

TRUST DEED
OF
GOLDEN ARROW STOCK FUND (GASF)

AN OPEN-END EQUITY FUND

BETWEEN

AKD INVESTMENT MANAGEMENT LIMITED
&
CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Dated : June 26, 2019

| | |
|--|----|
| TRUST DEED | 1 |
| 1. NAME OF THE SCHEME | 2 |
| 2.CATEGORY, TYPE AND BENCHMARK OF THE SCHEME..... | 2 |
| 3. PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST..... | 2 |
| 4. EFFECTIVE DATE OF CONVERSION | 3 |
| 5. GOVERNING LAW AND JURISDICTION | 4 |
| 6. DECLARATION OF TRUST..... | 5 |
| 7. EFFECT OF THIS DEED AND STATUS OF UNIT HOLDER(S) | 7 |
| 8.ROLE OF THE MANAGEMENT COMPANY..... | 7 |
| 9.ROLE OF THE TRUSTEE..... | 9 |
| 10.TRUST PROPERTY | 11 |
| 11.VOTING RIGHTS ON TRUST PROPERTY..... | 12 |
| 12.INVESTMENT OF TRUST PROPERTY AND EXPOSURE LIMITS | 12 |
| 13. VALUATION OF PROPERTY AND PRICING..... | 14 |
| 14.DEALING IN UNITS, ISSUANCE OF CERTIFICATES, SUSPENSION AND DEFERRAL OF DEALING | 14 |
| 15.FEES AND CHARGES | 16 |
| 16.DETERMINATION OF DISTRIBUTABLE PROFITS..... | 18 |
| 17.CHANGE OF THE MANAGEMENT COMPANY..... | 18 |
| 18.CHANGE OF TRUSTEE..... | 19 |
| 19.TERMINATION, WINDING UP, REVOCATION AND LIQUIDATION OF THE SCHEME | 20 |
| 20.BASE CURRENCY..... | 21 |
| 21.MODIFICATION OF THE TRUST DEED..... | 21 |
| 22.AUDIT..... | 21 |
| 23.ARBITRATION..... | 21 |
| 24.CONFIDENTIALITY..... | 22 |
| 25.MISCELLANEOUS..... | 22 |
| 26.DEFINITIONS..... | 23 |

TRUST DEED

THIS TRUST DEED is made and entered into at Karachi, on this 26th day of June, 2019

1. Name of the Scheme

Golden Arrow Stock Fund ("GASF")

2. Category, Type and Benchmark of the Scheme

The Fund shall be an **Open End Equity Scheme**,

The benchmark of the Fund shall be:

KSE-100 Index

3. Participating Parties and Constitution of the Trust

- I. AKD Investment Management Limited**, an unlisted public limited 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**" which expression where the context so permits shall include its successors in interest and assigns) of the one part;

AND

- II. Central Depository Company of Pakistan Limited**, a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block "B", S.M.C.H.S., Main Shakra-e-Faisal, Karachi (hereinafter called the "**Trustee**" which expression where the context so permits shall include its successors in interest and assigns) of the other part.

WITNESSETH:

- 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, attached hereto as **Annexure "A"**.
- 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. Certificate of Incorporation is appended hereto as **Annexure-"B"**. 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("**Regulations**").
- C. The Board of Directors of GASSFL, upon the recommendation of the Management Company and after thorough deliberations, having considered the current investment climate and weighing all the pros and cons, had at 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, certified copy of the Special Resolution and true copy of the Scheme of Arrangement are annexed hereto, as **Annexures "C"** and "**D**", respectively.

- E. To effectuate the conversion of GASSFL into an Open End Scheme, a new 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 annexed hereto as **Annexure "E"**.
- F. The SECP vide its letter No. No.SCD/AMCW/GASSFL/297/2019 dated February 14, 2019, annexed hereto as **Annexure "F"** has 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**" (hereinafter referred to as "**GASF**" or "**the Trust**" or "**Unit Trust**" or "**the Scheme**" or "**the Fund**" or "**the Open End Scheme**").
- G. The SECP vide letter No. SCD/AMCW/AKDIML/GASSFL/395/2019 dated April 03 2019 has also approved the appointment of CDC as the Trustee, annexed hereto, as **Annexure "G"**.
- H. The SECP vide its letter No. SCD/AMCW/AKDIML/GASSFL/396/2019 dated April 03 2019, annexed hereto as **Annexure "H"** has also approved this Trust Deed of "**Golden Arrow Stock Fund**" and has conveyed its no objection to the execution of this Trust Deed by the Management Company and the Trustee, pending the authorization and registration of GASF as a *notified entity* under the Regulations.

4. Effective Date of Conversion

- 4.1 GASSFL shall stand converted from a "*Closed End Fund*" to an "*Open End Scheme*" with effect from the commencement of first Business Day after the expiry of the book closure to be announced by the Management Company under intimation to Trustee and 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, pursuant to the Scheme after the grant of authorization by the SECP for conversion and the registration of the Fund by SECP 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**")

4.2 Conversion Process And Winding Up Of The Investment Company

The Management Company and the Trustee have executed this Trust Deed with the approval of the SECP and shall get the same registered with the Sub-Registrar. The Management Company shall get the Open End Scheme registered with the SECP as a Notified Entity under the Regulations and prepare and publish an Offering Document after seeking approval from the SECP. GASSFL and The Management Company and the Trustee shall also execute such other documents and deeds, as may be required for conversion of GASSFL into an Open End Scheme. The retiring custodian of GASSFL, the proposed trustee of the Fund and the Management Company has agreed to transfer the Fund property from

GASSFL to the Fund in the name of Trustee. The status of bank and other accounts would be changed or new accounts would be opened to enable the Trustee to acquire ownership of Trust Property. The Trust Property would be transferred during the Book Closure meant for conversion purposes. The Management Company shall immediately upon transfer of all the deposited property, assets & liabilities along with allied balances to the trustee of Fund, , appoint auditors (other than the existing auditors of the GASSFL, or existing auditors of the custodian or of the Trustee) from amongst the panel of auditors designated as "A"" category by State Bank of Pakistan. The auditors so appointed shall report that all the deposited property, assets & liabilities along with allied balances on Effective Date are accurately and properly transferred to the Trustee of the Fund by the custodian of GASSFL and GASSFL is a defunct company. The report of the auditor shall be submitted by the Management Company to this office within 30 Business Days from the appointment of auditors. After the completion of the conversion process and upon receipt of the auditor's report, the Management Company shall ensure that GASSFL's name shall be struck off by the Registrar of Companies, Company Registration Office from the Register of Companies under Section 425 or Section 426 of the Companies Act 2017.

5. Governing Law and Jurisdiction

- 5.1 This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Act, the Ordinance, the Rules and the Regulations, any directives or circulars issued by SECP and all other applicable laws and regulations as amended or replaced from time to time. Where any Rules or Regulations are amended, any directives are issued or any relaxation or exemption is allowed by SECP it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed pursuant to such amendments, directives, relaxations or exemptions shall be deemed to have been incorporated in this Trust Deed without requiring any modification unless specifically required by the SECP. In the event of any conflict between this Trust Deed and the provisions of the Rules, the Regulations, directives, or circulars, the latter shall supersede and prevail over the provisions contained in this Trust Deed.
- 5.2 The Trust shall be subject to the rules and regulations of the State Bank of Pakistan and the SECP with regard to the foreign investments made by the Trust and also with regard to investments that may be made in the Trust from outside Pakistan. The investments made by the Trust in offshore countries and bank accounts and custodial services accounts that may be opened by the Trustee for the Trust in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.
- 5.3 Subject to the Clause 23 hereafter, applicable between the Management Company and the Trustee *inter se*, each party, including the Unit Holder(s), irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

6. **Declaration of Trust and Conversion of Closed End Fund into an Open End Scheme**

6.1 It is hereby declared unequivocally, that an Open End Scheme by the name and title of *Golden Arrow Stock Fund* is hereby created under the Trusts Act 1882 by conversion of GASSFL into GASF, which shall become operative from the Effective Date mentioned above. The Management Company is hereby appointed to establish, manage, operate and administer that said Scheme and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Scheme. The Management Company and the Trustee hereby agree to such appointment and further declare that:-

- (a) this Deed and any supplemental hereto is binding on each Unit Holder as if he had been a party to it and so to be bound by its provisions and authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed, the Rules and the Regulations;
- (b) the property of the Scheme is held by the Trustee on trust for the Unit Holders *pari passu* according to the number of Units held by each Unit Holder;
- (c) a Unit Holder shall not be liable to make any further payments after he had paid the Offer Price of his Unit(s) and that no further liability can be imposed on him in respect of Unit(s) which he holds;
- (d) the Trustee shall issue a report to the Unit Holders, to be included in the annual report and second quarterly report of the Scheme, in accordance with the Regulations.

6.2 It is hereby irrevocably and unconditionally declared that:

- a) The Trustee shall hold and stand possessed the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking *pari passu inter se*, according to the number of Units held by each Unit Holder;
- b) The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Document(s), the Rules, the Regulations and the conditions (if any) which may be imposed by the SECP from time to time; and

6.3 The Trust shall be managed and operated strictly in terms of the provisions contained and stipulated in this Deed, the Offering Document, the Rules and the Regulations (as amended or replaced from time to time) and the conditions, if any, which may be imposed by the Commission from time to time.

- 6.4 From the Effective Date, the Scheme shall become operative and in lieu of shares of GASSFL held by GASSFL's shareholders, Conversion Units of the Scheme shall be issued to them Conversion Units after the book closure to be announced by the Board of Directors of GASSFL in accordance with the conditions of the Special Resolution and the Scheme of Arrangement.
- 6.5 The Trust 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 the Unit Holders of the Open End Scheme upon issuance of the Conversion Units.
- 6.6 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 entitlements, as mentioned in Clause 6.5 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 be issued to those Conversion Unit Holders who subsequently request for issuance of physical certificates.
- 6.7 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. No Front End Load or Back End Load shall be charged on Bonus Units.
- 6.8 After the completion of the conversion process, GASSFL's name shall be got struck off by the Registrar of Companies, Company Registration Office, Karachi from the Register of Companies under Section 425 of the Act or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by GASSFL's Board and GASSFL will be dissolved automatically without resorting to formal winding up process as and how may be considered appropriate by GASSFL's Board and permitted by the SECP.

7. Effect of this Trust Deed and Status of Unit Holders

7.1 Deed Binding on Each Unit Holder

The terms and conditions of this Trust Deed as may be amended in accordance with Clause 21 of this Trust Deed, from time to time shall be binding on each Unit Holder, including Conversion Unit Holders as if the Unit Holder had been party to it and shall be bound by its provisions and shall be deemed to have authorized and required the Trustee and the Management Company to do as required of them by the terms of this Trust Deed and the Regulations.

7.2 Unit Holder(s) Not Liable to Make Further Payments

Conversion Unit Holders shall not be liable to make any further contributions to the Scheme since they already had the shares of GASSFL and no further liability shall be imposed on any Unit Holders in respect of the Units held by him, except that early redemption of Conversion Units shall be subject to Contingent Load as provided in Clause 6.7 above.

7.3 Units to Rank Pari Passu

All Units and fractions thereof represent an undivided share in the Scheme and shall rank *pari passu* according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units and fractions held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document.

7.4 Trustee Report to Unit Holders

The Trustee shall issue reports to the Unit Holders to be included in the annual and second quarter reports of the Scheme in accordance with the Regulations.

8. Role of the Management Company

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

8.2 The Management Company may from time to time, with the consent of the Trustee, frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that such procedures are not inconsistent with the provisions of the Rules and the Regulations any directives, circulars and guidelines issued by SECP and this Deed.

- 8.3 The Management Company shall be responsible to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.
- 8.4 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). Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions.
- 8.5 The Management Company may at its own responsibility and costs (to be borne either from the front end load or management fee received), from time to time appoint Investment Facilitators to assist it in promoting sales of Units. An updated list of Distributors and Investment Facilitators appointed by the Management Company shall be made available at all times on the website of the Management Company.
- 8.6 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations, this Deed and the Offering 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 this Deed and the Offering Document, the Management Company 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.
- 8.7 The Management Company shall nominate and notify to the Trustee one or more of its officer(s) to act as authorized persons for interacting with and giving instructions to the Trustee. Any instruction or notice given by such authorized persons shall be deemed to be the instruction or notice given by the Management Company. Any change in such authorized persons shall promptly be notified to the Trustee.
- 8.8 The Management Company shall, from time to time, advise the Trustee of any settlement instructions relating to any transactions entered into by it on behalf of the Trust. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement.
- 8.9 The Management Company shall provide the Trustee with regular reports indicating interest income and other forms of income or inflows, relating to the investments that are due to be received.
- 8.10 The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceeding,

arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof at the cost of the Fund.

- 8.11 The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance, redemption, conversion, etc of Units in the Offering Document of the Scheme and on its website.
- 8.12 The Management Company shall ensure that all the designated points for acceptance of applications for issuance, redemption, conversion, etc of units of the Scheme have appropriate date and time stamping mechanism for timely acknowledgement of the said applications.
- 8.13 The Management Company shall announce the Net Asset Value (NAV) of the Scheme within such time period and at such frequency as prescribed by SECP from time to time and shall disclose such time period and frequency in the Offering Document.

9. Role of the Trustee

- 9.1 Trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, this Deed and the Offering Document.
- 9.2 The Trustee shall nominate one or more of its officers to act as authorized persons for performing the Trustee's functions and for interacting with the Management Company. Any change in such authorized persons shall be promptly notified to the Management Company.
- 9.3 The Trustee shall under prior intimation to the Management Company appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be entered into between the Trustee and the Custodian(s), except where the Trustee itself is acting as a Custodian.
- 9.4 The Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by gross negligence or any reckless act or omission of the Trustee or any of its directors, officers, nominees or agents.
- 9.5 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under this Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of this Trust Deed or the Rules and Regulations. Whenever pursuant to any provision of this Trust Deed, any

instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:

- a) 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
- b) 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)

9.6 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

9.7 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.

9.8 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.

9.9 The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holders institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Rules and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise

howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.

- 9.10 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and this Trust 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 gross negligence or that of its agents in relation to any custody of the Trust Property forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 9.11 The Trustee shall promptly forward to the Management Company within one Business Day any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock exchange or any other exchange.
- 9.12 The Trustee shall ensure that all the deposited property, assets & liabilities along with allied balances are transferred to the Trustee as part of the Trust Property of the Scheme on or from the Effective Date.

10. Trust Property

- 10.1 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 sales Loads.
- 10.2 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 includes the Investment and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Deed but does not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property.
- 10.3 Bank Accounts for the Fund shall always be in the name of the Trustee.
- 10.4 All expenses incurred by the Trustee in effecting the registerable Investments in its name shall be payable out of the Trust Property.

- 10.5 Except as specifically provided in this Trust 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.

11. Voting Rights on Trust Property

- 11.1 All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.
- 11.2 The Trustee shall upon written request by the Management Company and on account of the Trust Property, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any investment in such form and in favor of such persons as the Management Company may require in writing.
- 11.3 The phrase "rights of voting" or the word "vote" used in this clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement. The Management Company shall keep record stating the reasons for casting the vote in favor or against any resolution for a period of six years.

12. Investment of Trust Property and Exposure Limits

12.1 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.

12.2 Investment Policy

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

12.3 Investment and Exposure Limits

The Trust Property shall be invested by the Trustee from time to time as directed by the Management Company, subject to investment and exposure limits as prescribed in the Offering Document, or otherwise under the Regulations and directives issued by the Commission from time to time.

12.4 Financing Arrangements

12.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange financing for account of the Scheme, with the approval of the Trustee, from Banks, financial institutions, non-banking finance companies or such other companies as specified by the Commission from time to time. The financing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days and such financing shall not exceed fifteen per cent of the Net Asset of the Scheme at the time of financing or such other limit as specified by the Commission.

12.4.2 The charges payable to any bank, non-banking finance companies or financial institution against financings on account of the Scheme as permissible under Clause 12.4.1 above, shall not be higher than the normal prevailing bank charges or normal market rates.

12.4.3 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing financings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of financings.

12.4.4 For the purposes of securing any financing the Trustee may, subject to Clause 12.4.1 above, on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property.

12.4.5 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.

12.5 Transactions with Connected Persons

Transaction with connected persons shall be in accordance with the Rules, the Regulations and directives issued by SECP and shall be specified in the Offering Document.

13. Valuation of Property and Pricing

13.1 Valuation of Assets & Liabilities and Net Asset Value of the Fund

The method for determining the value of the assets and liabilities and the Net Asset Value would be as specified in the Regulations and the directives issued thereunder by the Commission; from time to time.

13.2 Determination of Purchase (Offer) Price

- 13.2.1 Conversion Units shall be issued at ratio of 1:1 for every share held by the shareholders (who shall become the Conversion Unit Holders). Subsequently, Units shall be issued at the price calculated and announced by the Management Company for every Dealing Day through its website and MUFAP. After the issuance of the Conversion Units, the Offer Price offered through Public Offering shall be calculated and announced by the Management Company for every Dealing Day through its website and to MUFAP.
- 13.2.2 After issuance of Conversion Units mentioned in Clause 4 above, the Offer Price for the Unit Holder(s) shall be determined from time to time as specified in the Regulations, directives issued thereunder and the Offering Documents.
- 13.2.3 The Management Company may announce different classes of Units with differing levels of Sales Load, as specified in the Offering Documents.

13.3 Determination of Redemption Price

After issuance of Conversion Units mentioned in Clause 4 above, the Redemption Price shall be calculated and announced by the Management Company for every Dealing Day as specified in the Regulations, directives issued there under and the Offering Document

14. Dealing in Units, Issuance of Certificates, Suspension and Deferral of Dealing

14.1 Dealings in Units and Issuance of Certificates

- 14.1.1 Issuance, redemption, transfer, pledge/lien of Units and issuance and replacement of certificates shall be carried out in accordance with the requirements of Rules, Regulations and directives issued there under and the procedures for these shall be specified in the Offering Document.
- 14.1.2 Notwithstanding anything to the contrary contained herein, where the Units are declared as CDS Eligible Securities, all matters concerning issuance, transfer, pledge and redemption of such Units issued in book entry form or deposited in to the CDS shall be dealt with in accordance with the provisions of the Central Depositories Act, 1997 (XIX of 1997), the Central Depository Company of Pakistan Limited

Regulations as amended from time to time, and any notifications or directions given by the Commission.

14.2 Temporary Change in the Method of Dealing

Subject to compliance with the Regulations and the circumstances mentioned in the Offering Document, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units.

14.3 Suspension of Redemption of Units

- 14.3.1 The Redemption of Units may be suspended during extraordinary circumstances including closure of the money market, capital market, capital market infrastructure institutions and scheduled banks, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s), or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV). The Management Company may announce a suspension of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances.
- 14.3.2 Redemption requests received on the day of the suspension may be rejected or would be redeemed at the redemption price on the first Dealing Day after the removal of the suspension.

14.4 Queue System

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for 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 the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds 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.

14.5 Suspension of Fresh Issue of Units

14.5.1 The Management Company may, under certain circumstances, suspend issue of fresh Units. These circumstances may include

- a) The situation referred in Clause 14.2 or 19 of this Deed;
- b) A situation in which it is not possible to invest the amount received against issuance of fresh units or
- c) Any other situation in which issuance of fresh units is, in Management Company's opinion, against the interests of the existing/remaining unit holders.

14.5.2 Such suspension may however not affect existing subscribers for the issue of bonus Units as a result of profit distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the 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.

14.5.3 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

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

15. Fees and Charges

15.1 Remuneration of the Management Company and Its Agents

15.1.1 The Management Company shall be entitled to prescribe and receive maximum remuneration up to the maximum rate of remuneration permitted under the Regulations and directives issued thereunder.

15.1.2 The remuneration shall begin to accrue from the Effective Date

15.1.3 Such remuneration shall be paid to the Management Company in arrears within thirty (30) Business Days after the end of each calendar month.

15.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The

Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and directives issued there under and this Deed to be payable out of Trust Property.

- 15.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 15.1.6 Any increase in the remuneration of the Management Company agreed to by the Trustee and approved by the Commission shall require ninety days prior notice to the unit holders. However, any decrease in remuneration of the Management Company shall not require such notice.

15.2 Remuneration of Trustee and Its Agents

- 15.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Annexure E**. The remuneration shall begin to accrue from the Effective Date.
- 15.2.2 Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.
- 15.2.3 In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.
- 15.2.4 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require such approval.

15.3 Conversion Cost and its Treatment

- 15.3.1 All expenses related to conversion of the Fund from Closed End Fund into an Open End Scheme shall be reimbursable by the Fund to the Management Company on or after the Effective Date.
- 15.3.2 The Conversion Cost shall be reported by the Management Company to the SECP and the Trustee giving their break-up under separate heads.
- 15.3.3 Conversion Cost shall be charged to the Scheme immediately on the Effective Date.

15.4 Other Costs and Expenses to be Charged to and Borne by the Trust

All other costs and expenses specified in the Regulations and directives issued there under shall be charged to and borne by the Trust and shall be specified in the Offering Document.

16. Determination of Distributable Profits

- 16.1 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 Scheme received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Scheme under these Regulations.

Explanation.- 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 Companies Ordinance, 1984, the Regulations and the directives issued by the SECP. Wherever the requirements of Regulations or the directives issued by SECP differ with the requirement of IAS the Regulations and the said directives shall prevail.

The Management Company may also announce interim dividend subject to requirements of Regulations, circular and directives.

- 16.2 Out of the amount determined for the purpose of distributable income in respect of each Holder withholding tax, Zakat or other statutory levies, as may be applicable to the relevant Holder shall be deducted before distribution for the relevant Holder.
- 16.3 The Management Company may decide to distribute in the interest of the Holders, wholly or in part the distributable profits in the form of a stock dividend, which would comprise bonus Units of the Scheme. The bonus Units would rank *pari passu* as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units.
- 16.4 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Holder the certificate in respect of such deductions in the prescribed form or in a form approved or acquired by the concerned authorities.

17. Change of the Management Company

- 17.1 The SECP may, either at its own or on the recommendation of the Trustee or Unit Holders representing such percentage of the total Units in issue for the time being as may be prescribed by the Regulations, remove the Management Company in such manner and on the occurrence of such circumstances as are prescribed under the Regulations.

- 17.2 The Commission shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Rules and Regulations.
- 17.3 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and at least ninety (90) days prior notice to the Trustee and the Unit Holders.
- 17.4 Upon a new management company being appointed the Management Company will take immediate steps to hand over all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee. The Management Company shall have the right to receive its remuneration upto the effective date of removal or retirement.
- 17.5 Upon its appointment the new management company shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.
- 17.6 Furthermore, the Trustee may immediately in case of retirement, removal or cancellation of license of Management Company appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of financial institutions. The Trustee shall ensure that accounts of the Fund till the day of the appointment of the new management company are audited by such Auditor.
- 17.7 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 17.8 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or Commission.
- 17.9 The audit report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, Management Company and the new management company.
- 17.10 The costs of such audit shall be borne by the Fund.

18. Change of Trustee

- 18.1 The Trustee may, subject to the prior approval of the Commission, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of Trust Property of the Scheme by the newly appointed trustee, whichever is later.
- 18.2 In circumstances where the Commission is of the opinion that Trustee has

been in violation of the Regulations or this Trust Deed or found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the Trustee after giving an opportunity of being heard.

- 18.3 The Management Company may, giving cogent reasons, apply to the Commission for change of the Trustee by simultaneously proposing appointment of a new trustee. A new trustee shall be appointed when the Commission is satisfied with the circumstances and reasons for this change and accords approval for appointment of such a new trustee.
- 18.4 Upon the appointment of a new trustee the Trustee shall immediately hand over all the documents and records to the new trustee and shall transfer all the Trust Property and any amount held in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee. The Trustee shall have the right to receive its remuneration up to the effective date of its removal or retirement.
- 18.5 The new trustee shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 18.6 The Management Company may immediately in case of retirement or removal of Trustee appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of financial institutions. The Management Company shall ensure that accounts of the Fund till the day of the appointment of the new trustee are audited by such Auditor.
- 18.7 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 18.8 The auditors shall have the scope as may be specified by the Management Company or Commission.
- 18.9 The audit report for the audit shall be submitted by the auditors to the Management Company not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the Commission, the Trustee and the new trustee.
- 18.10 The costs of such audit shall be borne by the Fund.

19. Termination, Winding Up, Revocation and Liquidation of the Scheme

- 19.1 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.

19.2 The Trust may also be terminated/ revoked on the grounds given in the Rules and Regulations.

20. Base Currency

The base currency of the Scheme shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee or (subject to applicable law) any other Foreign Currency.

21. Modification of the Trust Deed

21.1 In case the amendments are proposed in the fundamental attribute of the Constitutive Document of an open end scheme including category of scheme, investment objective and policy, increase in management fee and increase in any load, the Management Company must give at least ninety days prior notice to each Unit Holder about the proposed change and the Unit Holders shall be given an option to exit at the applicable Net Asset Value without charge of any Exit Load.

21.2 The Trustee and the Management Company acting together shall be entitled by a Supplemental Deed to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject to the prior approval of the SECP and subject to the condition that it does not prejudice the interests of Unit Holders.

21.3 If, at any time, any Clause of this Trust Deed is, or becomes, in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of this Trust Deed, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

22. Audit

The Management Company shall appoint auditor in accordance with the requirements of the Regulations and directions issued there under.

23. Arbitration

In the event of any disputes arising out of or in connection with this Trust Deed or the Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed and the Offering Document of the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter

shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties hereto. The arbitrators and the umpire shall be selected from amongst retired judges, senior chartered accountants, or senior lawyers, or senior bankers or senior members of the Stock Exchange(s). The venue of the arbitration shall be Karachi or any other city in Pakistan as may be mutually agreed. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

24. Confidentiality

The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose any information or document which may come to their knowledge or possession in the discharge of their duties except when required to do so in the ordinary course of performance of their duties or by law or if compelled by any court of law or a competent authority.

25. Miscellaneous

- 25.1 Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post, by courier, email or any other electronic medium or left at his address as appearing in the Register. Any notice so served by post/courier/email or other electronic means shall be deemed to have been served on the day following that on which the letter containing the same is posted/sent by courier, by email or other electronic means upon receiving confirmation of receipt of such email or other electronic means and in proving such service, it shall be sufficient to prove that such letter was properly addressed, stamped (if required) and posted/sent by courier. The Management Company shall advertise any such notice in a newspaper widely published.
- 25.2 Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- 25.3 Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt/insolvent and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 25.4 A copy of this Trust Deed and of any Supplemental Deed shall be made available for inspection at the respective Head Offices of the Trustee and the Management Company at all times during usual business hours shall

be available at the Management Company website and shall be supplied by the Management Company to any person on application at a charge of Rs.100/- (Rupees One Hundred) per copy or at such rate as determined from time to time by the Management Company.

26. Definitions

Unless the context requires otherwise the following words or expressions when used in this Trust Deed shall have the meaning respectively assigned to them:

- 26.1 **"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.
- 26.2 **"Accounting Period"** means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.
- 26.3 **"Act"** means the Companies Act, 2017, including any substitution thereof.
- 26.4 **"Asset Management Company"** means an asset management company as defined in the Rules and Regulations.
- 26.5 **"Annual Accounting Period" or "Financial Year"** means the period commence on 1st July and shall end on 30th June of the succeeding calendar year
- 26.6 **"Auditor"** means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.
- 26.7 **"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.
- 26.8 **"Authorized Investments"** means any investment which may be authorized by the Commission but does not include restricted investments as specified in the Offering Documents from time to time.
- 26.9 **"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.
- 26.10 **"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.

- 26.11 "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).
- 26.12 "Business Day"** means any day (business hours thereof as specified in the Offering Document) on which Stock Exchange(s) is open for business in Pakistan.
- 26.13 "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.
- 26.14 "Constitutive Documents"** means the Trust Deed or such other documents as defined in the Regulations.
- 26.15 "Contingent Load"** means amount payable by the Unit Holder on redemption of Units, as specified in the Offering Document. Any such amount would be treated as part of the Trust Property.
- 26.16 "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 this 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.
- 26.17 "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 6.5 above.
- 26.18 "Conversion Unit Holder(s)"** mean(s) the shareholders of GASSFL to whom Conversion Units shall be issued pursuant to the Scheme of Arrangement.
- 26.19 "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.
- 26.20 "Cut Off Timings"** means day time for dealing in Units of the Fund.

The Details of Cut-off Time will be prescribed in Offering Document of the Fund.

- 26.21 "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 the 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).
- 26.22 "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).
- 26.23 "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.
- 26.24 "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.
- 26.25 "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.
- 26.26 "Exit Load"** means contingent load, back end load and any other charges as may be applied by Management Company.
- 26.27 "Financial Institution"** carries the same meaning as defined under the Companies Act, 2017.
- 26.28 "Force Majeure"** means any occurrence or circumstance or element

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

- 26.29 "Front End Load"** means the Sales Load which may be included in the Offer Price of the Units, as defined in Offering Document.
- 26.30 "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.
- 26.31 "Investment"** means any Authorized Investment forming part of the Trust Property.
- 26.32 "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.
- 26.33 "Net Assets"**, in relation to the Trust, means the excess of assets over liabilities of the Scheme as calculated in accordance with the Regulations.
- 26.34 "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.
- 26.35 "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 12.2 of this Trust Deed.
- 26.36 "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.

- 26.37 "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.
- 26.38 "Ordinance"** means the repealed Companies Ordinance, 1984.
- 26.39 "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 Offering Document of the Trust.
- 26.40 "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 Clause 12.3 of this Trust Deed.
- 26.41 "Register"** means the Register of the Unit Holder(s) kept pursuant to the Regulations and this Trust Deed.
- 26.42 "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);
 - c) issuing Certificates;
 - d) canceling old Certificates on redemption or replacement thereof;
 - e) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s);
 - f) issuing and dispatching of Certificates;
 - g) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends; and
 - h) Maintaining record of lien/pledge/charge on units, transfer/switching of units, Zakat.
- 26.43 "Regulations"** mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 as amended from time to time,
- 26.44 "Rules"** mean Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 or as amended from time to time.
- 26.45 "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.

- 26.46 "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.
- 26.47 "Securities Exchange"** means a public company that is licensed by the Commission as a securities exchange under Securities Act 2015”.
- 26.48 "Supplemental Deed"** means a deed supplemental to this 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 this 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 this Deed.
- 26.49 "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 the Offering Document.
- 26.50 "Transaction Costs"** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the 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.
- 26.51 "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.
- 26.52 "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.
- 26.53 "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.
- 26.54 "Trust Property"** means all properties, assets, investments, etc. of GASF as specified in Clause 10 above.
- 26.55 "Unit"** means one undivided share in the Trust, and where the context so indicates, a fraction thereof.

26.56 "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 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.

IN WITNESS WHEREOF THIS TRUST DEED has been executed at the date mentioned herein above.

The Common Seal of AKD Investment Management Limited was hereunto affixed by

1. _____
Name: _____
Designation: _____
CNIC No.: _____

2. _____
Name: _____
Designation: _____
CNIC No.: _____

The Common Seal of Central Depository Company of Pakistan Limited was hereunto affixed by

1. _____
Name: _____
Designation: _____
CNIC No.: _____

2. _____
Name: _____
Designation: _____
CNIC No.: _____

WITNESSES

1. _____
Name: _____
Signature: _____
CNIC No.: _____
Address: _____

2. _____
Name: _____
Signature: _____
CNIC No.: _____
Address: _____

ANNEXURE A



**Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department**

Licence No. AMCW/20/AKDIML/AMS/09/2016

Islamabad, December 06, 2016

**LICENCE TO CARRY OUT
ASSET MANAGEMENT SERVICES
AS NON-BANKING FINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to carry out **Asset Management Services** submitted by **AKD Investment Management Limited** under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules"), and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license of **AKD Investment Management Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **AKD Investment Management Limited** shall comply with the Companies Ordinance, 1984 and 2016, the Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and any directives, circulars, codes, notifications and guidelines issued by the Commission;
- (ii) **AKD Investment Management Limited** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws; and
- (iii) This license is valid for a period of three years **w.e.f. November 21, 2016** and shall be renewable every three years as specified in the Rules.


(Zafar Abdullah)
 Commissioner (SCD)

ANNEXURE B



J.S.C.-34.

CERTIFICATE OF INCORPORATION

(Under section 23 of the Companies Act, 1913 (VII of 1913))

No. S-365/7369. of 19 83.I hereby certify that GOLDEN ARROW SELECTED STOCKS FUND LIMITED

is this day incorporated under the Companies Act, 1913 (VII of 1913), and that the
company is limited by shares as a public company.

Given under my hand at Karachi.this 9th day of Mayone thousand nine hundred and Eighty-three.Fee Rs. 11980/-

Mohammad Ishaq Mallal
(MOHAMMAD ISHAQ MALLAL)
Joint Registrar,
Joint Stock Companies.
Sindh.

ANNEXURE C



GOLDEN ARROW SELECTED STOCKS FUND LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ("EOGM") of GOLDEN ARROW SELECTED STOCKS FUND LIMITED will be held on February 15, 2018 at 9:30 a.m. at the auditorium of the Institute of Chartered Accountants of Pakistan, Clifton Karachi, to transact the following business:

Special Business:

- To consider and if thought fit, to pass the following Resolutions, as Special Resolutions (with or without modification) by a majority of not less than three-fourth of such Members of the Company ("Shareholders") entitled to vote as are present in person, or by proxies or through video link, at the Meeting, for conversion of the Company (GOLDEN ARROW SELECTED STOCKS FUND LIMITED) from a Closed End Fund (Investment Company) to an Open End Scheme and to approve the "Scheme of Arrangement for Conversion of GOLDEN ARROW SELECTED STOCKS FUND LIMITED from a Closed End Fund to an Open End Scheme"; copy of the Scheme is annexed to the Notice of this EOGM ("the Scheme of Arrangement").

RESOLVED that, subject to the approval of the Securities and Exchange Commission of Pakistan ("the SECP"), the Shareholders of GOLDEN ARROW SELECTED STOCKS FUND LIMITED hereby approve the conversion of the Company from a Closed End Fund (Investment Company) to an Open End Scheme to be known as Golden Arrow Stock Fund, an equity fund as per the terms and conditions of the Scheme of Arrangement which be and is hereby approved, adopted and made part of this Special Resolution, subject to fulfillment of all legal and regulatory formalities.

RESOLVED FURTHER that the Company through its directors and officers as may be designated by its board of directors ("the Board") for such purpose and AKD Investment Management Limited (the "Management Company") and its concerned directors and officers as may be designated by the board of directors of the Management Company, shall prepare necessary documentation, including the Constitutive Documents of the proposed Open End Scheme containing such terms and conditions as the Board and the Management Company may deem appropriate, including as to issuance of Units of the Open End Scheme to new investors at the Offer Price based on Net Asset Value ("NAV") of the Open End Scheme with or without any Front End Load and redemption of Units at the redemption price based on the NAV of the Open End Scheme with or without Back End Load, as may be approved by the SECP and shall also select a Trustee for the Open End Scheme.

RESOLVED FURTHER that the Management Company shall be the asset management company of the Open End Scheme and be and is hereby authorized to appoint a Trustee for the Open End Scheme and to execute a trust deed with such Trustee with the approval of the SECP and to get the same registered with the Sub-Registrar. The Management Company is further empowered to get the Open End Scheme registered with the SECP as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended ("NBFC Regulations") and prepare and publish an Offering Document after seeking approval from the SECP.

RESOLVED FURTHER that the Company and the Management Company shall execute such other documents and deeds, as may be required for conversion of the Company into an Open End Scheme, obtain and fulfill all regulatory compliances, including approval from the SECP and fulfill, effectuate and do all such other acts, things and deeds.

RESOLVED FURTHER that the conversion of the Company into an Open End Scheme be effectuated by issuance of Units of the Open End Scheme to be constituted as above, to the Shareholders of the Company based on the swap ratio of 1:1 i.e. for each fully paid-up Share of the par value of Rs: 5/- of the Company, each Shareholder whose name is entered in the Register of Members of the Company on the Effective Date to be announced by the Board, be issued one Unit of the Open End Scheme of the par value of Rs: 5/- with no Front End Load, regardless of the Net Asset Value of the Company ("**Conversion Units**"), but subject to a Back End Load at the rate of 1.00% on redemption of Conversion Units prior to the expiry of six months from the date of issuance thereof, as provided in the Scheme of Arrangement; and upon issuance of the Conversion Units of the Open End Scheme, the Share Certificates of the Company be deemed to be cancelled and be of no effect.

RESOLVED FURTHER that after the completion of the conversion process, the Company be got struck off by the Registrar of Companies Company Registration Office, Karachi ("**CRO**") from the Register of Companies under Section 425 of the Companies Act, 2017 ("**Act**") or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by the Board and be dissolved automatically without formal winding up, as and how the SECP may permit or direct.

RESOLVED FURTHER that the Company through its directors and officers as may be designated by the Board and/or through the directors and officers of the Management Company, be and is hereby further authorized to prepare and effectuate a timeline for completing the conversion formalities, including as to book closure, issuance of Units of the Open End Scheme to the then existing Shareholders of the Company in lieu of the shares held by them, to make necessary disclosures and announcements from time to time and to represent the Company to the SECP, the Registrar of Companies and the Pakistan Stock Exchange without the need for any further approvals of the Shareholders.

RESOLVED FURTHER that the Board and the Management Company be and are hereby empowered to agree upon modifications in this Special Resolution or changes in the Scheme of Arrangement that are not of substantive nature or the timeline for completing the conversion formalities that may be required by the SECP and acceptable to the Board and the Management Company without the need for any further approvals of the Shareholders.

RESOLVED FURTHER that all the terms and conditions of the Scheme of Arrangement be and are hereby made part of this Special Resolution and be effectuated and implemented by the Board in true letter and spirit, as may finally be approved by the SECP.

RESOLVED FURTHER that in case the Special Resolution or the Scheme of Arrangement is not approved by the SECP on terms approved by this Special Resolution or any modification that may be accepted by the Board and/or the Management Company, then the Special Resolution and the Scheme of Arrangement shall cease to be effective and the Company shall continue as a Closed End Fund (Investment Company) under the Act and the NBFC Regulations.

2. To consider and pass any additional or supplemental resolution(s) in relation to the conversion of the Company into an Open End Fund, as may be approved or considered necessary by the Shareholders, with the permission of the Chair.

Karachi: January 25, 2018

By order of the Board

Muhammad Yaqoob
Company Secretary

NOTES:

1. The Register of Members will remain closed from February 08, 2018 to February 15, 2018 (both days inclusive). Physical scrips transfers/ CDS transaction IDs received in order at the office of Share Registrar, JWAFPS Registrar Services (Pvt.) Limited, 407-408, Al Ameera Center, Shahrah-e-Iraq,

ANNEXURE D

SCHEME OF ARRANGEMENT FOR CONVERSION OF GOLDEN ARROW SELECTED STOCKS FUND LIMITED FROM A CLOSED-END FUND TO AN OPEN-END SCHEME

I. PRELIMINARY

1.1 Definitions

In this Scheme of Arrangement, unless the subject or context requires otherwise, the following expressions shall have the meanings assigned to them, as below:

"**Act**" means the Companies Act, 2017, including any substitution thereof.

"**GASF Undertaking**" means the business, operations, affairs, properties, assets, securities, liabilities, receivables, contracts, etc. of GASF, as outlined in Article IV of this Scheme of Arrangement.

"**GASF**" 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.

"**GASF's Board**" means the Board of Directors of Golden Arrow Selected Stocks Fund Limited.

"**Closed End Fund**" means an Investment Company or a Closed End Scheme as defined in the NBFC Regulations.

"**Constitutive Documents**" mean the trust deed, the offering document and other principal documents governing the formation of the proposed Open End Scheme, including all related material agreements.

"**Effective Date**" means the date following the expiry of the book closure to be announced specifically for the purpose of conversion, by GASF'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.

"**Management Company**" means AKD Investment Management Limited an unlisted public limited company licensed to provide asset management and investment advisory services under the NBFC Rules and NBFC Regulations, which is already acting as the management company of GASF.

"**NAV**" mean Net Asset Value.

"**NBFC Regulations**" mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008 including any amendments and substitutions thereof.

"**NBFC Rules**" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, including any amendments and substitutions thereof.

"**Open End Scheme**" means an equity scheme to be constituted as a trust by the Management Company in consultation with the Directors of GASF under the name of "**Golden Arrow Stock Fund**" initially for taking over GASF Undertaking and issuing Units to the Shareholders of GASF in lieu of the shares held by them, at the swap ratio mentioned in this Scheme of Arrangement and subsequently offering and redeeming Units continuously as specified in the Constitutive Documents in accordance with the provisions of the NBFC Rules and the NBFC Regulations.

"**Scheme of Arrangement**" means this Scheme of Arrangement for Conversion of Golden Arrow Selected Stocks Fund Limited from a Closed End Fund to an Open End Scheme.

"**SECP**" means the Securities and Exchange Commission of Pakistan and shall include any successor body thereof.

"**Special Resolution**" shall have the same meaning as embodied in Section 2(1)(66) of the Act.

"**Trustee**" means a trustee to be appointed by the Management Company for the Open End Scheme with the approval of the SECP, in accordance with the provisions of the NBFC Regulations.

"**Unit**" means one undivided unit in the Open End Scheme on *pari passu* basis.

1.2 **Background:**

- (i) GASF is a public limited company listed at the Pakistan Stock Exchange. GASF is 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 NBFC Rules and the NBFC Regulations. GASF Board, upon the recommendation of the Management Company and after thorough deliberations, having considered the current investment climate and weighing all the pros and cons, had initially at its meeting held on September 21, 2017 considered and approved conversion of GASF from an Investment Company into an Open End Scheme, subject to all regulatory approvals and compliance with all statutory requirements.
- (ii) GASF's Board at a meeting held on January 09, 2018, approved this Scheme of Arrangement and decided to convene an Extra Ordinary General Meeting ("**EOGM**") of GASF on February 15, 2018 to place this Scheme of Arrangement for the approval of the Shareholders of GASF by a Special Resolution, subject to the fulfillment of all legal and regulatory requirements. As such, this Scheme of Arrangement is being laid before the Shareholders of GASF at the EOGM.
- (iii) Earlier, pursuant to Regulation 65 of the NBFC Regulations, as it existed at the relevant time, an Extra Ordinary General Meeting of the Shareholders of GASF was convened on 31-01-2013 whereat Ordinary Resolution-A was proposed for converting the Company into an Open End Scheme and in the alternate Special Resolution-B was proposed for winding up of GASF. Both the proposed Resolutions were out rightly rejected by overwhelming majority of Shareholders.
- (iv) The SECP was not satisfied and directed GASF to implement Regulation 65. Therefore, GASF filed a Constitution Petition No.753 of 2013 in the High Court of Sindh at Karachi, which is still pending. The High Court was also pleased to grant an interim injunction which still holds the field. The directors of GASF have however now decided to voluntarily convert GASF into an Open End Scheme in deference to the wish of the SECP to either wind-up GASF or to convert into an Open End Scheme and in the interest of the Shareholders. Therefore, upon conversion of GASF into an Open End Scheme in terms of this Scheme of Arrangement, the pending Constitution Petition filed by GASF will become infructuous and will therefore be withdrawn with no orders as to costs. However, if the SECP does not permit the conversion of the Company into an Open End Scheme in terms of the Scheme of Arrangement as annexed to the Notice of the Meeting, then the Petition will be perused by the Company and the holding of this EOGM and passing of the special resolution by the Shareholders shall be without prejudice to the Company's legal position in the Petition.

II. **CAPITAL**

The authorized share capital of GASF is Rs:1,250,000,000/ (Rupees One Billion Two Hundred and Fifty Million only) divided into 250,000,0000 (Two Hundred and Fifty Million) 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 and Ninety One Thousand Seven Hundred and Twenty) are issued and fully paid.

III. **OBJECT OF THIS SCHEME**

The object of this Scheme of Arrangement is to convert GASF from a Closed End Fund to an Open End Scheme by:

- constitution of an Open End Scheme under the NBFC Regulations by the Management Company which shall also be the Management Company of the Open End Scheme;
- the transfer to and vesting in the Open End Scheme through its Trustee the whole of GASF Undertaking;
- the issue of Units of the Open End Scheme to the registered shareholders of GASF based on the swap ratio of 1:1 as mentioned hereafter, and
- getting the GASF's name struck off by the Registrar of Companies, Company Registration Office from the Register of Companies under Section 425 of the Act or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by GASF, without winding up or as and how the SECP may permit or direct.

IV. TRANSFER TO AND VESTING IN THE OPEN-END SCHEME THE ENTIRE UNDERTAKING OF GASF ("GASF UNDERTAKING")

- I. The GASF Undertaking to be transferred to and vested in the Open End Scheme shall be inclusive of but not limited to the following:
 - (a) All operations and affairs of GASF.
 - (b) All properties and assets of GASF of every kind and description, real, corporeal and incorporeal, tangible and intangible of every kind and description in possession or power of GASF, including stocks, shares, securities, investments, contracts, receivables, book debts, accrued income, dividends, profits, mark-up, etc. on GASF's investments, cash and bank balances, reserves, capital reserves, un-appropriated profits, deposits, etc. whether present or contingent or accrued or accruing of whatsoever nature and wherever situated and howsoever due or accruing.
 - (c) All intellectual property rights, such as trademarks, copyrights, software, trade name, trade styles, secret processes, confidential information and other proprietary and intangible assets and rights therein, owned by or licensed to GASF, if any.
 - (d) All sanctions, consents, licenses, privileges and authorizations, sanctions, permissions, NOCs, etc. issued by the Federal, Provincial or Local Governments, etc., to the extent the same can be obtained by or issued to an Open End Scheme under the provisions of the Act, the NBFC Rules and the NBFC Regulations and securities, deposits, etc., given thereagainst, if any.
 - (e) All book-debts and accounts receivables and actionable claims of GASF, including those of trade debtors, suppliers and service providers and the advances, prepayments or deposits made or paid to them.
 - (f) All bank accounts maintained by GASF as well as by the Management Company for and on behalf of GASF with banks and financial institutions with all bank balances, including cash-in-hand, securities, deposits and investments.
 - (g) All custodial accounts, IPS accounts and other accounts maintained by GASF.
 - (h) All contracts and agreements of with any third parties whatsoever.
 - (i) All refunds and adjustments of income tax and all other taxes, duties and assessments of owing or due to GASF.
 - (j) All authorizations, rights, powers, privileges and interests of GASF arising out of such properties, assets and investments, documented or undocumented or otherwise including executed and executory contracts.
 - (k) All legal and title deeds and documents in respect of moveable properties and immoveable properties (if any) and securities and other assets, tenancy/lease rights or executed or issued in favour of or appertaining to or to which GASF may be a party thereto or in which GASF may have any right, title, interest, obligation or liability there under.
-

- (l) All corporate, tax and other books, records, registers, instruments and papers of every kind maintained by or on behalf of GASF.
- (m) All claims, refunds and securities accrued or accruing to GASF in respect of any taxes, rates, duties or assessments of any kinds, including advance payments or collections.
- (n) All decrees, judgments and orders passed in favour of GASF by any court, tribunal or lawful authority in relation to any matter concerning GASF.
- (o) All other assets/obligations/entitlements/agreements not covered above.
- (p) All liabilities, accounts payable and obligations of every kind and description, including but not limited to debts payable, borrowings, including bank borrowings, mortgages, charges and securities created thereagainst (if any), taxes, duties accrued or continuing to accrue or earmarked from time to time for payment, if any and whether arising out of contracts, deeds, instrument, bonds, guarantees, sanctions, licenses or otherwise and whether subsisting or contingent, accrued or continuing to accrue or which at any time be due and payable to creditors, if any.

V. CONVERSION

1. GASF through its directors and officers as may be designated by GASF's Board for such purpose and the Management Company and its concerned directors and officers as may be designated by the Board of Directors of the Management Company, shall prepare necessary documentation, including the Constitutive Documents of the proposed Open End Scheme containing such terms and conditions as GASF's Board and the Board of Directors of the Management Company may deem appropriate, including as to issuance of Units of the Open End Scheme to investors at the Offer Price based on NAV of the Open End Scheme with or without any Front End Load and redemption of Units at the redemption price based on the NAV of the Open End Scheme with Back End Load as may be approved by the SECP. The Units issued to the Shareholders of GASF upon its conversion into an Open End Scheme shall be subject to the Back End Load as given in Clause VII hereinafter. The Management Company shall also appoint the Trustee for the Open End Scheme.
2. The Management Company shall be the asset management company of the Open End Scheme. The Management Company shall execute a trust deed with the Trustee with the approval of the SECP and get the same registered with the Sub-Registrar. The Management Company shall get the Open End Scheme registered with the SECP as a Notified Entity under the NBFC Regulations and prepare and publish an Offering Document after seeking approval from the SECP. GASF and the Management Company shall also execute such other documents and deeds, as may be required for conversion of GASF into an Open End Scheme, obtain and fulfill all regulatory compliances, including approval from the SECP and fulfill, effectuate and do all such other acts, things and deeds.

VI. TRANSFORMATION

On and from the Effective Date:

- (i) The GASF Undertaking as defined above shall become part of the Open End Scheme. The Open End Scheme shall have the right through its Trustee to *inter alia*, perform all contracts, recover, realize and enforce all respective debts and receivables, pay debts and liabilities and perform all obligations of GASF.
 - (ii) Subject to Clause I.1.2(iv) above, all suits, appeals, petitions, applications, execution applications and other legal proceedings of whatsoever nature, pending (if any) in any court or tribunal of up to the highest jurisdiction by or against GASF shall be continued to be pursued, prosecuted, enforced or defended, as the case may be, by the Trustee of the Open End Scheme in the same manner and to the same extent as that would or might have been prosecuted, enforced or defended by or against GASF, which shall not be abated or discontinued or in any manner be prejudiced or be affected adversely by the provisions of this Scheme of Arrangement.
-

- (iii) All refunds, credits or payments, receivables on account of taxes, including income tax, for and in respect of GASF shall stand transferred to and be vested in the Open End Scheme.
- (iv) Capital reserves, revenue reserves and un-appropriated profits in the books of GASF shall constitute capital reserves, revenue reserves and un-appropriated profits of the Open End Scheme and shall stand transferred to and be vested in the Open End Scheme.
- (v) All securities held by GASF for payment or discharge of any debts or liabilities shall be transferred to and vest in Open End Scheme and shall continue to subsist and remain in full force and effect.
- (vi) All investments and assets of GASF shall be registered in the name of Open End Scheme and the custody of all securities, investments, documents, records, and other properties held by GASF shall stand vested in the Trustee of the Open End Scheme on the Effective Date and the rights and obligations of GASF in relation thereto shall on that date become rights and obligations of the Open End Scheme to be managed by the Management Company.
- (vii) The Open End Scheme shall be known as *Golden Arrow Stock Fund*.

VII. ISSUANCE OF UNITS

1. The conversion of GASF into an Open End Scheme shall be effectuated by issuance of Units of the Open End Scheme to be constituted as above, to the shareholders of GASF based on the swap ratio of 1:1 i.e. for each fully paid-up share of the par value of Rs: 5/- of GASF, each shareholder whose name is entered in the Register of Members of GASF on the Effective Date to be announced by the GASF's Board shall be issued fully paid-up one Unit of the Open End Scheme of the par value of Rs: 5/- with no Front End Load, regardless of the NAV of GASF ("**Conversion Units**"). The Conversion Units shall be credited as fully paid up. Upon the issuance of the Conversion Units of the Open End Scheme, the shares of GASF and the corresponding share certificates shall be deemed to be cancelled and of no effect. Therefore, the status of the Shareholders of GASF shall stand changed to the Unit Holders of the Open End Scheme upon issuance of the Conversion Units.
2. Redemption of Conversion Units mentioned in Clause VII.1 above, during the first six months from the date of issuance thereof shall however be subject to deduction of Back End Load of 1.00% of the NAV of the Open End Scheme. No load on redemption of Conversion Units shall be charged after six months from the date of issuance. The Back End Load shall form part of the trust property of the Open End Scheme.
3. After issuance of the Conversion Units to the Shareholders of GASF, the Open End Scheme shall offer and redeem new Units to investors on a continuous basis as any other open-end scheme. The Offer and Redemption Price 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.

VIII. STATUS OF GASF

After the completion of the conversion process, GASF's name shall be got struck off by the Registrar of Companies, Company Registration Office from the Register of Companies under Section 425 of the Act or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by GASF's Board and GASF will be dissolved automatically without the winding up process as and how may be considered appropriate by GASF's Board and permitted by the SECP.

IX. NOTICE TO MEMBERS FOR ISSUANCE OF SHARES

1. There shall be issued and published a seven (7) days notice to each shareholder of GASF of the date to be fixed by GASF's Board by reference to which, the registered holders

of the Ordinary Shares of GASF are to be determined for entitlement to the Conversion Units of the Open End Scheme. Such shares whether in physical form or registered in CDC as book entry securities shall stand automatically cancelled on the Effective Date against issuance of Conversion Units.

2. The issuance of Conversion Units of the Open End Scheme by the Management Company of the Open End Scheme shall be made on the date so notified and the Units shall be issued and delivered as soon as practicable thereafter and notices shall be sent to the shareholders of GASF by registered post at their respective registered addresses.

X. CREDITORS/FIXED ASSETS

1. GASF and the Management Company hereby declare that there are no outstanding liabilities of any nature owed by GASF to any third party, except for the current audit fee and expense, management fee, custodial charges, SECP fee etc. which shall be got cleared by GASF prior to its dissolution or will be transferred to the Open End Scheme.
2. GASF and the Management Company hereby declare that GASF has no immovable properties or other fixed assets or vehicles.

XI. CERTAIN OBLIGATIONS, REPRESENTATIONS AND INDEMNIFICATION

Upon conversion, the Management Company shall take all necessary and expedient steps to properly and efficiently manage the affairs of the Open End Scheme in accordance with the provisions of the NBFC Regulations, notifications issued by the SECP from time to time and the Act.

XII. BENEFITS OF CONVERSION

Historically, the Closed End Funds trade at some discount to their NAV. In order to provide liquidity to the shareholders, this Scheme of Arrangement for Conversion is provided. The conversion would also allow the Management Company to market the Fund to the new investors by issuing the fresh Units.

XIII. FINANCIAL INFORMATION OF GASF

The total assets, shareholders' equity Profit after tax of GASF, as shown in its audited accounts for the year ended June 30, 2017 and audited accounts for each of the preceding five years and the dividends paid in each such year were:-

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|
| | ----- Rupees '000 ----- | | | | | |
| Total Assets | 2,003,954 | 1,830,244 | 1,858,589 | 1,756,501 | 1,657,051 | 1,160,063 |
| Shareholders' equity | 1,891,098 | 1,714,315 | 1,744,806 | 1,666,697 | 1,602,002 | 1,134,946 |
| Profit After Tax | 838,410 | 159,632 | 564,823 | 734,748 | 802,871 | 290,165 |
| Dividends | 88% | 21% | 69% | 86% | 42% | 24% |

XIV. Investment Policy

The Investment Policy of the Golden Arrow Stock Fund would be an Open-end Equity Scheme in accordance with the Circular No. 07 of 2009 dated March 06, 2009 that states that:

1. At least 70% of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis;
2. The remaining net assets shall be invested in cash and/ or near cash instruments which include cash in bank accounts (excluding TDRs), and treasury bills not exceeding 90 days maturity;
3. It shall not take exposure to Margin Trading System.

XV. Management Fee

An annual management fee of two percent of the average annual net assets of the GASF calculated on a daily basis in the manner as specified by the SECP shall be applicable.

XVI. MISCELLANEOUS

1. Pending the conversion, GASF shall not issue any rights shares or alter the share capital in any manner.
2. This Scheme is subject to the final sanction of the SECP after the approval of the Shareholders of GASF by a Special Resolution. This Scheme may be sanctioned in its present form or with any modifications thereof or additions thereto, as GASF Shareholders may approve and this Scheme, with such modifications or additions, if any, which shall be deemed to be part of this Scheme.
3. Upon completion of the Conversion of GASF into an Open End Scheme, the Asset Management Agreement dated December 11, 2015 between GASF and the Management Company shall stand terminated.
4. Upon completion of the conversion, the present Custodial Services Agreement between GASF and Central Depository Company of Pakistan Limited shall also stand terminated and the assets transferred to the Open End Scheme shall be held by its Trustee in accordance with the NBFC Regulations.
5. The GASF's Board, as well as the board of directors of the Management Company shall have the discretion, but shall not be bound to accept jointly on behalf of all concerned to any modifications of or additions to this Scheme of Arrangement or to any conditions, which the SECP may think fit to impose without the need of obtaining further approval from the shareholders of GASF.
6. All costs of conversion of GASF into an Open End Scheme, including preparation, execution and registration of Constitutive Document, registration of the Open End Scheme as a Notified Entity, approval of the SECP for publication of the Offering Documents and other such matters shall be charged to GASF as conversion costs. The conversion costs shall be paid prior to the transfer of GASF Undertaking to the Open End Scheme, or as may be permitted by the SECP.
7. This Scheme of Arrangement shall become effective from the Effective Date, subject to the attainment of regulatory approvals and fulfillment of all legal and regulatory formalities.
8. In case this Scheme of Arrangement is not approved by the Shareholders of GASF by Special Resolution or is not sanctioned by the SECP for any reason whatsoever, then this Scheme of Arrangement shall become null and void and in that event no additional rights or liabilities shall accrue to or be incurred by GASF and/or the shareholders of GASF or the Management Company consequent to this Scheme of Arrangement and neither the legal position of GASF in the pending Constitution Petition will be jeopardized in any manner.
9. The Directors and Chief Executive of GASF (Company), who are acting in good faith and in the interest of the Shareholders of GASF, will not be liable in their personal capacities in any manner whatsoever, if this Scheme of Arrangement is not approved by the Shareholders, or by the SECP, or in case any resentment is expressed by any Shareholder(s) or other concerned person(s), or consequent proceedings are initiated against them or the Company by virtue of the conversion of GASF into an Open End Scheme, whether raised during the course of conversion or thereafter.

By the order of the Board of Directors of Golden Arrow Selected Stocks Fund Limited pursuant to the meeting held on January 09, 2018.

For Golden Arrow Selected Stocks Fund Limited

Dated: January 09, 2018

Muhammad Yaqoob
Company Secretary

Annexure E

**TARIFF STRUCTURE FOR OTHER OPEN SCHEMES:
REMUNERATION OF TRUSTEE AND ITS AGENTS**

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

| NET ASSETS (Rs.) | TARIFF |
|-------------------------|--|
| Up to 1 billion | Rs. 0.7 million or 0.20% p.a. of Net Assets, whichever is higher. |
| 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 F

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/GASSFL/297/2019

February/4/2019

Chief Executive Officer
Golden Arrow Selected Stock Fund Limited,
216-217, Continental Trade Center,
Block 8, Clifton,
Karachi.

Subject: Approval for conversion of Golden Arrow Selected Stock Fund Limited into an Open-End Scheme in terms of Regulation 65 of the NBFC and NE Regulations, 2008

Dear Sir,

Please refer to your letter dated January 25, 2019 and subsequent email dated February 4, 2019 on the captioned subject.

In this regard, I am directed to convey that the Securities and Exchange Commission of Pakistan after considering your application in light of the notices of the EOGM, resolution passed by the shareholders and minutes of the EOGM of Golden Arrow Selected Stock Fund Limited (GASSFL) has approved the conversion of GASSFL (a closed-end fund) into an Open-end Schemes in terms of Regulation 65 (4) of the Non-Banking Finance Companies and Notified Entities Regulations 2008 (the 'Regulations') on the following conditions:

1. The effective date for the conversion of GASSFL into open-end scheme shall be no later than July 01, 2019.
2. Conversion cost shall be charged to Golden Arrow Selected Stock Fund (GASSF) immediately on the effective date and shall not be amortized.
3. The Asset Management Company (AMC) shall submit constitutive documents of GASSF under trust structure for the approval of the Commission and comply with all other relevant regulations before announcement of Book Closure date for the purpose of effective date of conversion.
4. Back-end load charged as approved by the shareholder in the EOGM shall form part of trust property of GASSF.
5. The AMC shall comply with all the relevant laws/by-laws applicable on GASSFL as an Investment Company (IC) regarding its conversion and subsequent winding up/dissolution.
6. All the deposited property asset and liabilities along with allied balances of GASSFL shall be transferred to the trustee of GASSF on the effective date.
7. The AMC shall immediately upon transfer of all the deposited property, asset & liabilities along with allied balances to the trustee of GASSF, appoint auditors (other than the existing auditors designated as "A" category by State Bank of Pakistan. The auditors so appointed shall report that all the documents, records, assets, liabilities, allied balances in IC on effective date are accurately and properly transferred to the trustee by the custodian and IC is a defunct company. The report

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4 Ext. 309 - Fax. No. 9218590



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

of the auditor shall be submitted by the AMC to this office within 30 business days from the appointment of auditors.

8. Upon receipt of the auditor report, the AMC shall apply to the registrar of companies where GASSFL is registered as IC for striking off its name in terms of Section 425 or Section 426 of the Companies Act, 2017.

Yours truly,

Wazir
Wazirzada Yasir A. Khan
Deputy Director

Cc: Chief Executive Officer,
Central Depository Company of Pakistan Limited,
CDC House 99-B, Block 'B'
S.M.CH.S, Main Shakra-e-Faisal,
Karachi

Chief Executive Officer
AKD Investment Management Limited,
216-217, Continental Trade Center,
Block 8, Clifton,
Karachi.

"Say no to Corruption"

ANNEXURE G



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/AKDIML/GASSF/395/2019

May 03, 2019

Chief Executive Officer
AKD Investment Management Limited,
216-217, Continental Trade Center,
Block B, Clifton,
Karachi.

Subject: Approval of Central Depository Company of Pakistan Limited as Trustee Golden Arrow Stock Fund (subsequent to approval of conversion from Closed End to Open End Scheme)

Dear Sir,

I am directed to refer to the application dated April 24, 2019 and subsequent email dated April 26, 2019 received from AKD Investment Management Limited and to convey the approval of Securities and Exchange Commission of Pakistan for the appointment of Central Depository Company of Pakistan Limited to act as Trustee of the Golden Arrow Stock Fund in terms of Regulation 39 of the Non-Banking Finance Companies and Notified Entities Regulations 2008.

Yours truly,


Wazirzada Yasir A. Khan
Deputy Director

Cc: Mr. Atiqur Rehman
Head of Trustee and Custodial Operations,
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahr-e-Faisal,
Karachi.

"Say no to Corruption"

ANNEXURE –H



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/AKDIML/GASSF/396/2019

May 03, 2019

Chief Executive Officer
AKD Investment Management Limited,
216-217, Continental Trade Center,
Block 8, Clifton,
Karachi.

Subject: Approval for Trust Deed of Golden Arrow Stock Fund (subsequent to approval of conversion from Closed End to Open End Scheme)

Dear Sir,

I am directed to refer to the application dated April 24, 2019 whereby AKD Investment Management Limited has submitted the draft trust deed of Golden Arrow Stock Fund (the "Fund") to be executed between AKD Investment Management Limited (the "Management Company") and Central Depository Company of Pakistan Limited (the "Trustee").

In this regard, the Securities and Exchange Commission of Pakistan is pleased to convey the principle approval for the registration of trust deed of Fund enclosed with the above-referred application under the Trusts Act, 1882 in terms of Regulation 44(3) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The principle approval to the draft trust deed is without prejudice to the conditions and the requirements stipulated in the license issued in favor of the Management Company, the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and Non-Banking Finance Companies, and Notified Entities Regulations 2008. Further action will be taken on receipt of duly registered copy of the trust deed.

Yours truly,


Wazirzada Yasir A. Khan
Deputy Director

"Say no to Corruption"

Cc: Mr. Atiqur Rehman
Head of Trustee and Custodial Operations,
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahr-e-Faisal,
Karachi.