustee if issuance 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.

In case of suspension of redemption of Units due to extraordinary circumstances the issuance of Units shall also be kept suspended until and unless redemption of Units is resumed

Investment application form received on the day of suspension will not be processed and the amount received shall be returned to the investor.

4.11.3 **Suspension of Redemption of Units**

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

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

4.11.4 **Queue System**

In the event redemption requests on any day exceed ten percent (10%) of Units in issue, the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to ten percent (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 Dealing Day, such requests shall be processed on basis proportionate to the size of the requests. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Dealing Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Dealing Day still exceed ten percent (10%) of the Units in issue, 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.

4.11.5 **Winding up in view of Major Redemptions**

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in the Fund being run down to an unsustainable level or it is of the view that the 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 Scheme. 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. In case of shortfall,

neither the Trustee nor the Management Company shall be liable to pay the same.

5. DISTRIBUTION POLICY

5.1 Declaration of Dividend

The Management Company shall decide as soon as possible, but not later than the time stipulated in the Act, or the Rules and the Regulations, after the Accounting Date whether to distribute among the Unit Holders, profits in form of cash dividend / dividend reinvestment, if any, available for the distribution at the end of the Accounting Period.

The Scheme will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

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

For the purpose of this Clause the expression "accounting income" means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Act, the Regulations and the directives issued by SECP. Wherever the requirement of Regulations or the directives issued by SECP differs with the requirement of IAS, the Regulations and the said directives shall prevail.

5.2 Determination of Distributable Income

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

- the expenses, as stated in this Document or the Rules and the Regulations; and
- any taxes of the Fund

All the receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net 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 Trust Property.

5.3 Payment of Dividend

All payments for dividend shall be made through payment instruments or transfer of Funds to the Unit Holder's designated bank account or the charge-holder's designated bank account in case of lien / pledge of Units as the case may be or through any other mode of payment with the approval of Commission and such payment shall be subject to the Regulations and any other applicable laws.

5.4 Dispatch of Dividend Warrants/Advice

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

5.5 Reinvestment of Dividend

Unless specified otherwise by the investor in the Account Opening Form the Unit Holders shall receive distribution income in the form of dividend re-invested or additional Units at prevailing NAV, after adjustment of applicable taxes.

5.6 Bonus Units

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of stock dividend (which would comprise of the Bonus Units of the Trust) if it is in the interest of Unit Holders. After the fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units would rank *pari passu* as to their rights in the Net Assets of the Scheme, earnings and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder within fifteen days of the issue of Bonus Units.

5.7 Closure of Register

The Management Company may close the Register, if required under applicable regulations, by giving at least seven (7) days' notice to Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole forty five days in a Financial Year. During the closure period, the sale, redemption, conversion of Units or transfer of Units will be suspended. Notice for closure of register should be published in two newspapers (Urdu and English language) having circulated all over Pakistan

6. FEE AND CHARGES

6.1 Fees and Charges Payable by an Investor

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

6.1.1 Front End Load

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

The Management Company may at its discretion charge different levels of Load as per Annexure "A". Any change in Front End Load shall be done through an addendum to the Offering Document after seeking prior approval of the Commission.

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.

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 or processing charge.

6.1.2 **Back End Load**

Back End Load shall be deducted from the Net Asset Value in determining the Redemption Price; provided however that different level of Back End Load may be applied to different classes of Units, but Unit Holders within a class shall be charged same level of Back End Load. Management Company may change the current level of Back End Load after giving 90 days prior notice to the Unit Holder through newspaper (either Urdu or English Newspaper) and via post and the Unit Holders shall be given an option to exit at the applicable NAV without charge of Back End load as specified in the Regulation.

The current level of Back End Load is indicated in Annexure "B".

6.1.3 **Other Charges**

Transfer of Units from one owner to another may be subject to a Processing Charge, 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.

Units issued to an Account holder through conversion from another scheme run by the Management Company shall be issued based on applicable Offer Price.

The current level of other charges is indicated in Annexure "B".

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

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

Any cost associated with sales, marketing and advertisement of the Scheme shall not be charged to the Scheme, except such expenses or fees which are expressly authorized under the provisions of the Regulations and the Deed to be payable out of Trust Property.

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

The Distribution Company employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources and/or from Front End Load on terms to be agreed between the Management Company and the Distribution Company.

The Investment Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources.

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

6.2 Fees and Charges Payable by the Fund

The following expenses shall be borne by the Scheme:

6.2.1 Remuneration of the Management Company

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

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

Any increase in the current level of Management Fee, provided it is within the maximum limit prescribed in the Regulations shall be subject to giving a ninety (90) days prior notice to the Unit Holders and the Unit Holders shall be given an option to exit at the applicable NAV without charge of any exit load.

6.2.2 Remuneration of the Trustee

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

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

6.3 Conversion Cost

All cost and expenses relating to the constitution of this Scheme by conversion of GASSFL into the Open End Scheme including but not limited to expenses in connection with the obtention of authorization for conversion of GASSFL, execution and registration of the Deed, issue, printing, publication and circulation of this Offering Document, announcements to the public, the Unit Holders, banks and other concerned parties, charges of CDC and stock exchanges for delisting of GASSFL and getting GASSFL's name struck by the Registrar of Companies, Company Registration Office from the Register of Companies under Section 425 or Section 426 of the Act and enlistment, announcements describing the Fund and inviting investments therein, legal expenses and all other cost and expenses incurred up to the period of effectuating and implementing the conversion of GASSFL into GASF.

Conversion cost shall be reimbursable by the Fund to the Management Company on or after the Effective Date.

Conversion Cost shall be reported by the Management Company to the SECP and the Trustee giving their break-up under separate heads after Effective Date.

Conversion cost shall be charged to the Scheme immediately on the Effective Date.

6.4 Other Costs and Expenses

The following charges shall also be payable out of the Trust Property:

- (i) Custody, Brokerage, Transaction Costs of investing and disinvesting of the Trust Property.
- (ii) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- (iii) Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
- (iv) Bank charges, borrowing and financial costs;
- (v) Auditors' Fees and out of pocket expenses.
- (vi) Printing costs and related expenses for issuing Scheme's quarterly, half yearly and annual reports
- (vii) Fund rating fee payable to approved rating agency.
- (viii) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- (ix) Fee pertaining to the Fund payable to the Commission.
- (x) Taxes, fees, duties if any, applicable to the Fund and on its income, turnover and/or its properties including the Sales Tax levied on Services offered by Asset Management Company for management of Fund
- (xi) Charges and levies of stock exchanges, national clearing and settlement company, CDC charges.
- (xii) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.

As stipulated in the NBFC regulations, the total expense ratio of the Fund shall be capped at 4.5%. For this purpose, the costs incurred in relation to any government levy on funds such as sales tax, Worker's Welfare Fund or SECP fee etc. shall be excluded while calculating Total Expense Ratio.

7. TAXATION

7.1 Taxation on the Income of the Fund

7.1.1 Liability for Income Tax

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of the Fund. This section is for advice only and potential investors should

consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

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

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

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

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

Notwithstanding the tax rate given above, the income from the Fund will be exempted from Income 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.

In line with the existing applicable rules and regulation, the Fund will distribute not less than 90% of its income received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

7.2 Withholding tax

Under the provision of Clause 47(B) of part (IV) of Second Schedule of the Income Tax Ordinance 2001, the Fund's income from dividend return on deposits with banks/financial institutions, return from contracts, securities or instruments of companies, organizations and establishments will not be subject to any withholding tax.

7.3 Zakat on Fund

The Fund is Saheb-e-Nisab under the Zakat and Ushr Ordinance, 1980. The balance in the credit of savings bank account, or similar account with a bank standing on the first day of Ramzan-ul-Mubarak will be subjected to Zakat deduction @ 2.5%.

7.4 Taxation and Zakat on Unit Holders

7.4.1 Taxation on Income from the Fund of the Unit Holder

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

- 7.4.2 Unit holders of the fund will be subject to Income Tax at the applicable rate as prescribed under Income Tax Ordinance, 2001 on dividend income / bonus distributed by the Fund.

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

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

7.4.4 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 Transfer Agent and on the basis of Exemption Certificate income tax will not be withheld.

7.4.5 **Tax Credit to Unit Holders**

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

7.4.6 **Zakat**

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

7.5 **Disclaimer**

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

8. **REPORTS TO UNIT HOLDERS**

8.1 **Account Statement**

The Management Company/Transfer Agent shall send directly to each Unit Holder an account statement each time there is a transaction in the account.

The Management Company/Transfer Agent may provide account balance and/or account activities through electronic mode to Unit Holder, who opted for such service.

The Unit Holder will be entitled to ask for copies of his account statement on any Dealing Day within Business Hours by applying to the Management Company/Transfer Agent in writing.

8.2 **Financial Reporting**

- (a) The Management Company shall prepare and transmit the annual report in such form and manner as set out in Regulations as amended or substituted from time to time.
- (b) The Management Company shall prepare and transmit quarterly reports or through electronic means or on the web in such form and manner as set out in Regulations as amended or substituted from time to time.

8.3 Trustee Report

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

8.4 Fund Manager Report

The Management Company shall prepare Fund Manager Report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also made available at their web site latest by 5th Business Day of each month.

9. WARNING AND DISCLAIMER

9.1 Warning

9.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your bank manager, Legal advisor, or other financial advisor. The price of the Units of this Fund and the income of this Fund (from which distributions to Unit Holders is made) may increase or decrease.

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

9.2 Disclaimer

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

9.2.2 The Scheme's target return/ dividend range cannot be guaranteed. The Scheme's unit price is neither guaranteed, nor administered/ managed, it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

10. GENERAL INFORMATION

10.1 Accounting Period / Financial Year of the Fund

Accounting Period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property

is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

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

10.2 Inspection of Constitutive Documents

The copies of Constitutive Documents, such as the Deed and the Offering Document, can be inspected free of charge at the addresses given below, however such documents shall also be available on the website of the Management Company:

216-217, Continental Trade Centre,
Block 8, Clifton, Karachi.
UAN: 111-253-465

10.3 Transfer of Management Rights of the Fund

The management rights of the Fund may be transferred to another Management Company upon the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission;-

- (i) the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (ii) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Management Company;
- (iii) if in the opinion of the Commission further management of the Fund by the existing Management Company is detrimental to the interest of the Unit Holders, the Commission may direct the Trustee to transfer the Fund to another Management Company.
- (iv) If the Management Company may retire voluntarily with the prior written consent of the Commission.

10.4 Extinguishment/Revocation of the Scheme

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

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

- (ii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (iii) in the opinion of the Management Company, the Scheme is not commercially viable or purpose of the scheme cannot be accomplished subject to the consent of Trustee;
- (iv) the Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder (s) and that it would be in the best interest of all the Unit Holder (s) that the Trust be wound up;
- (v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and
- (vi) where the Commission deems it necessary to revoke the Fund so directs either Trustee or the Management Company in the interest of Unit Holders.

10.5 Procedure and manner of Revocation of the Scheme

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

10.6 Distribution of proceeds on Revocation

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

11. GLOSSARY

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

- 11.1 "Accounting Date"** means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, under intimation to the Trustee after obtaining approval from the relevant competent authority may change such date to any other date and such change shall be intimated to the Commission.
- 11.2 "Account Opening / Investment Account Opening Form"** means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund.
- 11.3 "Accounting Period"** means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.
- 11.4 "Asset Management Company"** means an asset Management Company as defined in

the Rules and Regulations.

- 11.5 "Act"** means the Companies Act, 2017, including any substitution thereof.
- 11.6 "Annual Accounting Period" or "Financial Year"** means the period commence on 1st July and shall end on 30th June of the succeeding calendar year (Delete if not used or substitutable)
- 11.7 "Auditor"** means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.
- 11.8 "Authorized Branches"** means those branches of Distributors which are allowed by the Management Company to deal in Units of the Funds managed by the Management Company.
- 11.9 "Authorized Investments"** means any investment which may be authorized by the Commission but does not include restricted investments as specified in this Offering Documents from time to time.
- 11.10 "Back End Load"** means charges deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back End Load may be applied to different classes of units, but Unit Holders within a class shall be charged same level of back end load as disclosed in the Offering Document.
- 11.11 "Bank"** means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 11.12 "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 Holder(s).
- 11.13 "Broker"** means any person engaged in the business of effecting transactions in securities for the account of others.
- 11.14 "Business Day"** means any day (business hours thereof as specified in this Offering Document) on which Stock Exchange is open for business in Pakistan.
- 11.15 "Connected Person"** shall have the same meaning as assigned in the Rules and Regulations.
- 11.16 "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 this Trust Deed.
- 11.17 "Constitutive Documents"** means the Trust Deed or such other documents as defined in the Regulations.
- 11.18 "Contingent Load"** means amount payable by the Unit Holder on redemption of Units, as specified in this Offering Document. Any such amount would be treated as part of the Trust Property
- 11.19 "Conversion Costs"** mean all cost and expenses relating to the constitution of this Scheme by conversion of GASSFL into the Open End Scheme including but not

limited to expenses in connection with the obtention of authorization for conversion of GASSFL, execution and registration of the Deed issue, printing, publication and circulation of the Offering Document, announcements to the public, the Unit Holders, banks and other concerned parties, charges of CDC and stock exchanges for delisting and enlistment, announcements describing the Fund and inviting investments therein, legal expenses and all other cost and expenses incurred up to the period of effectuating and implementing the conversion of GASSFL into GASF.

- 11.20 "Conversion Unit(s)"** mean(s) the Unit(s) issued to the Conversion Unit Holders in lieu of the shares held by them in GASSFL in the ratio of 1:1 pursuant to the Scheme of Arrangement, as mentioned in Clause 1.5.2 above.
- 11.21 "Conversion Unit Holder(s)"** mean(s) the shareholders of GASSFL to whom Conversion Units shall be issued pursuant to the Scheme of Arrangement.
- 11.22 "Custodian"** means a Bank, a Depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee with the consent of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and shall also include the Trustee itself if it provides custodial services for the Fund.
- 11.23 "Cut Off Timings"** means day time for dealing in Units of the Fund. The Details of Cut-off Time will be prescribed in this Offering Document of the Fund.
- 11.24 "DFI"** means Development Financial Institution and includes the Pakistan Industrial Credit and Investment Corporation (PICIC), the Saudi Pak Industrial and Agricultural Investment Company Limited, the Pak Kuwait Investment Company Limited, the Pak Libya Holding Company Limited, the Pak Oman Investment Company (Pvt.) Limited, Investment Corporation of Pakistan, House Building Finance Corporation, Pak Brunei Investment Company Limited, Pak-Iran Joint Investment Company Limited, Pak-China Investment Company Limited, and any other financial institution notified under Section 3-A of the Banking Companies Ordinance, 1962.
- 11.25 "Dealing Day"** means that Business Day on which Units will be available for dealing (purchase, redemption, transfer, switching etc.). The cut-off timings for issuance, redemption, and conversion etc. of units of the Scheme will be as defined in this Offering Documents on all Dealing Days. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in a widely circulated newspaper in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).
- 11.26 "Distribution Account"** means the Bank 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 Holder(s) may 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 Trust Property for the benefit of the Unit Holder(s).
- 11.27 "Distributor/Distribution Company"** means a company/firm appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and shall also include the Management Company itself, if it performs the Distribution Function.
- 11.28 "Duties and Charges"** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees,

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

- 11.29 "Effective Date"** means the date following the expiry of the book closure to be announced specifically for the purpose of conversion, by GASSFL's Board, which shall be the effective date of conversion, subject to the obtaining of the approval of the SECP and fulfillment of all legal and regulatory requirements.
- 11.30 "Exposure"** shall have same meanings as provided in the Regulations.
- 11.31 "Federal Government"** means the Federal Government of Islamic Republic of Pakistan.
- 11.32 "Financial Institution"** means a Bank, Development Finance Institution, Non - Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.
- 11.33 "Financial Sector"** shall comprise of the savings and term deposits / certificates/ securities/ instruments issued by the entities of Banking Sector, Financial Services Sector, Life Insurance Sector and Non- Life Insurance Sector as classified by Karachi Stock Exchange and DFIs.
- 11.34 "Force Majeure"** means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of the Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of the Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.
- 11.35 "Front End Load"** means the Sales Load which may be included in the Offer Price of the Units, as defined in this Offering Document.
- 11.36 "GASSFL"** means Golden Arrow Selected Stocks Fund Limited, a listed public company, limited by shares, incorporated in Pakistan under Company Registration No.0010350, having its Registered Office at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi
- 11.37 "Government Securities"** includes monetary obligations of the Government or a

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

- 11.38 "Holder" or "Unit Holder"** means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of this Trust Deed.
- 11.39 "Investment"** means any Authorized Investment forming part of the Trust Property.
- 11.40 "Investment Facilitators/Advisors/Sales Agents"** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/ Sales Agents.
- 11.41 "Investment Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units and will be stated in this Offering Document.
- 11.42 "Investment Plans"** means investment plans offered by the Management Company and approved by the Commission, where such plans allow investors a specific investment strategy in any one or a combination of Schemes managed by the Management Company in accordance with the conditions specified by SECP.
- 11.43 "Local Governments"** mean all the local / city governments in Pakistan.
- 11.44 "Management Company"** is defined in the preamble hereto;
- 11.45 "Net Assets"**, in relation to the Trust, means the excess of assets over liabilities of the Scheme as calculated in accordance with the Regulations.
- 11.46 "Net Asset Value" or "NAV"** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 11.47 "Offer Price" or "Purchase Price"** means the sum to be paid by investor(s) for the purchase of one Unit of the Scheme. Such price is to be determined in accordance with Clause 4.5.6 of this Offering Document.
- 11.48 "Offering Document"** means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme, and includes any Supplementary Offering Document.
- 11.49 "On-line"** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 11.50 "Ordinance"** means the repealed Companies Ordinance, 1984.
- 11.51 "Par Value"** means the face value of a Unit i.e. Rs.5/- or such other amount determined by the Management Company from time to time and disclosed in the

Supplementary Offering Document.

- 11.52 "Pledge Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units and will be stated in this Offering Document.
- 11.53 "Profit Distribution Date"** means the date on which the Management Company decides to distribute the profits (if any).
- 11.54 "Provincial Governments"** mean the Provincial Governments of all four provinces of Pakistan.
- 11.55 "Redemption Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to redeem Units and will be stated in this Offering Document.
- 11.56 "Redemption Price"** means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit, such amount to be determined pursuant to this Offering Document.
- 11.57 "Register"** means the Register of the Unit Holder(s) kept pursuant to the Regulations and this Offering Document.
- 11.58 "Registrar Functions"** means the functions with regard to:
- a) maintaining the Register, including keeping a record of change of addresses/other particulars of the Unit Holder(s);
 - b) issuing account statements to the Unit Holder(s);
 Issuing Certificate, including Certificates in lieu of undistributed income to Holders;
 - c) canceling old Certificates on redemption or replacement thereof;
 - d) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s); Issuing and dispatching of Certificates; Dispatching income distribution warrants, and bank transfer intimation and distributing
 - e) Issuing and dispatching of Certificates;
 - f) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends;
 - g) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
 - h) Keeping record of change of addresses/other particulars of the Holders
 - i) Maintaining record of lien/pledge/charge on units, transfer/switching of units, Zakat.
- 11.59 "Regulations"** mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 as amended from time to time

- 11.60 "Rules"** mean Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 or as amended from time to time.
- 11.61 "Sales Load"** includes the Front-end and Back-end loads and any processing charge or commission (excluding Duties and Charges) not exceeding three percent of the Net Asset Value or as may be allowed under the Regulations, which may be included in the Offer Price of all or certain class of Units or deducted from the Net Asset Value in order to determine the Redemption Price of certain classes of units.
- 11.62 "Scheme of Arrangement"** means the Scheme of Arrangement for Conversion of Golden Arrow Selected Stocks Fund Limited from a Closed End Fund to an Open End Scheme dated January 9, 2018.
- 11.63 "SECP" or "Commission"** means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.
- 11.64 "Stock Exchange"** means Stock Exchanges registered under the Securities and Exchange Ordinance, 1969.
- 11.65 "Sukuk"** means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.
- 11.66 "Supplemental Deed"** means a deed supplemental to the Trust Deed, executed by the Management Company and the Trustee, after seeking approval of the SECP, to modify, add to, alter and amend or amend and restate the provisions of the Deed or any other Supplemental Deed in such manner and to such extent as may be considered expedient for all purposes, which shall be consolidated, read and construed together with the Trust Deed.
- 11.67 "Supplementary Offering Document"** means a document issued to modify, add to, alter and amend, amend and restate or to make any other amendment to the Offering Document in such manner and to such extent as considered expedient for all purposes by the Management Company, with the consent of the Trustee, after seeking approval of the SECP, and the same shall be consolidated, read and construed together with this Offering Document.
- 11.68 "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 Trust's portfolio, inter alia, necessitated by creation or cancellation of Units or issuance or redemption of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.
- 11.69 "Transfer Agent"** means a company including a Bank that the Management Company shall appoint for performing the registrar functions. The Management Company may itself perform the registrar function.
- 11.70 "Trust" or "Unit Trust" or "Fund" or "Golden Arrow Stock Fund" or "GASF" or "Scheme"** means the Unit Trust constituted by this Trust Deed for continuous offers for sale of Units of the Trust.
- 11.71 "Trust Deed" or "Deed"** means this trust deed executed between the Management

Company and the Trustee along with all the exhibits appended hereto, and includes any Supplemental Deed.

11.72 "Trust Property" means all properties, assets, investments, etc. of GASF as specified in Clause 1.6 above.

11.73 "Unit" means one undivided share in the Trust, and where the context so indicates, a fraction thereof.

11.74 "Zakat" has the same meaning as in Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

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

Annexure A

Tariff Structure of the Trustee

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

NET ASSETS (Rs.)	TARIFF
Up to 1 billion	0.20% p.a. of Net Assets.
Over 1 billion	Rs. 2.0 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1 billion.

Remuneration of Trustee and its Agents

Trustee Fee subject to review by either party. However any upward revision shall require prior approval of SECP.

Annexure B

Current level of Front- end and Back - end loads

Effective from the Close of Conversion Period

Current Front-end Load: 0% to 3% of the NAV per unit.

Provided further that AKD Investment Management Limited may charge sales load maximum up to 3% of the NAV per unit if the investor approaches directly for investment and up to 1.5% of the NAV per unit where transactions are done online or through website.

Current Back-end Load: 0% (nil) from the effective period

During the first six months from the date of issuance thereof shall however be subject to deduction of contingent Load of 1.00% of the NAV of the Open End Scheme

Current level of management fee

Up to 3.5% per annum of average daily Net Assets.

Any change in the fee and/or load structure, provided it is within the maximum limit, shall be intimated to the Trustee and notified by publication in a widely circulated newspaper, as and how the Commission may direct. However no upward change in the fee and/or load structure shall be made without the prior approval of the Commission.

Business hours and cut off time

Business Hours	Cut off Time
Monday to Friday: 9:00 AM to 6:00 PM	Monday to Friday: 9:00 AM to 5:00 PM

Annexure – C
List of distribution offices

Head Office

AKD Investment Management Limited
216-217, Continental Trade Centre,
Block 8, Clifton, Karach.
UAN: 111-253-465
Fax: 021-35303125

Gulshan-e-Iqbal Branch

AKD Investment Management Limited
Bungalow No. FL-3/12
Ground Floor, Block No. 5, KDA Scheme 24
Gulshan-e-Iqbal, Karachi
Contact # 021-34823003-7

Lahore Branch

AKD Investment Management Limited
Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A., Lahore Cantt.
Concerned person: Syed Afzaal Sebtain
Contact # 0333-0342762-4

Abbottabad Branch

AKD Investment Management Limited
Office No. 1 & 2, 2nd Floor, Zaman Plaza,
Near Complex Hospital, Main Mansehra Road,
Abbottabad.
Contact # 099-2381431-2