

TRUST DEED

THIS TRUST DEED is made and entered into at Karachi, on this 17th Day of September 2009.

1. Name and Category of Open End Scheme

NIT Income Fund

NIT Income Fund shall be an Open End Income Fund

2. Participating Parties and Constitution of the Trust

I. National Investment Trust Limited, a public limited company incorporated under the Companies Ordinance, 1984, having its registered office at 6th Floor, NBP Building, I.I. Chundrigar Road, 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, SMCHS, Main Shakra-e-Faisal, Karachi and registered to act as a central depository under the Central Depository Companies (Establishment & Regulation) Rules, 1996 (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 incorporated and 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”) for the purpose of undertaking asset management services (License No. NBFC-II/10/NITL/AMS/07 dated April 24, 2009 attached hereto as Annexure “A”).
- B. The Management Company has been authorized by the SECP vide its letter bearing reference No. NBFC-II/NITL/865/2009 dated September 15, 2009 attached herewith as Annexure “B” to constitute the Trust under the name and title of “NIT INCOME FUND” (hereinafter referred to as “the Scheme” or “the Trust” or “the Unit Trust” or “the Fund”) and to register this Trust Deed (“the Deed”), pending authorization for the establishment, operation and registration as

notified entity of the Scheme in accordance with the provisions of the Ordinance, Rules and Regulations and this Trust Deed;

- C. The Management Company has nominated and appointed Central Depository Company of Pakistan Limited as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship as per Annexure “C” attached herewith;
- D. The SECP has also approved the appointment of the Trustee vide its letter bearing reference No. NBFC-II/NITL/866/2009 dated September 15, 2009 attached herewith as Annexure “D”;
- E. Unless the context requires otherwise, the defined terms, words and expressions shall have the meaning respectively assigned to them in Clause 26 hereof:

3. GOVERNING LAWS

- 3.1 This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, Rules, Regulations and all applicable laws and regulations as amended or replaced from time to time and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and Regulations shall be deemed to have been incorporated in this Trust Deed and in the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Rules and Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed.
- 3.2 Subject to the Arbitration Clause 25.2 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.

4. FOR THE TRUSTS

Binding on Unit Holders: The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Unit Holder, as if he had been a party to it and so to be bound by its provisions and each Unit Holder 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.

Limited Liability: A Unit Holder is not liable to make any further payments after he has paid the Purchase Price/Offer Price of his Units and no further liability can be imposed on Unit Holders in respect of Units they hold except those as covered under the Deed.

Unit Holders Ranking Pari Passu: The Trustee shall hold and stand possessed of the Fund 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 Holders ranking pari passu inter se, according to the number of Units held by each Unit Holder.

Trustee Reports to Unit Holders: The Trustee shall report to the Unit Holders in accordance with the Regulations, including a statement as to whether, in its opinion, the Management Company has in all material respect managed the Scheme in accordance with the provisions of the Rules, the Regulations and this Deed. And if, in the Trustee's opinion, the Management Company has not done so, the Trustee's report shall describe the respect in which the Management Company has not done so and the steps the Trustee has taken in respect thereof.

5. STATEMENT OF OBJECTIVE AND OUTLINE OF INVESTMENT POLICY OF THE OPEN END SCHEME:

OBJECTIVE OF THE FUND:

The objective of NIT Income Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in fixed income Securities/instruments.

INVESTMENT POLICY:

NIT Income Fund inline with its investment objective would invest in following asset classes

- a. Securities issued by Government of Pakistan
- b. Money Market Placement,
- c. Deposits
- d. Certificate of Deposits (CODs)
- e. Certificate of Musharkas (COMs)
- f. TDRs
- g. Commercial Paper
- h. Reverse Repo
- i. TFCs
- j. Sukuk
- k. CFS
- l. Spread Transactions and
- m. Cash in Bank Account

However, weighted average time to maturity of the net assets shall not exceed 4 years and this condition shall not apply to securities issued by the Federal Government; and

No restriction regarding:

- Time to maturity of any single asset in the portfolio

- Duration of a single security in the portfolio

The investment in above asset classes shall be subject to such Exposure limits and minimum ratings, where applicable, as specified in the Offering Documents, SECP directives, the Rules and the Regulations unless relaxed by the Commission.

All Fund Property, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account or to be kept for meeting the redemption requirements, shall be applied by the Trustee from time to time in such Authorized Investments as may (subject to the provisions of Constitutive Documents, and the Regulations) be directed by the Management Company.

Any Investment may at any time be disinvested at the discretion of the Management Company to provide funds required for the purpose of any provision of the Constitutive Document or in order to retain the proceeds of sale in cash deposit as aforesaid or any combination of the aforesaid.

Benchmark

The Performance of NIT Income Fund would be compared against 6 month KIBOR

6. ROLE OF MANAGEMENT COMPANY

6.1. DUTIES AND POWERS OF THE MANAGEMENT COMPANY

6.1.1 The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules, the Regulations, this Trust Deed and the Offering Document

6.1.2 The Management Company has the primary responsibility for all record keeping, regular determination of announcement of prices and for producing financial reports from time to time. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

6.1.3 The responsibilities of the Management Company are to invest and manage the assets of the Fund in the interest of the Unit Holders, according to the provisions of this Deed, the Offering Document, the Rules and the Regulations in good faith, to the best of its ability, and without gaining any undue advantage for itself or any of its related parties including connected persons and group companies or its officers.

6.1.4 The Management Company shall appoint a qualified fund manager and

constitute an investment committee in accordance with the provisions of the Regulations to invest and manage assets of the Fund. The investment committee shall be responsible to the Chief Executive of the Asset Management Company and the Chief Executive shall ensure that Committee functions effectively.

- 6.1.5 The Management Company shall comply with the provisions of the Rules, the Regulations, this Deed and Offering Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company.
- 6.1.6 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any single Broker.
- 6.1.7 The Management Company shall be liable to the Trustee for any loss in value of the Fund Property where such loss has been caused by its willful act and/or omission or by its officers or agents.
- 6.1.8 Any purchase or sale of Investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company, unless such instructions are in conflict with the provisions of this Deed or the Rules or the Regulations. The Management Company shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 6.1.9 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issues of Units and paid out by the Scheme on redemption of Units and by way of distributions and pay out at the termination of the Scheme;
- 6.1.10 The Management Company shall prepare and transmit the annual report (physically or subject to SECP approval through electronic means or on the web) in such form and manner as set out in Regulations as amended or substituted from time to time.
- 6.1.11 The Management Company shall prepare and transmit quarterly reports (physically or subject to SECP approval through electronic means or on the web) in such form and manner as set out in Regulations as amended or substituted from time to time.

- 6.1.12 The Management Company shall maintain a record of Unit Holders of the Scheme and inform the Trustee and the Commission of the address where the Register is kept. However, the Management Company may appoint a Registrar, as its agent, to maintain the register and may, from time to time, (with the intimation to the Trustee and the Commission) remove or replace the Registrar.
- 6.1.13 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 6.1.14 The Management Company shall with the consent of the Trustee appoint at the establishment of the Scheme and upon any vacancy, the Auditor, who shall be independent of the auditors of the Management Company and of the Trustee. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.
- 6.1.15 The Management Company shall not be under any liability, except such liability as may be expressly assumed by this Deed or liability imposed under the Rules and the Regulations, nor shall the Management Company (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. The Management Company shall also not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 6.1.16 The Management Company shall, under intimation to the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying out the Distribution Function(s) at one or more locations locally or internationally. Provided the Management Company and its affiliates may also perform Distribution Function(s) and act as a Distribution Company (ies). The Management Company shall ensure, where it delegates the Distribution Function, that the Distributors to whom it delegates, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the commission and are abiding by the code of conduct prescribed by the association(s) and the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.
- 6.1.17 The Management Company shall obtain rating of the Fund, once it becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated once every year and shall be disclosed in

the annual and quarterly reports.

- 6.1.18 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 its website. The Management Company shall receive the said applications only at such designated points.
- 6.1.19 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.
- 6.1.20 The Management Company shall announce the Net Asset Value (NAV) of the Scheme as per Regulations or direction of SECP.
- 6.1.21 The Management Company shall clearly specify cut-off timings (for acceptance of application forms of issuance, redemption, conversion etc of units of the Scheme) in the Offering Document, on its web site and at designated points. Such cut-off timing shall uniformly apply on all Unit Holders.
- 6.1.22 The Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:
- (a) cash settled transaction based on the formal issuance and redemption requests
 - (b) net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).

7. CHANGE OF MANAGEMENT COMPANY

- 7.1.1 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company, by giving at least ninety days notice for sub clause (a) hereunder and immediate notice for sub clauses (b), (c) and (d) hereunder in writing to the Management Company, on the happening of any of the following events:
- (a) The Management Company has willfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
 - (b) The Management Company has gone into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee

- for purpose of reconstruction and amalgamation);
- (c) A receiver has been appointed over any of the assets of the Management Company.
 - (d) The Management Company has become ineligible to act as Management Company of the Scheme under the provisions of the Rules and/or the Regulations or any other law for the time being in force.

Provided that any notice given to the Management Company shall not be construed as acceptance of such contravention or violation and the Management Company shall have the right to defend such action.

- 7.1.2 If the Commission at its own or on the recommendation of Trustee removes the Management Company under the provisions of the Rules and Regulations, the Commission shall appoint another asset Management Company as the Management Company for the Scheme according to the provisions of the Constitutive Documents and the Rules and Regulations.
- 7.1.3 The Management Company may retire at any time with the prior written consent of the Commission and at least 90 days notice to the Trustee. Provided that until the new management company is appointed, the Management Company shall continue to perform its functions as the Management Company and shall be entitled to receive its usual remuneration till the effective date of removal or retirement.
- 7.1.4 If the Commission has cancelled the license of the Management Company under the provisions of the Ordinance, the Commission shall appoint another management company for the Scheme with the consent of the Trustee according to the provisions of this Deed and the Regulations.
- 7.1.5 Upon a new management company being appointed, the Management Company will take immediate steps to deliver 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 up-to the effective date of removal or retirement.
- 7.1.6 Upon its appointment the new management company shall exercise all the powers and enjoy all 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.
- 7.1.7 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.

- 7.1.8 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 7.1.9 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.
- 7.1.10 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.
- 7.1.11 The costs of audit shall be shared equally by the outgoing Management Company, the new management company and the Fund.

8. ROLE OF TRUSTEE

8.1 DUTIES AND POWERS OF THE TRUSTEE

- 8.1.1. Take under its control all the property of the Scheme and hold it in trust for the Unit Holders in accordance with the Rules, Regulations and the Constitutive Documents and the cash and registerable assets shall be registered in the name of, or to the order of the Trustee.
- 8.1.2. The Trustee shall comply with the provisions of this Deed, the Rules and the Regulations, for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the willful acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Fund Property where such loss has been caused by willful act and/or omission of the Trustee or any of its officers, nominees or agents in relation to any custody of assets or investments forming part of the Fund property.
- 8.1.3. The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company, provided these are not in conflict with the provisions of this Deed or the Rules and the Regulations or the Offering Document. Whenever, pursuant to any

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

- (a) a document signed or purporting to be signed on behalf of the Management Company, by any person whose signature the Trustee, is for the time being, authorized in writing by the Management Company to accept.
 - (b) Any instruction received online through the software solution adopted by the Management Company or the Trustee for managing and keeping records of the Fund to the satisfaction of the Trustee or the Management Company, as the case may be.
- 8.1.4. The Trustee shall not be liable for any loss caused to the Fund or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
- 8.1.5. The Trustee shall ensure that the purchase, issue, repurchase, redemption, transfer and cancellation of Units effected by the Scheme are carried out in accordance with the provisions of the Constitutive Documents and the Regulations;
- 8.1.6. The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of the Constitutive Documents and the Regulations;
- 8.1.7. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disinvestment and disposition of the Fund Property, unless such instructions are in conflict with the provisions set out in the Constitutive Documents, the Rules, and the Regulations.
- 8.1.8. The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the Regulations and the conditions under which the Scheme was registered are complied with;
- 8.1.9. The Trustee shall report to the Unit Holders in accordance with the Regulations and this Trust Deed including such report(s) to be included in the annual and quarterly reports of financial statements of the Fund
- 8.1.10. The Trustee shall ensure that Units of the Scheme have been issued after realization of subscription money. The Management Company will provide the Trustee with the detail of issuance of Units on regular basis.

- 8.1.11. The Trustee shall, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company.
- 8.1.12. The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require, from time to time, in respect of the Fund Property and all other matters relating to the Trust.
- 8.1.13. The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules and the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible. The Trustee shall be entitled to receive copies of financial statements on quarterly, half yearly and annual basis.
- 8.1.14. The Trustee shall, if advised by Management Company, may if it considers necessary for the protection of Fund Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized persons. 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 fiduciary duties in connection with its duties as the Trustee under this Deed or the Regulations. For the avoidance of doubt it is clarified that, notwithstanding anything contained in 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 Fund.
- 8.1.15. The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers at the time of the offering of the Scheme or for any subsequent change and shall ensure that the Management Company has been diligent in appointing

Brokers to avoid undue concentration with any Broker.

8.1.16. The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the Regulations and this Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own gross negligence or willful breach of duty hereunder. 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 therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

8.1.17. Trustee shall not invest in the Units of the Fund.

8.1.18. Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, these Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws and comply with the directions of the Commission given in the interest of the Unit Holders.

9. CHANGE OF TRUSTEE

9.1.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, it shall serve a three months notice to the Management Company under intimation to the Commission. The Management Company shall, within a period of three months of the Trustee's notice of intent to retire (or in default the Trustee) with the prior written approval of the Commission may by a deed supplemental hereto, appoint a new trustee under the provisions of the Regulations in place of the retiring Trustee and also provide in such supplemental deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. However, in the event of the Management Company failing to appoint a new trustee as herein provided, the Trustee may, immediately after the expiry of the above mentioned three month period, request SECP to appoint a new Trustee. 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 assets of the Fund by the newly appointed trustee, whichever is later.

9.1.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Regulations, the Management Company may apply to the Commission, by instrument in writing, for removal of the Trustee from its appointment under this Deed and shall

by the same or some other instrument in writing, simultaneously, recommend the appointment of some other company or corporation according to the provisions of the Regulations and this Deed as the new trustee.

- 9.1.3 In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligations under the Regulations, the Commission may remove the Trustee after giving opportunity of being heard.
- 9.1.4 The Management Company may apply to the Commission giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. If the Commission is satisfied with the circumstances and reasons for the change applied for, may accord approval for appointment of a new Trustee.
- 9.1.5 Upon the appointment of a new trustee, the Trustee shall, immediately, deliver all the documents and records to the new trustee and shall transfer all the Fund Property and any amount deposited 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 removal or retirement.
- 9.1.6 The new trustee shall exercise all the powers and enjoy all 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.
- 9.1.7 Notwithstanding, the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain entitled to the benefit of clauses 8.1.4, 8.1.7 and 8.1.16 without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Rules and the Regulations.
- 9.1.8 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.
- 9.1.9 The auditors so appointed shall be other than the existing auditors of the Fund, the Management Company and the Trustee.
- 9.1.10 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or Commission.

9.1.11 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.

9.1.12 The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Fund.

10. LIMITATIONS AND PROHIBITIONS

10.1.1 The Fund Property shall be subject to such exposure limits as are provided in the Regulations/circulars/directives (subject to any exemptions that may be specifically given to the Fund by the SECP). If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations and prescribed by SECP.

10.1.2 The Management Company shall not on behalf of the Fund:

- a. affect a short sale in a security whether listed or unlisted,
- b. purchase any security in a forward contract;
- c. purchase any security on margin;
- d. apply any part of its assets to real estate, commodities or commodity contracts;
- e. invest in securities of the Management Company;
- f. issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- g. apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing;
- h. lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; provided that reverse repo transactions involving Government Securities or other debt securities stated as

Authorized Investments in the Offering Document under an agreement and spread transaction through ready buy and future sale or CFS or replacement thereof which are protected by the clearing company and Stock Exchanges shall not be attracted by this clause provided risk management parameters are disclosed in the Offering Document of the Scheme;

- i. acquire any security of which another management company, managing a collective investment scheme, is the issuer;
- j. Sell Units for consideration other than cash unless permitted by the Commission.
- k. Without obtaining prior approval of the Commission merge the Scheme with another Collective Investment Scheme or take over any other Collective Investment Scheme.
- l. Take exposure in any other Collective Investment Scheme

10.1.3 In case of redemptions requests are pending for more than the period as stipulated in the Regulations, the Management Company shall not make any investment or rollover of any investment without consent of the Trustee.

10.1.4 The Management Company shall not net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.

11. BORROWING RESTRICTIONS:

11.1.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained the Management Company may arrange borrowing with the approval of the Trustee, from Banks or Financial Institutions for the account of the Fund, provided that such arrangement shall not be resorted to, except for meeting the redemption request and the charges payable to such Bank or Financial Institution are not higher than the prevailing market rates. Provided further that the borrowing for the account of the Trust shall be arranged as per the manner and limitations prescribed under the Regulations and if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

11.1.2 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable

in their personal capacities for repayment of such loans or advances.

12.2.1 For the purposes of securing any such borrowing the Trustee may, with the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.

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

12. FUND PROPERTY AND VALUATION OF FUND PROPERTY

12.1. FUND PROPERTY

12.1.1. The aggregate proceeds of all Units issued from time to time and the Back-end Load recovered from the Redemption Price after deducting Duties and Charges, and after deducting there from any applicable Front-end Load, shall constitute part of the Fund Property and includes the Investments and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to this Trust Deed but does not include any amount available for distribution in the Distribution Account.

12.1.2. The Fund Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors, Pre-IPO Investors and other Units issued during the Initial Period.

12.1.3. The Trustee shall take the Fund Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders in accordance with the provisions of the Regulations, applicable law and this Deed. The Fund Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Fund. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed.

12.1.4. Save as herein expressly provided the Fund 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 as allowed under the Regulations create any mortgages, charges, liens of any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation

actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person except for securing finances obtained from Banks or institutions upon the direction of the Management Company and subject to the limitations contained in the Regulations.

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

12.2. BANK ACCOUNTS

12.2.1. The Trustee, at the request of the Management Company, shall open Bank Accounts titled “**CDC – Trustee NIT Income Fund**” at designated Bank(s) in Pakistan and outside Pakistan as per the Rules, the Regulations and directives issued by the Commission and after obtaining all necessary approvals from the relevant regulatory authorities.

12.2.2. The Management Company may also require the Trustee to open Bank Accounts as per Distribution Account for dividend distribution out of the Fund.

12.2.3. Notwithstanding any thing in this Deed the beneficial ownership of the balances in the Accounts vests in the Unit Holders of the Fund.

12.2.4. Investment of Core Investment and Pre-IPO

The amounts received from the Core Investors and other Pre-IPO Investors would be deposited in Bank Account(s) titled “**CDC - Trustee NIT Income Fund**”. The Management Company may deposit/ invest this amount in Bank Account of a Bank having minimum A rating.

Income, profit etc. earned on the investments by the Core Investors and other Pre-IPO Investors up to immediately before the start of the Initial Period, shall after deducting all expenses that may be incurred by the Management Company, be paid (upon receipt of such income/profit) to the Core Investors and other Pre-IPO Investors in proportion to their respective investments. The remaining amount, after payment of Income, Profit etc. to Core Investors and other Pre-IPO Investors, will be transferred to the main Bank Account of the Fund upon the close of the Initial Period.

12.3. VALUATION OF ASSETS

The valuation and pricing of the Fund Property will be in accordance with the Rules, the Regulations and SECP Directives as amended or substituted from time to time.

12.4. DETERMINATION OF OFFER (PURCHASE) PRICE

12.4.1 Units offered and issued to the Core Investors and Pre-IPO Investors will be at the Par Value of Rs. 10. However, Front-End Load shall not be charged to the Core Investors and Pre-IPO Investors.

12.4.2 Units offered and issued during the Initial Period shall be issued at Par Value of Rs.10/- each plus a Front-end Load at the discretion of the Management Company to be disclosed in the Offering Document. The offer and issuance of Units during the Initial Period shall remain open during the period specified in the Offering Document.

12.4.3 Subsequent to the Initial Period, the Offer Price shall be calculated and announced by the Management Company on the following basis:

- (a) The Net Asset Value as of the close of the Subscription Day;
- (b) Any Front-end Load as per the Offering Document;
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges in accordance with the Regulations and
- (d) Such amount as the Management Company may consider an appropriate provision for Transaction Cost.

Such sum shall be adjusted upwards to the nearest Paisa.

Investor will be allotted and issued units on the Purchase (Offer) Price of the Fund, as announced by the Management Company, on the day the payment is realized against completely filled application forms.¹

In any case the cumulative Front-end Load and Back-end Load on a

¹ Amended vide 1st Supplemental Trust Deed dated September 03, 2014. The following recital in sub clause 12.4.3 “Units will be allocated to the investor(s) at the Purchase (Offer) Price so determined for the Subscription Day on which completely and correctly filled investment form(s) along with payment instrument submitted by the investor(s) is/are received by the Distributor(s) or the Management Company during business hours and within Cut-Off Time” was omitted and replaced by

“Investor will be allotted and issued units on the Purchase (Offer) Price of the Fund, as announced by the Management Company, on the day the payment is realized against completely filled application forms.”

particular Unit would not exceed 5% of the NAV or the limit as prescribed under the regulations.

- 12.4.4 The investment application form can be lodged with any Authorized Branch of the Distributor or directly lodged with Management Company. No other person is authorized to accept the form. Any investment application Form received after business hours will be transferred to the next Business Day. Provided that if a Business Day is not a Dealing Day the Investment application Form would be transferred to the next Dealing Day.
- 12.4.5 In the event payment has been accepted by cheque, the payment will be deemed to be completed on the date the cheque is realized by the Management Company.²
- 12.4.6 The Management Company may announce different plans under different administrative arrangements, with differing levels of Front-end/Back end Load, which may also vary according to other criteria as disclosed in the Offering Documents.
- 12.4.7 In the event that the provision for payment of Duties and Charges is insufficient to pay in full such Duties and Charges pursuant to clause 12.4.3 (c), the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Fund Property).
- 12.4.8 In the event that the provision for payment of Duties and Charges pursuant to clause 12.4.3(c), exceeds the relevant amount of Duties and Charges the Registrar under instruction to the Management Company, shall issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application.
- 12.4.9 The Offer Price determined by the Management Company shall be made available to the public at the office of the Management Company and

² Amended vide 1st Supplemental Trust Deed dated September 03, 2014. The following sub clause 12.4.5 **“In the event payment has been accepted by cheque, the payment will be deemed to be completed on the date the cheque is received by the Management Company. However, the Management Company may impose such limits it deems fit as to the bank branch on which it is drawn and as to the monetary limits on cheques, and in the event a cheque is returned unpaid, the Management Company may instruct the Registrar to cancel the Units so allocated at the then prevailing Redemption Price but not exceeding the Redemption Price fixed on the day the Units were allocated. In the event the Management Company instructs the Registrar to cancel the Units, the investor may be prosecuted for recovery of the shortfall in the issue and Redemption Price and /or other punitive action for presenting a cheque that is returned unpaid”** was omitted and replaced with

“In the event payment has been accepted by cheque, the payment will be deemed to be completed on the date the cheque is realized by the Management Company.”

Authorized Branches and at the discretion of the Management Company may also be published in at least two daily newspapers, one in English and one in Urdu, widely circulated in Pakistan and make it available at its website.

12.5. DETERMINATION OF REDEMPTION/REPURCHASE PRICE

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

The Net Asset Value as of the close of the Subscription Day, less:

- (a) Any Back-end Load as per the Offering Document. However, Back-end Load shall not be charged to Core Investors;
- (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges in accordance with the Regulations and
- (c) Such amount as the Management Company may consider an appropriate provision for Transaction Cost.

Such sum shall be adjusted downwards to the nearest Paisa.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor/Management Company before the Cut-Off Time on the same day that the Redemption Price is calculated

In any case the cumulative Front-end Load and Back-end Load on a particular Unit would not exceed 5% of the NAV.

12.5.2 The Redemption Form can be lodged with any Authorized Branch of the Distributor or directly lodged with the Management Company. No other person is authorized to accept the form. The applicant must obtain a copy of the form signed and stamped by an authorized officer of the Distributor/Management Company acknowledging the receipt of the form and the Certificates, if any. Any Redemption Forms received after business hours will be transferred to the next Business Day. Provided that if a Business Day is not a Dealing Day the Redemption form would be transferred to next Dealing day.

12.5.3 The payment of the redemption amount may be made by virtue of a transfer to the Unit Holder's (the first named joint holder, if jointly held) designated banker or by cross cheque payable to the Unit Holder.

12.5.4 In the event that the amount deducted for payment of Duties and Charges pursuant to sub-Section 12.5.1(b) is insufficient to pay, in full, such

Duties and Charges, the Management Company shall be liable for the payment, in full, of the amount of such Duties and Charges in excess of the provisions (except where such excess arises from any Duties and Charges levied with retroactive effect).

12.5.5 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-Section 12.5.1(b), exceeds the relevant amount of Duties and Charges, the same shall become part of the Fund Property.

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

12.6. CIRCUMSTANCES UNDER WHICH DEALING METHODOLOGY CAN CHANGE

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

12.6.2 A temporary change shall only be made

- (a) in exceptional circumstances, having regard to the interests of Unit Holders; or
- (b) if the possibility of a change and the circumstances in which it can be made have been fully disclosed in the Offering Document; and
- (c) with the approval of the Trustee.

12.6.3 Suspension of redemption shall be provided in exceptional circumstances, having regard to the interest of Unit Holders and such a decision shall be made with the prior approval of the board of the Management Company.

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

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

13.1. **Dealing in Units:** The Management Company shall formally forward details of all the requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests.

13.2. **Deferral/Suspension of issue of Units:** The Management Company

may at any time suspend or defer the issue of fresh Units if in its opinion the total number or any one request for fresh issue of Units is so large that investing the funds would take some time and be contrary to the interests of the present Unit Holders. In this case the Management Company may at its discretion accept certain request for fresh issue of Units and may defer part or all of certain request for fresh issue of Units and issue only a limited number of fresh Units. The Units that are issued on a deferred basis, some time after the request for fresh issue of Units has been received, will be issued at the Offer Price prevailing on the date of such issue. The Management Company shall immediately notify the Commission and the Trustee if dealing in Units is suspended and shall also have the fact published, immediately following such decision, in the newspaper in which the Fund's prices are normally published.

13.3 Refusal to accept fresh issue/account opening request:

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

- (a) In case the application for account opening/fresh issue request is contrary to the "Know-Your-Customer" rules or any other money laundering rules that the Fund may be subject to or that the Management Company may frame for self regulation.
- (b) In case the request for account opening/fresh issue of Units is contrary to the rules of the foreign jurisdiction that the Fund or the investor may be subject to or if accepting the request may subject the Fund or the Management Company to additional regulation under the foreign jurisdiction.
- (c) If, in the opinion of the Management Company, moneys received for purchase of Units of the Fund are associated with moneys derived from illegal activities

13.4 Suspension or deferral of redemption of Units: The redemption of Units may be suspended or deferred during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or the existence of a state of affairs which, in the opinion of the Management Company, constitutes an emergency, as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders or a break down in the means of communication normally employed in determining the price of any Investment or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be

detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and, under extreme circumstances; the Management Company may decide to wind up the Fund. Details of the procedure are given in Clause 13.6 below.

- 13.5 Such suspension or Queue System shall end on the day following the first Business Day on which the conditions giving rise to the suspension or Queue System shall, in the opinion of the Management Company, have ceased to exist and no other condition, under which suspension or queue system is authorized under the Deed, exists. In case of suspension and invoking of a Queue System and end of suspension and Queue System, the Management Company shall immediately notify the Commission and the Trustee and publish the same in at least two daily news papers in which the Fund's prices are normally published.
- 13.6 The Management shall ensure that in case of suspension of redemption of Units of the Scheme due to extra ordinary circumstances, the issuance of fresh Units shall also be kept suspended until and unless redemption of Units is resumed.
- 13.7 **Queue System:** In the event redemption requests on any day exceed 10% of the Units in issue, the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to 10% of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing, as may be permissible under the Regulations as it deems fit, in the best interest of the Unit Holders, and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis, proportionate to the size of the requests. The requests in excess of the 10% shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Business Day still exceed 10% of the Units in issue, these shall once again be treated on first-come -first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue.
- 13.8 **Winding up in view of major redemptions:** In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant

loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund, as per the Regulations, under intimation to the Commission and the Trustee. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the Final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

13.9 The Commission may cancel the registration of the Scheme before the investment of the core Units and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively.

14. FEES & CHARGES

14.1. ALLOCATION OF FRONT-END / BACK-END LOAD

The remuneration of Distribution Companies and Investment Facilitators shall be paid exclusively from any Front-end Load received by the Trustee and no charges shall be made against the Fund Property or the Distribution Account in this respect. The remainder of any Front-end Load after such disbursement shall be paid by the Trustee to the Management Company as distribution support and processing charges for their distribution services for the Trust. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Investment Facilitators, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration. The Back-end Load shall form part of Fund Property.

14.2. MANAGEMENT COMPANY REMUNERATION

14.2.1. The Management Company is allowed to charge a remuneration of an amount not exceeding three percent per annum of the average annual Net Assets during the first five years of the Scheme and two percent per annum of the average annual Net Assets thereafter. Current level of management fee shall be disclosed in the Offering Document

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

14.2.3. The remuneration due to the Management Company shall be calculated and accrued on a daily basis but paid in arrears on

monthly basis.

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

14.2.5. 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 constitutive Documents and the Regulations.

14.3. TRUSTEE REMUNERATION

14.2.1 The Trustee shall be entitled to a remuneration based on tariff annexed to this Deed as Annexure C. The remuneration shall begin to accrue from the close of Initial Period.. The Trustee's remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.

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

14.2.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services provided in accordance with the provisions of this Deed and the Offering Document.

14.2.4 Any increase in the remuneration of the Trustee agreed by the Management Company shall require the approval of the Commission. However any decrease in the remuneration of the Trustee shall not require approval of the Commission.

14.4. FORMATION COST

- 14.3.1 All expenses incurred in connection with Formation Cost shall be borne by the Management Company and shall be reimbursable to the Management Company by the Fund (subject to the audit of expenses).
- 14.3.2 Formation Cost that will not exceed 1.0% of the pre-Initial Public Offering investment in the Fund or Rs. 5,000,000/-, whichever is lower. The Formation Cost shall be amortized over a period of not less than five years.
- 14.3.3 The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the Units is completed.

14.5. PROCESSING CHARGES FOR TRANSFER OF UNITS:

Transfer of Units from one Holder to another shall be subject to a processing charge of an amount not exceeding one percent of the Net Asset Value at the date the request is lodged, which shall be recovered from the transferee and shall be part of the Fund Property. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

14.6. FEES AND CHARGES OF THE FUND

Fees and charges shall include:

- (a) remuneration of the Management Company;
- (b) remuneration of the Trustee or Custodian;
- (c) listing fee payable to the Stock Exchange including renewals;
- (d) charges and levies of Stock Exchange, national clearing and settlement company and central depository company;
- (e) rating fee of the Scheme payable to approved rating agency;
- (f) Auditors' fees and out of pocket expenses as billed by them ;
- (g) fees payable to the Commission;
- (h) Formation Cost
- (i) brokerage and transaction costs related to investing and disinvesting of the assets of the Scheme;

- (j) expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (k) legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Scheme;
- (l) bank charges and borrowing and financial costs;
- (m) hedging costs including forward cover, forward purchase or option purchase costs;
- (n) any printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports, etc.;
- (o) taxes, fees, cess, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, cess, duties and other charges levied by foreign jurisdiction on investments outside Pakistan; and
- (p) any other expense or charge as may be permitted by the Commission.

15. TRANSACTIONS WITH CONNECTED PERSONS

- 15.1 The Management Company on behalf of the Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell to, any securities to Connected Person or employee of the Management Company.
- 15.2 The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total nominal amount of the securities issued by that company or collectively the directors and officers of the Management Company in their individual capacities own more than ten per cent (10%) of those securities.
- 15.3 For the purpose of Clauses 15.1 and 15.2 above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 15.4 All transaction with connected person carried out by the Management Company on behalf of the Scheme shall be in accordance with the provision of the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.

16. DISTRIBUTIONS FROM THE FUND

16.1. DISTRIBUTION POLICY AND DATE

- 16.1.1. The Fund shall distribute annually an amount that is required under the tax laws and other regulations in force including Rules & Regulations and that may be beneficial for its Unit Holders. The entire amount available for distribution may be distributed as cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission that may qualify under the tax laws. The Fund will comply with regulatory and taxation requirement and the distribution policy may be amended accordingly.
- 16.1.2. The Management Company shall decide as soon as possible, but not later than 45 days after the Accounting Date whether to distribute among Unit Holders, profits, if any, available for the distribution at the end of the Accounting Period to comply with the requirement of the Regulations, the tax laws and other regulations in force relating to income distribution and shall advise the Trustee of the rate of such distribution per Unit.
- 16.1.3. The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditors and shall be the sum total of:
- (a) The total income earned on the Fund Property during such Accounting Period, including all amounts received in respect of, mark-up, profit and fee;
 - (b) From the above amounts shall be deducted expenses and such other adjustment as the Management Company may determine in consultation with the Auditors.
- 16.1.4. The Management Company may also distribute an amount, through cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission, for an interim period that is not a full month / Accounting Period.

16.2. DISTRIBUTION OF INCOME

- 16.2.1. After the fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units shall rank pari passu as to their rights in Net Assets, earning and the receipts of the dividends and distributions, with the existing Units of the Fund from the date of issue of these Units.
- 16.2.2. After determining the amount available for the distribution Management Company shall, in case of cash distribution, instruct the Trustee to issue payment instrument to the Unit Holders or transfer to the Distribution Account such amount of cash as required to effect the cash distribution of income to the Unit Holders net

of re-investment of dividend as provided by Clause 16.2.5 below. The amount standing to the credit of the Distribution Account shall not be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute to Unit Holders except any profit on the Distribution Account which shall form part of the Fund Property as herein provided. Management Company may decide not to open a separate Distribution Account for each dividend distribution.

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

17. ANNUAL ACCOUNTING PERIOD AND DATE

- 17.1 The Annual Accounting Period shall commence on first day of July of a calendar year and shall end on thirtieth day of June of the succeeding calendar year.
- 17.2 Accounting Period means a period ending on, and including, an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.
- 17.3 Accounting Date means the date 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

18. AUDIT

- 18.1 The first Auditors of the Scheme shall be A. F. Ferguson. Thereafter, the Management Company shall, with the consent of the Trustee, appoint as Auditor a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee and such Auditor shall not be appointed for more than five consecutive years. The Management Company may at any time, with the concurrence of the Trustee, and shall, if directed by the Commission, remove the Auditors and appoint other Auditors in their place.
- 18.2 The Auditors shall hold office until transmission of the annual report and accounts but may be re-appointed for such terms as defined in the Regulations. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one year. The following persons shall not qualify to be the Auditors of the Trust:
- (e) A person who is or, at any time during the preceding three years, was a director, officer or employee of the Management Company or the Trustee.
 - (f) A person who is a partner of, or in employment of, a director, officer, employee or Connected Person of the Management Company or Trustee.
 - (g) The spouse of a director of the Management Company or Trustee.
 - (h) A person who is indebted to the Management Company or Trustee, and
 - (i) A body corporate.
- 18.3 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm, for the time being.

- 18.4 The Auditors shall have access to the books, papers, accounts, vouchers and other records of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, the Trustee and their directors, officers and agents, such information and explanations as considered necessary for the performance of audit.
- 18.5 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company and considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- 18.6 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended thereto.
- 18.7 The contents of the Auditors report shall be as required in the Regulations.

19. BASE CURRENCY

The currency of transaction of the Fund is the Pakistani Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company under this Deed, for receipt or payment in any other currency or for any obligations arising there from.

20. MODIFICATION OF TRUST DEED

- 20.1 The Trustee and the Management Company, acting together, shall be entitled, by deed supplemental hereto, 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 only to the approval of the Commission. Provided that, the Trustee and the Management Company shall certify, in writing, that in their opinion, such modification, alteration or addition is required pursuant to any amendment in the Rules and/or the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or to enable the Units to be listed on a Stock Exchange or otherwise for the benefit of the Unit Holders and that it does not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

- 20.2 Where this Deed has been altered or supplemented, the Management Company shall notify the Unit Holders.
- 20.3 If the Commission modifies the Rules and/or the Regulations, these shall be deemed to have been included in this Trust Deed without requiring any modification as such.

21. REVOCATION OF SCHEME

- 21.1.1 The Management Company shall give at least three months notice to Unit Holders under prior intimation to the Commission and Trustee, and shall disclose the grounds of its decision to terminate the Fund. The Management Company may announce winding up of the Fund without any advance notice to the Unit Holders, but under intimation to the Trustee and the Commission in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Fund Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Fund be wound up. In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.
- 21.1.2 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund without any advance notice.
- 21.1.3 Upon representation to the Commission, by three fourth in value of the total Unit Holders of the Scheme, or if in the opinion of the Commission further continuation of the registration of the Scheme will be detrimental to the interest of the Unit Holders or the market generally, the Commission may cancel the registration of the Scheme.

Provided that the registration of the Scheme shall not be cancelled without providing an opportunity of being heard to the Management Company and the Trustee.

In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the Unit Holders in such manner and within such time as may be specified by the Commission.

- 21.1.4 This Deed may be terminated in accordance with the conditions specified in the Regulations if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and Management Company regarding the Trust.

21.1.5 The Commission may cancel the registration of the Scheme before the Core investment and direct the Management Company and/or the Trustee to wind-up the Scheme. In such case, the terms so specified by the Commission shall be adhered to by both the parties individually and collectively.

21.1.6 In the event of termination of the Scheme, other than due to reasons mentioned in Clauses 21.1.1, 21.1.2, and 21.1.4 above, the Management Company shall notify the Unit Holders by issuing a public notice in at least two newspapers, one in English and one in Urdu, each having wide circulation in Pakistan.

22. DISTRIBUTION ON REVOCATION OF SCHEME

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

22.1.2 The Trustee, on the instruction of the Management Company, shall from time to time, distribute to the Unit Holders pro rata to the number of Units held by them, respectively, all net cash proceeds derived from the realization of the Fund Property after making payment as mentioned in clause 22.1.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case of any surplus, the same shall be distributed proportionately among the Unit Holders, provided neither the Trustee nor the Management Company shall be liable for any shortfall.

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

23. TRUST ARRANGEMENTS

23.1. PRIMARY FUNCTIONS:

23.1.1. **Fund Management** – The Management Company has the responsibility to take all investment decisions within the framework of the Rules, the Regulations, and the Constitutive Documents of the Scheme.

23.1.2. **Control over Assets** – The Trustee has the responsibility for being the nominal owner for the safe custody of the assets of the Scheme on behalf of the beneficial owners (the Unit Holders), within the

framework of the Rules, the Regulations, this Trust Deed and the Offering Documents issued for the Scheme.

23.1.3. **Investor Records** – The Management Company has the responsibility to maintain Unit Holders’ records and for this purpose it may appoint a Registrar, who is responsible for maintaining Unit Holders' records and providing related services. The Registrar shall perform the Registrar Functions and all other related activities.

23.1.4. **Record Keeping** – The Management Company has the primary responsibility for all record keeping, and for producing financial reports from time to time (the Management Company may outsource this function but will remain primarily responsible for it and bear the cost consequent to outsourcing). However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of account and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

23.1.5. **Investor Services** – The Management Company has the responsibility to facilitate investment and disinvestment by investors and to make adequate arrangements for receiving and processing applications in this regard.

23.2. VOTING RIGHTS ON FUND PROPERTY

23.2.1. All rights of voting attached to any Fund Property shall be exercisable by the Management Company on behalf of the Trust and it shall be entitled to exercise the said rights in what it may consider to be the best interests 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.

23.2.2. The Trustee shall, upon written request by the Management Company, at the expense of the Fund, from time to time, execute and deliver or cause to be executed and delivered to the Management Company or their nominees, powers of attorney 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.

The word “vote” used in this sub-Section 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.

23.2.3. The Trustee shall forward to the Management Company in a timely manner all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.

23.2.4. The Management Company shall keep a record of voting on special business for five years.

24. UNITS

24.1. CHARACTERISTICS OF UNITS

24.1.1 NIT - Income Fund is divided into Units having a Par Value of Rs. 10.

24.1.2 Units of the Fund have the following characteristics

- (a) **Minimum Investment:** The Management Company may from time to time amend the minimum amount of initial investment, after giving fourteen (14) days prior notice to the Unit Holders that is required for opening an account with the Registrar. Details regarding minimum investment to open an account and subsequent investment will be specified in Offering Document of the Fund.
- (b) **Front End Load:** as per details given in the Offering Document
- (c) **Back End Load:** as per details given in the Offering Document
- (d) **Distribution Method:** These Units will be entitled to get Bonus Units and/or Cash dividend as decided by Management Company.

24.1.3 Cumulative Front-end Load and Back-end Load on a particular Unit would not exceed 5% of the Net Assets Value of the Unit.

24.1.4 Certain Unit Holders may authorize the Management Company to re-invest any cash distributions from the Fund into additional Units of the Fund provided such Unit Holder has to opt for such an arrangement at the time of applying for the Units or request the Registrar in writing prior to declaration of the distribution of any relevant period. Reinvestment would be as per criteria given in 16.2.5.

24.1.5 The Management Company shall issue following classes of Units:

- (a) Class A Units would represent growth Units.
- (b) Class B Units would represent Income units.

Details regarding each class of Units will be specified in Offering Document of the Fund.

The Management Company may apply different Front-end Load and Back-end Load for different units as disclosed in the Offering Document of the Fund.

24.2. LEGAL STATUS OF UNITS

- 24.2.1 The Units of the Fund rank pari passu with each other. For the convenience of investors, the Management Company may issue Units with different options as to the administrative arrangements.
- 24.2.2 The Units issued with differing options may have differing quantum of Front-end Load added to the Net Asset Value for determining the Offering Price thereof and differing levels of Back-end Load deducted for determining the Repurchase Price, which shall be disclosed in the Offering Document.
- 24.2.3 Units shall be accounted for in fractions up to four decimal places, with the fifth decimal being rounded up if it has a value of five or higher.
- 24.2.4 Statements shall be sent to the Unit Holders at their designated addresses after the close of every year. The Unit Holders may obtain more frequent statements by paying a nominal fee representing the costs involved.
- 24.2.5 Unit Holders may obtain certificates representing the Units they hold by paying a nominal fee that might be imposed by the Management Company representing the costs involved. However in such cases, requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificates. In the event of loss or defacing of certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Registrar. Certificates shall not be issued under certain plans governed by Supplemental Offering Documents.
- 24.2.6 The Management Company reserves the right to alter the minimum amounts stated herein above at its discretion after giving fourteen (14) days prior notice to the Unit Holders. In the event the investment in any investor's account falls below the minimum level as a result of revised limits, redemption, transfer or transmission, the Management Company may instruct the Registrar to either change the account/units to another type or to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.
- 24.2.7 Notwithstanding anything stated above, there will be no Front-end or Back-end Load on Units subscribed by the Core Investors.
- 24.2.8 Core Units shall be issued in compliance with the Regulations and out of which Rs 50,000,000 (Rupee Fifty Million Only) shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.

24.2.9 The Offer Price shall be determined, from time to time, pursuant to Section 12.4 of this Deed.

24.2.10 The Management Company may list the Units of the Fund on Stock Exchanges in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction.

24.2.11 By a deed supplemental to this Deed, the Management Company may at any time, with the consent of the Trustee and approval of the Commission, on giving not less than 21 days notice in writing to each Unit Holder, subdivide or consolidate the whole or any part of the Units and the Unit Holder shall be bound accordingly.

24.3. ISSUE OF UNITS AND LIMITATION OF LIABILITY

24.3.1 The Management Company shall be responsible for obtaining all required consents and approvals for the offer and issue of Units and for the issue, publication or circulation of the Offering Document.

24.3.2 Except as provided herein the Units shall be offered through the registered offices of the Management Company, authorized offices or branches of the Distribution Companies on all Subscription Days.

24.3.3 Each Unit Holder shall only be liable to the extent of the Offer Price of the Units subscribed by him and no further liability shall devolve on him in respect of any Units held by him except those covered under the Deed. Units shall be issued only against receipt of full payment. No further liability shall devolve on a Unit Holder save any transfer fees or taxes applicable to transfers and transmission.

24.3.4 Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment, in such form as is prescribed by the Management Company, in favour of the Trustee at the Authorized Branch or office of any Distribution Company. The respective officer shall verify the particulars given in the application for issue of Units and ensure that the signature of any Unit Holder or joint Unit Holder to any document required to be signed by him under or in connection with the application for issue of Units is verified.

24.4. REGISTER OF UNIT HOLDERS

24.4.1 The Registrar at such a place as is agreed by the Management Company shall maintain a Register. The Management Company shall ensure that

the Registrar shall comply with all relevant provisions of this Deed and the Regulations.

- 24.4.2 The Register may be maintained in electronic form provided the Registrar and the Management Company have made sufficient provision for back-up of the Register.
- 24.4.3 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge except when the Register is closed in accordance with the provisions of this Deed. However neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto.
- 24.4.4 The Registrar shall, within two working days of receiving a written request from any Unit Holder, post (or send by courier or through electronic means) to such Unit Holder details of such Unit Holder's account in the Register. Such service shall be provided free of charge to any Unit Holder requesting so once in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional request.
- 24.4.5 The Register shall contain the following information:
- (a) Full names, nationalities, residency status, Computerized National Identity Card (CNIC) number (in respect of Pakistan nationals) / National Identity Card for Overseas Pakistanis (NICOP) or Pakistan Origin Card number (in respect of overseas Pakistanis)/passport numbers or other identifying numbers (in respect of overseas Pakistanis and Foreign Nationals) and addresses of each Unit Holders and joint Unit Holders;
 - (b) The number of Units held and the distinctive numbers of Certificate, if any;
 - (c) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
 - (d) The date on which any transfer is registered with distinctive numbers and Certificate numbers;
 - (e) Information about pledge on Units;
 - (f) Tax/Zakat status of the Unit Holders;
 - (g) Nominees;
 - (h) Information about loss of Certificates and issuance of duplicates;

- (i) Record of specimen signatures of the Unit Holders;
- (j) Such other information as the Management Company may require.

24.4.6 The Register shall be conclusive evidence as to the Units held by each Unit Holder.

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

24.4.8 The Registrar shall not register more than four joint Holders for a Unit. In case of the death of any one of the joint Unit Holders, the deceased's survivor(s) shall be the only persons recognized by the Trustee as having any title to or interest in the deceased's interest in the Units held by the joint Unit Holders. Provided, however, that the Registrar or the Trustee may, at their discretion, request the survivors to provide succession certificate or such other mandate from a court or lawful authority as they consider necessary.

24.4.9 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.

24.4.10 The Register may be closed under intimation to the Trustee for such period as the Management Company may, from time to time, determine and after giving at least seven days notice to Unit Holders provided that the time period for closure of register for dividend declaration shall not exceed six (6) working days at a time and shall not be closed for more than forty-five days in any calendar year.

24.4.11 The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a pledge on any or all Certificates held by a Unit Holder in favor of a third party at the request of such Unit Holder or all the Joint Unit Holders, as the case may be.

24.4.12 The nominee(s), in case of nomination(s) and the executors or administrators or succession Unit Holder of deceased Unit Holder (not being one of several joint Unit Holders) and/or any other person directed by an appropriate court, shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.

24.4.13 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders may, subject to conditions as hereinafter provided, upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Trustee/Registrar such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Registrar or the Trustee may, at their discretion, request the survivors to provide succession certificates or such other mandate from a court or lawful authority as they consider necessary.

24.4.14 The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Unit hereinbefore contained, entitled to be registered as the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.

24.5. ISSUANCE OF CERTIFICATES

24.5.1 Upon being satisfied that the amount for each Unit has been received in full from the successful applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder. Units may be issued up to four decimal places.

24.5.2 Certificates shall be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee to be set by the Management Company from time to time. The proceeds of such fee will accrue to the Management Company.

24.5.3 Account statements or Certificates, as the case may be, shall only be issued against full payment of the subscription money.

24.5.4 Certificates shall be issued as herein provided not later than 21 (twenty one) Business Days after the date of request. The Certificate may be sent

to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service.

- 24.5.5 In the case of Units held jointly, the Registrar shall not issue more than one Certificate for the Certificates held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 24.5.6 Certificates shall be issued in such form as may, from time to time, be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 24.5.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar, which shall always be autographic. No Certificate shall be of any force or effect until signed as hereinabove mentioned. Certificates so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar or an authorized signatory.
- 24.5.8 Where the Units are in the form of book entry securities registered with the Central Depository Register of the Central Depository Company of Pakistan Limited, the issue of certification or receipt in lieu of physical Certificate or any other record shall be in accordance with the procedures laid down by the Central Depository Company of Pakistan Limited Regulations.

24.6. REPLACEMENT OF CERTIFICATES

- 24.6.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee, with the approval of the Management Company, every Unit Holder shall be entitled to exchange upon surrender of any or all of his existing Certificates for one or more Certificates of such

denominations as he may require representing the same aggregate number of Units.

24.6.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Registrar, with the approval of the Management Company, may issue to the person entitled a new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have (i) returned the mutilated or defaced Certificate or furnished to the Trustee /Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate, (ii) paid all expenses incurred in connection with the investigation of the facts; and (iii) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further that the Trustee and/or the Management Company may also require production of an FIR and an affidavit of loss as well as issuance of public notices in newspapers and/or provision of such indemnification as the Management Company and the Trustee may deem appropriate, at the cost of the pertinent Unit Holder, before issuing any new certificates.

24.6.3 Before the issuing of any Certificate under the provisions of this subsection, the Registrar may require from the applicant for the Certificate the payment to it of a fee to be set by the Management Company, from time to time, together with a sum sufficient in the opinion of the Management Company to cover any duties and charges, if any, payable in connection with the issue of such certificate(s).

24.7. TRANSFER OF UNITS

24.7.1 Every Unit Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe, from time to time under intimation to the Trustee.

24.7.2 A Unit shall be transferable only in its entirety.

24.7.3 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the holder of the units transferred until the name of the transferee is entered in the register in respect thereof.

24.7.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where certificates have been issued, the Trustee may dispense with the production of any certificate where the certificate has been lost, stolen or destroyed, subject to compliance by the transferor with like requirements to those arising in the case of an application by him for the replacement and may further require issuance of public notice

and/or abstention of indemnity.

24.7.5 The Registrar shall retain all instruments of transfer.

24.7.6 The Registrar, with the prior approval of the Management Company and the Trustee, shall be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered, at any time after the expiration of twelve years from the date of registration thereof and all certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years from termination of the Trust. The Trustee or the Management Company or the Registrar shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Registrar and that every certificate so destroyed was a valid certificate duly and properly cancelled, provided always that

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and
- (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

24.8. PLEDGE OF UNITS

24.8.1 Any Unit Holder or all joint Unit Holders may request the Registrar to record a pledge of all or any of his/their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a pledge on any Units in favor of any third party with the specific authority of the Management Company. Any charges, duties, levies etc applicable on such Pledge/Lien will be borne by the Pledgor.

24.8.2 The pledge, once registered, shall be removed by the authority of the party in whose favor the pledge has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of

any such pledge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar takes any responsibility in this matter.

24.8.3 Payments of dividends or the issue of Bonus Units for Units under pledge shall be made to the pledge holder for the account of the Unit Holder.

24.9. REDEMPTION OF UNITS

24.9.1 Unit Holders may redeem any Units held by them using the prescribed redemption form(s). Certificates, if issued, must be submitted with the redemption form with an endorsement at the back of the Certificate. Partial redemption of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for redemption. Unless the Joint Holders of Units have specified otherwise, all the Joint Holders shall sign the redemption form of such Units.

24.9.2 All forms can be obtained from the Management Company or any Distributor or Facilitator of the Management Company or downloaded from the Management Company website (as the case may be) or requested from the Management Company by mail.

24.9.3 The redemption form can be lodged with any Authorized Branch of the Management Company. No other person is authorized to accept the form. The applicant must obtain a copy of the form signed and stamped by an authorized officer of the Distributor/Management Company acknowledging the receipt of the form and the Certificates, if any.

24.9.4 The Redemption Price at which Units shall be redeemed shall be the price fixed by the Management Company under clause 12.5.

24.9.5 In redeeming Units of the Fund, no money shall be paid to any person except the Unit Holder or his or her duly authorized representative.

24.9.6 After an existing Unit Holder has redeemed all his Units and collected all his dues, he shall have no further claims against the Fund.

24.9.7 The Management Company may frame additional operational procedures regarding redemption of de-materialized Units registered with a depository organization.

25. MISCELLANEOUS

25.1. DEPOSITORY ARRANGEMENTS

The Certificates, if eligible and deposited with a depository whether locally or abroad, shall be subject to the terms and conditions prescribed by the depository and any inconsistent terms and conditions applicable to the certificates herein, shall not apply.

25.2. ARBITRATION

In the event of any disputes arising out of this Trust Deed or 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, the Offering Document and/or the Supplementary Offering Document(s) relating to the Scheme, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst senior partners of renowned firms of chartered accountants or senior partners of renowned law firms or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

25.3. CONFIDENTIALITY

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

25.4. OTHER

- 25.4.1 Any notice required to be served upon a Unit Holder shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post or courier shall be deemed to have been served on the third day following that on which the letter containing the same is posted or delivered to the courier and in proving such service, it shall be sufficient to prove that such

letter was properly addressed, stamped and posted or delivered to the courier. Notice sent by e-mail shall be deemed to have been served when the status of transmission is confirmed in the mail box. Provided that the Management Company may also at their discretion advertise the notice in newspapers.

- 25.4.2 Where the provisions of this Deed require issuance of notice in newspapers, the Management Company shall advertise any such notice in two leading daily newspapers in Pakistan one in English and one in Urdu having wide circulation in Pakistan.
- 25.4.3 Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.
- 25.4.4 Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder or served by publication in newspapers in accordance with Clause 25.4.2 above, shall notwithstanding that such Unit Holder be then dead or bankrupt 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.
- 25.4.5 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge to be determined, from time to time, by the Management Company.

26. DEFINITIONS

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

- 26.1 “Accounting Date” means the date, 30th June, in each year and any interim date at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after intimation to the Commission and the Commissioner of Income Tax, change such date to any other date.
- 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 Fund 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 “Auditors” means such audit firms that are appointed as the auditors of the Scheme by the Management Company with the consent of the

Trustee in accordance with the provisions of this Deed and the Regulations;

- 26.4 “Authorized Branch” means branches of the Management Company which are authorized from time to time to perform Distribution Functions;
- 26.5 “Authorized Investment” means investments transacted, issued, or traded inside Pakistan as mentioned in Clause 5 of this Deed.
- 26.6 “Back-end Load” means processing charge not exceeding 5% of Net Asset Value deducted by the Management Company from the Net Asset Value in determining the Redemption Price. The Back-end Load shall form part of Fund Property;
- 26.7 “Bank” means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking laws of Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 26.8 “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)
- 26.9 “Book Closure” means a period during which the Unit Holder register is closed and no transfer, issue, redemption, of Unit is allowed in that period under intimation to the Trustee.
- 26.10 “Bonus Units” means the Units issued, on distribution of the distributable income, in the form of stock dividend.
- 26.11 "Broker" means any person licensed by the Commission and engaged in the business of effecting transactions in securities for the account of others.
- 26.12 “*Business Day*” means any day of the week, but does not include any day which, as per gazette of Government of Pakistan, is a public holiday or on which day State Bank of Pakistan is closed for business in Pakistan.
- 26.13 “Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of the Trust Deed.
- 26.14 “Commission” or “SECP” means the Securities and Exchange Commission of Pakistan (SECP) set up under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor body.
- 26.15 “Connected Person” shall have the same meaning as in the Rules.

- 26.16 “Constitutive Documents” means this Trust Deed, Offering Document(s) and other principal documents governing the formation, management or operation of the Fund including all related material agreements.
- 26.17 “Core Investors” of the Fund shall be such investors, including the Management Company whose subscription shall in aggregate be in compliance of the requirements of the Regulations. The Core Investors shall be issued Core Units representing their subscription. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 26.18 “Core Units” shall mean such Units of the Fund that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank pari passu as to their rights to the Net Assets with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be effected only on the receipt, by the Registrar, of a written acceptance of this condition by the transferee.
- 26.19 “Custodian” a Bank, a depository or an investment finance company which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Fund Property or any part thereof as custodian on behalf of the Trustee; and shall also include the Trustee itself if it provides custodial services for the Fund.
- 26.20 “Dealing Day/Subscription Day” means every Business Day, provided that the Management Company may, with the prior written consent of the Trustee, and upon giving not less than 7 (seven) days notice in the news papers, declare any particular Business Day not to be a Dealing Day;
- 26.21 “Deed” means this Trust Deed which is the principal Document governing the formation, management and operation of the Fund.
- 26.22 “Distribution Account” means Bank Account(s) (which may be a current, deposit, or savings account) maintained by the Trustee with a Bank approved by the Management Company in which the amount required for distribution of income to Unit Holders shall be transferred. The amount standing to the credit of the Distribution Account shall not be treated as part of the Fund Property however any profit on the Distribution Account shall form part of the Fund Property.
- 26.23 “Distributor”, “Distribution Company”, “Distribution Companies” mean company(ies), firm(s), or bank(s) appointed by the Management Company, under intimation to the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company, itself, if it performs the Distribution Functions.

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

- (a) Receiving applications for the issue of Units and the payment instruments for the aggregate Offer Price for Units applied for by such applications;
- (b) Issuing receipts in respect of (a) above;
- (c) Interfacing with and providing services to the Holders including receiving redemption, transfer applications, notices and applications for change of address or issue of duplicate certificates for immediate transmission to the Management Company or the Registrar, as appropriate, and
- (d) Accounting to the Management Company for (i) payment instrument received from applicants for the issuance of Units; (ii) payments instruments delivered to the Unit Holders on redemption of Units; (iii) expenses incurred in relation to the Distribution Function.

26.25 “Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or, in respect of the issue, sale, transfer, cancellation or replacement of a Certificate, or otherwise, which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any Front-end or commission payable to agents on redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

26.26 “Financial Institution” means

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

26.27 "First Offer" means the price of Rs. 10 per Unit plus a Front-end Load as per the Offering Document during the Initial Period.

26.28 “Formation Cost” means all expenses incurred in connection with the establishment and registration of the Fund including execution and registration of the Constitutive Documents, issue, legal costs, printing,

circulation and publication of the Offering Document, announcements describing the Fund and expenses incurred during the Initial Period.

- 26.29 “Front-end Load” means the processing charge not exceeding 5% of Net Asset Value added by the Management Company in the Net Asset Value in determining the Offer Price.
- 26.30 “Fund Property” means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer Price or any Transaction Costs and Back-end Load recovered in the Redemption Prices, after deducting there from or providing there against, the value of Redemption, Front-end Load, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units and any expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising there from and all cash and other assets, movable or immovable, and property of every description, for the time being, held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account except profit on such accounts.
- 26.31 “Holder” or “Unit Holder” means the investor, for the time being, entered in the Register as owner of a Unit or part thereof, including investors jointly registered pursuant to the provisions of this Deed.
- 26.32 “Initial Period” or “Initial Public Offer” means the period during which First Offer of Units shall be made, which shall be indicated in the Offering Document. This period shall not exceed a period of ten days (provided that this period may be extended with the prior approval of the Commission).
- 26.33 “Pre-IPO Investors” of the Fund shall be such investors, other than Core Investors, whose subscription shall be received before Initial Public Offering of Units of the Fund.
- 26.34 “Par Value” means the price of Rs. 10 per Unit
- 26.35 “Investment” means any Authorized Investment forming part of the Fund Property.
- 26.36 “Management Company” means National Investment Trust Limited.
- 26.37 “Net Assets” means the excess of assets over liabilities of the Fund.
- 26.38 “Net Asset Value” or “NAV” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- 26.39 “Offer Price” means the sum to be paid to the Trustee for issuance of one unit, such price to be determined pursuant to Clause 12.4.3 of

this Trust Deed.

- 26.40 “Offering Document” means the prospectus, advertisements or other documents (approved by the Commission) that contain the investment and distribution policy and all other information in respect of the Fund and the plans offered under various administrative arrangements covered by the respective Supplementary Offering Documents, as required by the Regulations and is circulated to invite offers by the public to invest in the Fund.
- 26.41 “Ordinance” means the Companies Ordinance, 1984.
- 26.42 “NIT Income Fund”, “Fund”, “Trust” or “Scheme”, or “NIT IF”, or “Open-end Scheme” means the Trust constituted by this Trust Deed.
- 26.43 “Redemption Price” means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 12.5 of the Trust Deed.
- 26.44 “Redemption Form” means the redemption form as defined in the Offering Document.
- 26.45 “Register” means the Register of the Holders kept pursuant to the Regulations and the Trust Deed.
- 26.46 “Registrar” means an organization that the Management Company shall appoint for performing the Registrar Functions.
- 26.47 “Registrar Functions” means the functions with regard to:
- (a) Maintaining the Register;
 - (b) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of lien/pledge or for recording of changes in data with regard to the Unit Holders
 - (c) Dispatching income distribution warrants and bank transfer intimations;
 - (d) Issuing statement of accounts to the Unit Holders; and
 - (e) Issuing, re-issuing and canceling Certificates.
- 26.48 “Regulations” mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time.
- 26.49 “Rules” mean Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, as amended or substituted from time to time.
- 26.50 “Stock Exchange” means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969.
- 26.51 “Supplementary Offering Document” means a document issued by the

Management Company, in consultation with the Trustee after seeking approval of the Commission, describing amendments in the Offering Document or the special features of new type of Units and offering investment in the Scheme.

26.52 “Supplementary Trust Deed” means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission, describing amendments in the Trust Deed.

26.53 “Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not limited to, brokerage, Trustee charges, taxes or levies on transaction, etc.) related to the investing or disinvesting activities of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such cost may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.

26.54 “Unit” means one undivided share in the Fund and, where the context so indicates, a fraction thereof.

26.55 “Zakat” has the same meaning as in the Zakat and Ushr Ordinance, 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules and the 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.

27. SIGNATURES

IN WITNESS WHEREOF THIS DEED has been executed on the day and year first above written.

The Common Seal of National Investment Trust Limited was hereunto affixed in the presence of

Seal (1) Sd

(2) Sd.

The Common Seal of Central Depository Company of Pakistan was hereunto affixed in the presence of

Seal

(1) Sd.

(2) Sd.

Witness

Sd.

Sd.

Annexure "A"

National Investment Trust Limited license to
carry out Asset Management Services.



Securities and Exchange Commission of Pakistan
Specialized Companies Division
NBFC Department

No. NBFC-III/10/NITL/AMS/07/2008

Islamabad, April 24, 2009

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

The Securities and Exchange Commission of Pakistan, having considered the application for grant of license to undertake **Asset Management Services** submitted by **National Investment Trust Limited** under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(1) 2007 (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 **National Investment Trust Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter: -

1. **National Investment Trust Limited** and the collective investment schemes under its management shall comply with the Companies Ordinance, 1984, the Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (as amended or replaced) and any directives, circulars, codes, notifications and guidelines issued by the Commission to regulate the business of asset management companies;
2. **National Investment Trust Limited** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws; and
3. The license is valid for a period of one year w.e.f May 12, 2009 and shall be renewable annually as specified in the Rules.

(Salman Ali Shaikh)
Commissioner

Annexure "B"

Approval to Register "NIT Income Fund"
by
Securities & Exchange Commission of Pakistan

FAX NO. : 0092 51 9218590

15 Sep. 2009 04:04PM P1



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT

No. NBFC-II/NITL/365/2009

September 15, 2009

Mr. Tariq Iqbal Khan
Chairman & Managing Director
National Investment Trust Limited
National Bank Building
6th Floor, I.I, Chundrigar Road
Karachi

Subject: NOC for the registration of trust deed of NIT Income Fund


Dear Sir,

I am directed to refer to your email dated September 14, 2009 whereby you have submitted the draft trust deed of proposed NIT Income Fund (the "Fund") to be executed between National Investment Trust Limited (the "Management Company") and Central Depository Company of Pakistan Limited (the "Trustee").

In this regard, the Securities and Exchange Commission of Pakistan has no objection to the registration of the trust deed of proposed Fund under the Trusts Act, 1882 subject the condition that suitable performance benchmark shall be made part of the trust deed of the Fund.

The clearance of 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,


Omamah Nazir
(Deputy Director)

Certified True Copy


COMPANY SECRETARY
National Investment Trust Limited
KARACHI.

cc: Mr. Atiqur Rehman
Head of Trustee and Custodial Operations
CDC House, 99-B, Block B
S.M.C.I.I.S
Shahrah-e-Faisal
Karachi.

Annexure “C”

Central Depository Company of Pakistan Limited
Tariff Structure for Trusteeship of NIT Income Fund

As per mutual agreement between National Investment Trust Limited and Central Depository Company of Pakistan Limited

Annexure "D"

Securities & Exchange Commission of Pakistan approval for appointment of the
Central Depository Company of Pakistan Limited as the Trustee of
"NIT Income Fund"

DM : SECP SECP

FAX NO. : 0092 51 9218590

15 Sep. 2009 04:07PM P1



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
NBFC DEPARTMENT

No. NBFC-II/NITL/ 866 /2009

September 15, 2009

Mr. Tariq Iqbal Khan
Chairman & Managing Director
National Investment Trust Limited
National Bank Building,
6th Floor, 11, Chundrigar Road
Karachi

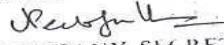
Subject: Appointment of Central Depository Company of Pakistan Limited as
Trustee of NIT Income Fund

Dear Sir,

I am directed to refer to your email dated August 24, 2009 on the subject matter and to convey the approval of Securities and Exchange Commission of Pakistan for the appointment of Central Depository Company of Pakistan Limited as Trustee of NIT Income Fund in terms of regulation 39 of the NBFC and NE Regulations, 2008.

Yours truly,


Omaimah Nazir
(Deputy Director)

Certified True Copy

COMPANY SECRETARY
National Investment Trust Limited
KARACHI.

cc: Mr. Atiqur Rehman
Head of Trustee and Custodial Operations
CDC House, 99-B, Block B
S.M.C.I.I.S
Shahrah-e-Faisal
Karachi.

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4, Fax. No. 9218590, E-mail: secp@scps.com.pk

15/09 2009 THU 16:09 [TX/RX NO 7275] 001