

Disclaimer: All investments in mutual fund are subject to market risks. The NAV of units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the offering document in particular the investment policies mentioned in clause 2.2. Risk Factors mentioned in clause 2.7 and Warnings mentioned in clause 10 before making any investment decision.

ABL GOVERNMENT SECURITIES
FUND
(An Open Ended Income Scheme)

OFFERING DOCUMENT

Managed by
ABL Asset Management Company
Limited

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OFFERING DOCUMENT

ABL GOVERNMENT SECURITIES FUND (ABL-GSF)

An Open Ended Income Scheme

MANAGED BY

ABL Asset Management Company Limited

An asset management company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules)

Date of Publication of this Offering Document November 28, 2011

Initial Offering Period November 29, 2011

“The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Risk Disclosure in Clause 2.7, Disclaimer in Clause 2.8 and Warning mentioned in Clause 10 before making any investment decision”

ABL Government Securities Fund (the Fund/the Scheme/the Trust/the Unit Trust/ABL-GSF) has been established as an open-end fund under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (“Regulations”) vide a registered Trust Deed (the Trust Deed) dated November 01, 2011, entered into and between ABL Asset Management Company Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee.

REGULATORY APPROVALS AND CONSENTS

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (the Commission) has registered ABL-GSF under Regulation 44 of the Regulations and has approved this Offering Document authorizing the offer of Units of ABL-GSF under Regulation 54 of the Regulations.

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

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

Investors must recognize that all investments involve varying levels of risk. The portfolio of the Scheme would primarily consist of investments that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units of the Scheme, nor the dividends declared by the Scheme, is or can be assured. Investors are requested to read the Risk Disclosure in Clause 2.7, Disclaimer in Clause 2.8 and Warning in Clause 10 contained in this Offering Document.

Filing of the Offering Document

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

- i. Trust Deed of ABL-GSF dated November 01, 2011, between ABL Asset Management Company Limited (ABLAMC) as the establisher and the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee.
- ii. Licence No. NBFC-II/01/ABLAMC/AMS/01/2011 dated January 13, 2011 granted by the Commission to ABLAMC to carry out Asset Management Services;
- iii. The Commission's letter No. NBFC-II/ABLAMC/438/2011, dated October 31, 2011, approving the appointment of CDC as the Trustee to ABL-GSF.
- iv. The Commission's letter No. NBFC-II/ABLAMC/439/2011 dated October 31, 2011, registering ABL-GSF as a notified entity under Regulation 44 of the Regulations.
- v. The Commission's letter No. NBFC-II/ABLAMC/465/2011 dated November 24, 2011, approving this Offering Document and authorizing ABL-GSF under Regulation 54(1) of the Non Banking Finance Companies and Notified Entities Regulations 2008.
- vi. Letter from Messrs. A. F. Fergusons & Co., Chartered Accountants consenting to act as Auditors of ABL-GSF.
- vii. Letter from Messrs. Bawaney & Partners, consenting to act as Legal Advisers of ABL-GSF.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Scheme is an open-end scheme, constituted by a Trust Deed entered into at Karachi on November 01, 2011 between:

ABL Asset Management Company Limited (ABL AMC), a Non-Banking Finance Company incorporated under the Companies Ordinance 1984, and licensed by the Commission as an Asset Management Company to undertake asset management services with its registered office at 11-B, Lalazar, M.T. Khan Road, Karachi, as the establisher of the Scheme and the Management Company; and

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.

1.2 Registered Address, Place and Date of Creation

The registered address of the ABL Asset Management Company Limited is 11-B, Lalazar, M.T. Khan Road, Karachi. The Trust Deed was executed on November 01, 2011. The official web site address of ABL Asset Management Company Limited is www.ablamc.com

1.3 Trust Deed

The Trust Deed is subject to and governed by the Rules, the Regulations, the Securities and Exchange Ordinance, 1969, the Companies Ordinance, 1984 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Trust Deed and the Rules/the Regulations, the latter shall supersede and prevail over the provisions contained in the Trust Deed.

1.4 Modification of Trust Deed

1.4.1 The Trustee and the Management Company acting together shall be entitled by supplemental Trust Deed to modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they may consider expedient for any purpose, subject 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 or the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of the Trust Deed to be more efficiently, conveniently or economically managed or to enable the Units to be dealt in or quoted on Stock Exchange or otherwise for the benefit of the Unit Holder(s) and that it does not prejudice the interests of the Unit Holder(s) or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holder(s).

1.4.2 The amended or supplemented Deed shall be binding on the Unit Holders(s) from the date when such amendments are duly incorporated in the offering document. The effective date

of implementation of such amendments should be mentioned in the Offering Document.. Where the Trust Deed has been amended or supplemented the Management Company shall notify the Unit Holder(s) immediately either through mail, e-mail, sms, advertising in the paper or by posting on its website regarding such alteration/amendments. Failure to notify the Unit Holder(s) immediately of any amended or supplemented Deed shall not prejudice the validity or enforceability of the amended or supplemented Deed against the Unit Holders(s)

1.4.3 The Management Company may, from time to time, with the consent of the Trustee frame Operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such procedures are not inconsistent with the provisions of the Trust Deed or this Offering Documents, the Rules and/or the Regulations.

1.4.4 If the Commission modifies the Rules and/or the Regulations to allow any relaxations or exemptions, these will deemed to have been included in the Trust Deed without requiring any modification.

1.5 Modification of Offering Document

The Management Company with the approval of the Commission and under prior intimation to the Trustee shall be entitled by supplemental offering document(s) to modify, alter or add to the provisions of this Offering Document for introducing additional or supplemental plans or altering the clauses of this Offering Document.

Provided that such alterations or additions shall not prejudice the interest of the Unit Holders; and that, in any event, it shall not release the Trustee or the Management Company of their responsibilities. Further, the modifications should not be in contradiction to the provisions contained in the Trust Deed.

Where this Offering Document has been altered or supplemented, the Management Company shall notify the Unit Holder(s) immediately either through mail, e-mail, sms, advertising in the paper or by posting on its website regarding effective date of implementation of such alteration/amendments.

1.6 Duration

The duration of the Fund is perpetual. However, the SECP or the Management Company may, on the occurrence of certain events, wind it up as stated in Clause 12 of this Offering Document under the heading “Revocation of ABL Government Securities Fund”.

1.7 Units

a) The Fund shall offer Units to investors during and after the Initial Offering Period subject to the provisions of Clause 4.1.1 of this Offering Document. The Units shall be fully paid before they are issued. The Management Company may impose, from time to time, certain amounts of maximum and minimum monetary investment limits to facilitate economical, efficient and effective management of investors’ accounts. Fractional Units will be issued to enhance economical and efficient handling.

b) The liability of Unit Holders shall be limited to the Offer Price payable by them for the Units purchased by them. Unit Holders may redeem Units or fractions

thereof for cash by redeeming from the Fund provided in case of fractions the number of Units redeemed is greater than one.

- c) Units may be issued in registered, un-certificated form and shall be confirmed to investors by means of an account statement issued by the Management Company. Certificates representing Units will be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs.50/- per certificate, subject to revision of this fee from time to time by the Management Company.
- d) All Units and fractions thereof represent an undivided share in the Fund and shall rank pari passu according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holder(s) in the Net Assets, gross earnings before management fee and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units held by such Unit Holder and shall have such rights as are set out in the Trust Deed and this Offering Document.

1.7.1 Initial Price

The Scheme is divided into Units having an Initial Price of Rs.10/- (Rupees Ten Only), also being the Par Value. This price is applicable to such Units that are issued before or during the Initial Period as mentioned above. Thereafter, the Units shall be issued and redeemed on the basis of the Net Asset Value (NAV) of ABL-GSF, which shall form the basis for determining the Offer and Redemption Prices.

All Units and fractions thereof represent an undivided share in the Scheme and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions, subject to the Classes and Types of Units mentioned in Clause 4 hereafter. Each Unit Holder has a beneficial interest in ABL-GSF proportionate to the Units held by such Unit Holder. For the convenience of investors, the Management Company may issue Units of different Classes and Types with different options as chosen by the investors. Consequently, Units of different Classes and Types may have differing applicable quantum of the Front-end Load added to the NAV for determining the Offering Price thereof and differing applicable quantum of Back-end Load deducted from the NAV for determining the Redemption Price.

The management company should ensure that minimum size of the fund should be Rs.100 million. In case if fund size fall short of the minimum requirements, the procedures prescribed under the regulations will apply.

1.7.2 Classes and Types of Units

The Management Company shall issue the Units of different Classes and Types, as mentioned hereafter in clause 4. Further, Management Company will charge different management fee to different Class of Units, accordingly two different NAVs will be announced. The valuation of Trust Property and expenses shall be in accordance with Trust Deed. While calculating NAV, income and expenses under each class will be allocated based on the weightage of outstanding units under each class except for management fee which will be charged in the manner prescribed against each class.

1.7.2.1 Classes of Units

- i. Class “A” – will be offered to those customers who invest Rs. 10 billion or above in the ABL Government Securities Fund. The management company will charge management fee, front end load and back end load as per the schedule of charges prescribed in the annexure “B”
- ii. Class “B” – will be offered to those customers who invest below Rs.10 billion in the ABL Government Securities Fund. The management company will charge management fee, front end load and back end load as per the schedule of charges prescribed in the annexure “B”.

The management company may offer additional class of units by making supplemental offering document. The Management Company may revise management fee, Front End Load and Back End Load from time to time within the limits prescribed in the constitutive documents and in accordance with the Regulations.

The management company may at its discretion suspend the offering of any class of units with immediate effect but this suspension does not affect the redemption of units in such class.

Further, Management Company shall automatically switch the class B units to Class A units and vice versa in case of meeting the amount criteria as prescribed under each class except in case of corporate actions or variation in NAVs due to appreciation or depreciation of assets.

1.7.2.2 Types of Units

i. **Growth Units:**

- a) Growth Units with dividend distribution in cash
- b) Growth Units with dividend distribution in the form of bonus units

ii. **Income Units:**

Unit Holders will be distributed Dividends, in the form of Bonus Units only.

Further information available in Clause 4.2 of this Offering Document.

1.8 Open-end Scheme

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

payment of a fee not exceeding Rs.50 per certificate, subject to revision of this fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.

1.9 Initial Offer

Initial Offer is made during the Initial Period mentioned above, which will be upto 7 days Business Days and will commence at the start of the banking hours and shall end at the close of the banking hours. The Initial Price is applicable to such Units that are issued before any of the assets of the Scheme are invested other than deposits, whether or not earning mark-up/profit. During the Initial Period, Units will be offered at the Initial Price of Rs.10/- per Unit. During the Initial Period Units will not be redeemed and may be subject to a Front-end Load.

1.10 Transaction in Units after Initial Period

- (a) Subsequent to the Initial Offer, the public sale of Units at Initial Price will be discontinued and the Units can be purchased at their respective Offer Price and redeemed at their respective Redemption Price. The Management Company shall announce and make available the Offer Price to the Public through its website and at the office and branches of the Distribution Company (ies) as of the close of each Business Day calculated on the basis of that day NAV. The Management Company shall also announce the Redemption Price on a daily basis on all Business Days. The Offer and Redemption Prices shall be determined by the Management Company under the provisions of the Trust Deed and as per clause 4.3 of this Offering Document & Regulations.
- (b) The Management Company shall announce and make available the Offer Price as of the close of each Subscription Day and Redemption Price as of the close of each Business Day, to the public through its Web site and at the designated offices of the Management Company within Cut-Off timings. The Offer and Redemption Price so announced shall be applicable for the earlier same day transactions. The Management Company shall determine the Offer Price and Redemption Price in accordance with the Clause No. 4.4 and Clause No.4.5 of this Offering Document respectively.
- (c) The Management Company may at some future time apply for the eligibility of Units of the Fund for trading through a depository organization such as the Central Depository Company of Pakistan Limited, after fulfilling applicable regulatory requirements. Any issue, redemption, transfer or transmittal of de-materialized eligible Units with the depository will take place according to the rules and regulations of the depository organization.
- (d) The Management Company may issue Bonus Units, but they shall be issued without Front-end Load, to Unit Holders opting to receive Units in lieu of dividends;

1.11 Administrative Plan:

The Management Company may offer Administrative Plans as approved by the Commission; where such plans allow investors a specific investment strategy in any one or a combination of Schemes managed by the Management Company in accordance with the conditions specified by SECP.

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

2.1 **Investment Objective**

The objective of the scheme is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments.

Benchmark

The Benchmark of ABL Government Securities Fund (ABL-GSF) shall be;

- (i) 70%, average six (6) month PKRV rate for the period of return; and
- (ii) 30%, average of three (3) month deposit rates of AA- (double A minus) and above rated scheduled banks, for the period of return.

2.2 **Investment Policy**

The Fund will be investing primarily in short to long term Government Securities and remaining investments will be in bank deposits or cash balance, money market placements, reverse repo, spreads transactions, corporate bonds, sukuks and other authorized investments. During the year, at least 70% of the net assets shall remain invest in Government Securities and reverse repo against them based on quarterly average investment to be calculated on a daily basis.

2.2.1 All investments of the fund will be based on prevailing market conditions and fundamental credit analysis of investee companies. Specifically, the investment strategy will focus on the following broad parameters:

- (a) **Sponsor of the counterparty:** Investments will be made keeping in mind the market reputation and past track record of the counterparty and its main sponsors.
- (b) **Strength of financials and ability to repay:** The strength and stability of counter party earnings will be taken into consideration.
- (c) **Rate of return offered:** Attempt will be made to invest in those instruments that offer competitive returns vis-à-vis other similar investments in the market.
- (d) **Industry fundamentals and future outlook:** Industry outlook and its future potential will also be looked into at the time of investing. The Fund will seek to invest in those money market and fixed income instruments that offer attractive market based returns and are issued by sponsors with good credit rating, strong financials and ability to repay.”

2.2.2 **Authorized Investments**

Sr. No.	Description	Minimum Entity Rating	Minimum Instrument Rating	Exposure Limits (% of NAV)
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1.	Government Securities including Reverse Repo against Government Securities*	N/A	N/A	70% - 100%
2.	Cash in Bank Accounts (excluding term deposits) and Government Securities of less than 90 days maturity**	AA- in case of cash in banks	N/A	0- 50%
3.	Reverse Repo (upto six months only) against Government Securities	A	N/A	0% - 50%
4.	Term Finance Certificates / Sukuk / Commercial Papers	AA-	AA-	0% - 20%
5.	Deposit with Scheduled Banks, DFI's and NBFC including TDR's, Letter of Placement (LOP), Certificate of Deposit and Certificate of Musharaika and Reverse Repo of less than 6 months	AA- (for Banks and DFIs) AA+ (for NBFCs)	N/A	0% - 30%
6.	Deposit with Scheduled Banks, DFI's and NBFCs including TDR's, Letter of Placement (LOP), Certificate of Deposit (COD), Certificate of Musaraka of greater than 6 months	AA- (for Banks and DFIs) AA+ (for NBFCs)	N/A	0% - 15%
7.	Authorized investments in overseas markets including mutual funds. Overseas investments would be subject to prior approvals/guidelines of SECP and SBP;	N/A	N/A	as specified by Commission at time of grant of approval (Subject to a cap of USD15 million)
8.	Spread Transactions and MTS as approved by the Stock Exchanges and the SECP;	N/A	N/A	0% - 10%
9.	Any instrument / securities which is an authorized investment under the trust deed or which is allowed by the SECP	AA-	AA-	As maybe allowed by the Commission

*Average 70% based on quarterly average investment to be calculated on a daily basis.

** Average 25% based on monthly average to be calculated on a daily basis.

2.3 Investments outside Pakistan

2.3.1 The Investments outside Pakistan shall be subject to prior approval from the SECP and SBP.

These investments will enable the Scheme to diversify the risk as well as avail opportunities for higher returns in markets that are undervalued. Such Investments may be made up to limit specified by Commission at time of grant of approval and are subject to a cap of US\$15 million.

- 2.3.2 In case the limit to international investment is exceeded, the Management Company shall regularize the excess within three months of breach of the limit.
- 2.3.3 The Scheme Property can be invested in international investments including the following but not restricted to:
 - a. International money market instruments;
 - b. Foreign currency bank deposits & certificates of investment;
 - c. Foreign currency bank accounts in Pakistan;
 - d. Money Market Mutual funds;
- 2.3.4 While investing internationally, Fund Property will not be placed in any investment that has the effect of unlimited liability to the Scheme.
- 2.3.5 In making investments outside Pakistan, the currency of the investment shall be convertible currencies like the US Dollar, Pound Sterling, Euro and Japanese Yen or any other currency.

This condition however will be relaxed in those cases where the Fund Manager feels that there exists cost effective conversion mechanism to convert foreign currency in Pakistani currency or any other convertible currency. Provided however the Base currency of the Scheme shall always be considered as Pak Rupee.

- 2.3.6 Arrangements for international custody of securities where required will be made with reputable institutions and procedures will be agreed upon by the Trustee. The Management Company will make best efforts to minimize costs affiliated with international transactions so that the savings can be passed on to the unit holders.

2.4 Changes in Investment Policy

The Investment Policy will be governed by the Rules and the Regulations (subject to any exemptions provided to the Scheme specifically by the Commission). Any change in the Investment Policy will be implemented only after obtaining prior approval from the Commission and giving proper notice to the Unit Holders to the satisfaction of the Trustee.

2.5 Investment and exposure restrictions / Limitations and Prohibitions

- 2.5.1 The Trust Property shall be subject to such Exposure limits as are provided in the Trust Deed, the Offering Document and the Regulations (subject to any exemptions that may be specifically given to the Fund by the Commission): Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit shall be exceeded. The Management Company will have a maximum of three (3) months to comply with the Exposure limits in case such limits are exceeded. The Fund shall be subject to such exposure limits, investment restrictions, limitations and prohibitions as are provided under Regulation No. 55 and 58 of the Regulations as follows or as amended by SECP through Regulations, Circulars, and Notifications etc. from time to time.

2.5.2 The Management Company shall not acquire twenty five percent (25%) or more of the voting rights or control of a company on behalf of the Scheme.

2.5.3 The Management Company shall not invest more than twenty five percent (25%) of total net assets of the Scheme of any securities of any one sector as per classification of the stock exchange

2.5.4 The Management Company on behalf of the Scheme shall not at any time:

- (a) purchase or sell:
 - (i) bearer securities;
 - (ii) securities on margin;
 - (iii) securities which result in assumption of unlimited or undetermined liability (actual or contingent);
 - (iv) real estate, commodities or commodity contracts;
 - (v) securities of the Management Company; or
 - (vi) any investment other than Authorised Investments as defined herein;
- (b) take direct exposure to equity securities/equities of a company;
- (c) affect a short sale in a security whether listed or unlisted;
- (d) purchase any security in a forward contract;
- (e) participate in a joint account with others in any transaction;
- (f) take exposure of more than thirty five per cent (35%) of its Net Assets in any single group. "Group" mean persons having at least 30% common directors or 30% or more shareholding in any other company, as per publicly disclosed information;
- (g) take exposure of more than ten per cent (10%) of its Net Assets in the Management Company's listed group companies;
- (h) issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;
- (i) apply for de-listing from a Stock Exchange, unless it has obtained prior written approval of the Commission;
- (j) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person:

Explanation: Reverse repo transactions involving Government Securities under an agreement shall not be prohibited under sub-Clause (j), provided that risk management parameters are disclosed in the Offering Document;

- (k) sell or issue Units for consideration other than cash, unless permitted by the Commission;
- (l) exceed its Exposure to any single entity from an amount equal to ten per cent (10%) of total Net Assets of the Fund; provided that where the Exposure exceeds the limits specified in this sub-Clause (l) because of corporate actions, including due to market price increase or decrease in Net Assets, the excess Exposure shall be regularized within three (3) months of the breach of limits unless the said period of 3 months is extended by the Commission on an application made by the Management Company;
- (m) take exposure in any other collective investment scheme, except in the case of foreign investment;
- (n) exceed the limit of four (4) years for the weighted average time to maturity of its Net Assets and this condition shall also be applicable to Government Securities; Further no restriction regarding
 - Time to maturity of any single asset in the portfolio.
 - Duration of a single security in the portfolio

- (o) rollover the investments, if the borrowing limits have already been exhausted by the Fund or redemptions are pending for more than six (6) days;
- (p) pledge any of its Investments held or beneficially owned by it, except as allowed under these Regulations;
- (q) make a loan or advance money to any person from the assets of the Fund;
- (r) merge with any other collective investment scheme, or acquire or takeover the management of a collective investment scheme, unless it has obtained the prior written approval of the Commission;
- (s) undertake brokerage services on Stock Exchanges or in money market;
- (t) make any investments during the Initial Offering Period;
- (u) invest less than twenty five per cent (25%) of the Net Assets in cash and near cash instruments which include cash in Bank Accounts (excluding TDRs) and treasury bills not exceeding ninety (90) days maturity; or
- (v) invest more than ten percent (10%) of the Net Assets in MTS and spread transactions; or
- (w) invest more than fifteen per cent (15%) of the Net Assets in non-traded securities including reverse repo, bank deposits, certificates of investments (COI), certificate of musharakas (COM) and anything over six (6) months maturity which is not a marketable security.
- (x) Rating of any security in the portfolio shall not be lower than AA- (Double A minus) where applicable. ;
- (y)
 - i. Rating of any NBFC and modaraba with which funds are placed shall not be lower than AA+ (double APlus)
 - ii. Rating of any bank and DFI with which funds are placed should not be lower than AA- (double AA minus)
 - iii. The above rating limit shall not be applicable on reverse repo against Government Securities.

2.5.5 In case investments are made on behalf of the Fund in any offshore countries, the same shall be subject to the limits and conditions including allowable investment limit in anyone country, as may be prescribed by the State Bank of Pakistan and/or the Commission, including as to investment in mutual funds which make investments in the different regions or countries of the world.

2.5.6 No netting off transaction (adjustment of assets of the Scheme against the investment of unit holders) is allowed within the Scheme.

2.5.7 Direct transactions (other than those carried out on the trading system of the exchange) between collective investment schemes of the same asset management company, as the case may be, shall be disclosed in quarterly and annual accounts of the collective investment schemes.

2.6 Exceptions to Investment Restrictions/Limitations and Prohibitions

If the weightings of prescribed limits laid down in this Offering Document or the Regulations are exceeded as a result of the relative movement in the market prices of the investments or through any disinvestments, the Management Company shall bring the exposure within the prescribed limits within three (3) months. But in any case the Management Company shall not invest further in such instruments or sectors while the deviation exists.

2.6.1 Restriction of Transactions with Connected Persons

- i. The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five (5) percent of the total amount of the securities issued or collectively the directors and officers of the Management Company own more than ten (10) percent of those securities.
- ii. The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of Trustee purchase from or sell any securities to any connected person or employee of the Asset Management Company;

Explanation: This clause shall not apply to the issue, sale or redemption of units issued by the Scheme.

- iii. All transactions carried out by or on behalf of the Scheme with Connected Person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.
- iv. In case cash forming part of the Scheme's assets is deposited with the Trustee or the Custodian, which is a banking company or an NBFC, the return shall be paid on the deposit by the Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.

2.6.2 Borrowing Restrictions

- i. Subject to any statutory requirements for the time being in force and to the terms and conditions contained herein the Management Company may make arrangements with Banks or other Financial Institutions for borrowing by the Trustee for the account(s) of the Scheme, provided that borrowing shall not be resorted, except for meeting redemption requests.
- ii. The Trustee shall ensure that the borrowing limitations set out in the regulations and constitutive documents and the conditions under which the Scheme has been authorised are complied with. The Management Company on account of the Scheme managed by it shall not borrow, except with the approval of Trustee, for meeting redemption request and such borrowing shall not exceed fifteen per cent of the total Net Asset Value of the Scheme at the time of borrowing and shall be repayable within a period of ninety days or such other limit as may be provided in the Regulations. The financing documents shall be executed by the Trustee on behalf of the Scheme. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- iii. The charges payable to any Bank or Financial Institution by the Trust against such borrowings on account of the Scheme as permissible shall not be higher than the normal prevailing bank charges or normal market rates.
- vi. 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 or their officers shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- v. For the purposes of securing any such borrowing the Trustee may with the written

approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.

- vi Neither the Trustee, nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

2.7 Risk Disclosure

Investment process requires disciplined risk management. The Management Company will incorporate adequate safeguards for controlling risks in the portfolio construction process of ABL-GSF. The risk control process involves reducing risks through study of interest rate direction, credit risk analysis and optimal portfolio diversification. ABL Asset Management believes that these steps will help achieve the desired level of consistency in returns.

ABL Asset Management investment team aims to select instruments based on proper credit evaluation of their respective Issuers and the instrument itself. Therefore it shall be guided by the ratings of Rating Agencies such as Pakistan Credit Rating Agency or JCR-VIS Credit Rating Company Limited or any other rating agencies that may be registered with SECP from time to time or any other reputed international credit rating agencies.

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

a) Credit Risk

- i) **Default risk** is the risk that the issuer of the security will not be able to pay the obligation, either on time or at all.
- ii) **Credit spread risk** is the risk that there will be an increase in the difference between the return/mark-up rate of an issuer's bond and the return/mark-up rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or treasury bill). The difference between this return/mark-up rate is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of fixed income securities including money market instruments.
- iii) **Downgrade risk** is the risk that a credit rating agency, such as PACRA or JCR-VIS or any other reputed international credit rating agency will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those fixed income securities including money market instruments.

This risk is mitigated through the Investment Policy parameter whereby ABL-GSF would mainly be investing in securities issued by government or government managed entities. Furthermore, deposits are kept in only those banks/ DFIs, which carry a minimum credit rating of AA- from a credit rating agency duly approved by the Commission.

b) Market Risk

The prices of and the income generated by the securities held by the Fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the Fund, general economic and market conditions, regional or global economic instability, or currency and interest rate fluctuations. The return on the Fund over the principal is linked to the performance of the Fund. There is no guarantee that the securities prices will move during the tenure of the Fund and consequently a return will be paid out in addition to the Initial Investment Value

c) Derivative Risk

Derivatives may be used to limit or hedge potential losses associated with investments. This process is called “hedging”. The hedging strategy may not be effective and there is no guarantee that a market will exist when a Fund wants to buy or sell the derivative contract. There is also no guarantee that an acceptable counterpart will be willing to enter into the derivative contract. The counter-party to the derivative contract may not be able to meet its obligations or the Exchanges on which the derivative contracts are traded may set daily trading limits, preventing a Fund from closing out a particular contract. If an Exchange halts trading in any particular derivative contract, a Fund may not be able to close out its position in that contract. The price of a derivative may not accurately reflect the value of the underlying security or index.

d) Portfolio Performance Risk

Performance risk is the uncertainty relating to the performance of the Fund with respect to its ability to earn relatively higher income stream and investment upside. The NAV of the Fund might go down.

e) Liquidity Risk

The Fund bears minimal liquidity risk because it will be primarily invested in Government Securities, which are very liquid in nature. Liquidity Risk is the exposure to lose as a result of the inability to meet cash flow obligations in a timely and cost-effective manner. It may impact due to the following:

- (i) Trading Liquidity Risk:** Risk arises when a position is unwound or offset at an uneconomic market price due to widening of bid ask spread or because of disruptions in the marketplace.
- (ii) Funding Liquidity Risk:** Risk arises due to insufficient availability of cash to meet client’s redemptions. Liquidity squeeze in market creates such risk.

f) Voluminous Redemption of Fund Units Risk

Any significant transaction made by any investor could significantly impact the Fund’s cash flow. If a Unit Holder redeems large amounts of Units of Fund before maturity date or until the date specified in this Offering Document, the Fund may be required to meet the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of the investment segment of the Fund.

g) Counter Party Risk

The risk with reverse repo / money market transactions is that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus return / markup, if the market value of the security has dropped. In the case of a repurchase transaction; the fund could incur the loss if the value of the security sold has increased more than the value of the cash or collateral held.

This risk is mitigated to the great extent as we assign line limits after thorough analysis of Counterparty financials and sponsor strength before making any investments.

h) Concentration Risk

Any significant transaction made by any investor could significantly impact a Fund's cash flow. If the third party buys large amounts of Units of a Fund, the Fund could temporarily have a high cash balance. Conversely, if the third party redeems large amounts of Units of a Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of the investment.

i) Events Risk

There may be adjustments to the performance of the Fund due to events such as market disruptions, mergers, nationalization, insolvency and changes in taxation laws.

j) Early termination risk

If the Fund for any reasons is terminated, the NAV of the Fund will be subject to fluctuations in the value of the Fund's assets. The Net Asset Value, in this case, may be lower or higher than the Initial Investment Value. The Management Company will refund investors their investment in the Fund based on the NAV per unit without any redemption fee but less bank and administrative charges (if any).

k) Interest Rate Risk

A rise in interest rates during the investment period may result in reduced prices of the held securities, thus reducing the overall return in terms of opportunity cost. Fixed income securities including money market instruments generally pay a fixed rate of coupon/mark-up. The value of the fund, due to its holdings in these securities including money market instruments, will rise and fall as market interest rates change. For example, when interest rates fall, the value of an existing bond will rise because the coupon rate on that bond is greater than prevailing return/mark-up rates and vice versa.

l) Government Regulation Risk

Government policies or regulations are more prevalent in some sectors than in others. Funds that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and/or the cash flows and/or any governmental or court orders restraining payment of capital, principal or income.

m) Sovereign Risk

Payment of debt securities may be effected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the

loss of all or a portion of the principal invested, as a result of any economic or political circumstance.

n) Other Risks Involved

Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made or a breakdown of law and order, war, terrorist activity, natural disasters etc, senior rights of creditors over the shareholders in the case of winding up, break-down of communication systems of the issuers, stock exchanges or general disruptions of satellite system.

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

2.7.2 Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of issuance and redemptions, invoke a queue system or announce winding-up.

In such events, the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request was lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.

2.8 Disclaimer

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

The portfolio of ABL-GSF is subject to market risks and risks inherent in all such investments. ABL-GSF target return/dividend range cannot be guaranteed. ABL-GSF's Unit price after Initial Offer Period is not guaranteed. It is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

The Scheme may also invest outside Pakistan and such investments outside Pakistan may be exposed to certain additional risk including political, economic and exchange rate risks that may reduce the value of the investments. However, studies show that diversifying internationally would tend to reduce the overall volatility of a portfolio and thus may reduce risks for investors.

Investors are requested to read the Risk Disclosure and Disclaimer statement contained in Part 10 of this Offering Document.

3. OPERATORS AND PRINCIPALS

3.1 Management Company

Organization

ABL Asset Management Company Limited (ABL AMC) is a Non-Banking Finance Company licensed to undertake Asset Management Services as per the NBFC Rules. ABL

AMC is a wholly owned subsidiary of Allied Bank Limited, one of the leading commercial banks of Pakistan.

The paid-up capital of ABL AMC is Rs.500 million held by the following:

Name	Number of Shares	Amount (Rupees)
Allied Bank Limited	49,999,993	499,999,930
Sheikh Mukhtar Ahmed	1	10
Mr. Muhammad WaseemMukhtar	1	10
Mr. Khalid A. Sherwani	1	10
Mr. M. Jawaid Iqbal, CFA	1	10
Mr. Muhammad Yaseen	1	10
Mr. M. ShakebMurad	1	10
Mr. Kamran Nishat, FCA	1	10
Total	50,000,000	500,000,000

3.2 Holding Company

Allied Bank is part of the Ibrahim Group, one of the largest industrial conglomerates in Pakistan with business in textile, trading, polyester fibers, energy and financial services sectors. ABL was incorporated in Lahore before independence in 1942 as Australasia Bank and was renamed as Allied Bank of Pakistan Limited in 1974 and Allied Bank Limited in 2005.

Following the takeover of its management control by the Group in 2004 through the privatization process of GoP and subsequent merger of Ibrahim Leasing into Allied Bank in 2005, the board formulated comprehensive strategic priorities to address the needs to run a world class financial institution.

Today the Bank stands on a solid foundation of over 68 years of its existence having a strong equity, assets and deposits base offering universal banking services with higher focus on retail banking. Allied Bank's equity amounted to Rs. 36 billion, deposits in excess of Rs. 371 billion and total assets equalling Rs. 450 billion as at December 31st, 2010. Allied Bank is one of the largest banks in Pakistan, offering various technology based products and services including real-time online banking to its diversified clientele through its network of 806 branches and more than 569 ATMs across Pakistan.

Based on its consolidated financial performance and significant improvement in areas of risk management and corporate governance, the Pakistan Credit Rating Agency (PACRA) assigned the long term rating of Allied Bank to AA (double A) and short-term rating to A1+ (A one plus).

3.3 Board of Directors of the Management Company

Name	CNIC #	Occupation	Address	Position	Other Directorships
Sheikh Mukhtar Ahmed	33100-0613331-9	Industrialist	3, Race course road, Civil line Faisalabad.	Chairman	1. Ibrahim Fibers Limited. 2. Ibrahim Agencies (Pvt.) Ltd.

					3. Allied Bank Limited.
Mr. Muhammad WaseemMukhtar	33100-0579090-9	Industrialist	3, Race course road, Civil line Faisalabad.	Director	1. Allied Bank Ltd. 2. Ibrahim Fibers Ltd. 3. Ibrahim Agencies (Pvt.) Ltd. 4. Arabian Sea Country Club
Mr. Khalid A. Sherwani	42301-5333193-7	Ex-CEO & President ABL	63, Khayaban-e-Rahat, Phase-6, D.H.A, Karachi	Director	1. First Women Bank Ltd. 2. Allied Bank Ltd. (deemed director) 3. Habib Allied International Bank (HAIB) 4. 1-Link Guarantee Limited
Mr. Muhammad Yaseen	42201-0494282-9	SEVP and Treasurer ABL	C-47, Dawood Cooperative Housing Society KDA Scheme No.7, Off. Stadium Road, Karachi.	Director	
Mr. M. Jawaid Iqbal	42301-2617835-5	SEVP & Group Head CIBG ABL	Navel Housing Scheme, House # D/377, Zamzama Link Road, Clifton, Karachi.	Director	1) CFA Association of Pakistan. 2) The Hub Power Company Limited. 3) Central Insurance Company Limited. 4) Fatima Fertilizer Company Limited
Mr. M. ShakebMurad	42201-4550064-1	Head of Treasury Orix Leasing Pakistan Ltd	House # 110-1, Khayaban-e-Badar Off Commercial Avenue, Phase VI, DHA, Karachi.	Independent Nominee Director	
Mr. Kamran Nishat	42301-3817237-5	Managing Director & CEO. Muller & Phipps (Pakistan) Pvt. Ltd.	B-8, Clifton Courts, Ch. Khaliqz Zaman Road, Clifton Karachi.	Independent Nominee Director	1) Muller & Phipps Pakistan (Private) Limited. 2) Information Systems Audit and Control Association, Karachi Chapter.
Mr. Farid Ahmed Khan	42201-8134436-5	CEO-ABL AMCL	153 Khayaban-e-Hilal, Phase-6, DHA, Karachi.	CEO	1) Mutual Fund Association of Pakistan (MUFAP) 2) CFA Association of Pakistan.

3.3.1 Profile of Directors

Sheikh Mukhtar Ahmed, started his business career immediately after migrating from India at the time of Independence of Pakistan in 1947 and contributed to the industrial and

business growth of Pakistan through his entrepreneurship skills and business acumen. He has over 55 years of experience in establishing and successfully managing various industrial and financial companies. Under his auspices, Ibrahim Group has emerged as a leading conglomerate of the country. He joined the Board of Allied Bank in 2004 and the ABL AMC Board in 2008.

Muhammad Waseem Mukhtar, holds a Master's degree in Total Quality Management (TQM) from University of Glamorgan, Wales, U.K and has diversified experience of Finance, IT and Industry. He is on the Board of Allied Bank since 2004. His proactive strategic guidance played a vital role in technological up-gradation to enhance service quality across Allied Bank. He joined the Board of the ABL AMC in 2010.

Khalid A. Sherwani, is a seasoned banker with over 40 years of experience. He earlier served Allied Bank as CEO for two successive terms from 2000 to 2007 before re-appointment in June 2010 and played a key role in the turnaround of the bank since its restructuring in 2004.

Before joining Allied Bank he was associated with United Bank Limited as its Chairman/CEO and House Building Finance Corporation as Managing Director. He was involved with the ABL AMC at the time of its incorporation as its Chairman/Director in 2007 and rejoined its Board in 2010.

Muhammad Yaseen, is the Treasurer of Allied Bank Limited. He is a Bachelor of Commerce (B.com) from the University of Sindh Hyderabad, 1971. He has attended various training courses during his entire service; Foreign Exchange & Money Market Training at Citibank London in 1983, Asset & Liability Management conducted by ABN AMRO academy in Amsterdam, Pricing of Treasury Products conducted by ABN AMRO academy in Amsterdam and Dealing in Derivatives, directed by ABN AMRO academy in Singapore.

M. ShakebMurad, is the General Manager & Treasurer of ORIX Leasing Pakistan Limited. He completed his Master of Business Administration (MBA) from University of Santa Tomas (UST), Philippines in 1990. He has completed various professional courses some of which were conducted by the Investment Banking Academy from The Asian Bankers, Managerial Grid from Institute of Bankers of Pakistan and Specialized Treasury Products from ORIX Corporation, Japan

Kamran Nishat, is the Managing Director and CEO of Muller & Phipps (Pakistan) Pvt. Ltd., and has over twenty eight years of diversified experience with leading organizations in Automotives, Textiles, Leather, Distribution and consulting sectors etc. He has represented organizations at the highest level in various industry forums and engagements with various bodies including Governmental Officials and has proven skills of crisis management and turning around difficult situations through a keen sense of strategy, tactics and perseverance. Mr. Kamran is a fellow member of the Institute of Chartered Accountants of Pakistan and also served as the member of the Accounting and Auditing Standards Committee (South) and Information Technology Committee (South) of the Institute of Chartered Accountants of Pakistan. Mr. Kamran is also the director of Karachi Chapter, Information systems Audit and Control Association, USA.

Farid Ahmed Khan, CFA is the CEO of ABL Asset Management. He has been involved with capital markets for over 16 years and has a broad-based, global experience with bulge bracket firms in Asset Management, Investment Banking, Investment Research and Sales, Business Development & International Project Finance. He joined ABL AMC from Credit Suisse, where he was the Country Manager of Credit Suisse Pakistan. Prior to that, he

worked for MCB, initially as Head of Investment Banking Group and later as the CEO of MCB Asset Management. Farid has extensive experience outside Pakistan, having worked at Morgan Stanley, ING Barings Securities and CLSA Emerging Markets in Kuala Lumpur, London and Istanbul in a variety of senior positions. He holds an MBA in Finance from IBA, Karachi and got his CFA qualification in 1998.

3.3.2 **Profile of Management**

Mr. Farid Ahmed Khan, CFA Chief Executive Officer

Please refer to as explained above in Profile of Directors

Syed Khalid Husain Head of Business Development

Khalid brings with him 25 years of rich experience of Banking both in Corporate and Retail sectors. His last position was Head of Karachi City Region of Allied Bank, which is the largest region of Pakistan for ABL in terms of business. He was also looking after the Corporate Deposits of Sind and Baluchistan Province's. He has participated in Seminars and Training Programs within Pakistan and abroad. He has represented Allied Bank in the International Banking course organized by State Bank Of Pakistan in which 20 Countries Participated. He has also worked as Chief Manager in the "Top Business Branches" of Karachi and under his supervision these branches won the "Best Branch of Pakistan", "Best Branch of Sind", awards.

Mr. Faisal Nadeem Mangroria, ACA, CMA (UK) Chief Financial Officer & Company Secretary

Faisal is a Chartered Accountant (CA) and an associate member of the Institute of Chartered Accountant Pakistan (ICAP). He has also passed his Chartered Management Accountancy exams from the Chartered Institute of Management Accountants, UK, and has completed his article ship from Ford, Rhodes, Robson, Morrow, a member of Ernst & Young International (EYI). He has professional experience at the executive cadre in Pakistan Industrial Credit and Investment Corporation (PICIC) where he managed the risk of institutional and retail portfolios of the company. He also served at First Credit & Investment Bank Limited (formerly known as First Credit & Discount Corporation Limited) an investment bank owned by National Bank of Pakistan (NBP) where he was involved in the areas of core finance, risk management and internal audit. Before joining ABL AMC he served as the Chief Financial Officer at Khoja's Capital Management (Pvt.) Ltd.

Mr. Muhammad Imran Chief Investment Officer

Imran has over eleven years of diversified experience in Treasury and Fund Management. He has held different senior positions in leading financial institutions. Before joining ABL Asset Management, he was Senior Fund Manager at MCB Asset Management Company Limited. Prior to that, he was associated with AMZ Asset Management as Head of Fixed Income Funds and was instrumental in establishing the company, developing its treasury systems and successful launching of different open ended funds. He also worked for ArifHabib Investment in Fixed Income Fund Management side and has also had successful stints at Saudi Pak Leasing Company Limited and Pakistan Emerging Ventures Limited.

Devising strategies to earn profit from market inefficiencies is his key strength and his views on financial markets are much sought after by participants and regulator alike.

Mr. Imran is an MBA in Finance and is member of Financial Market Association of Pakistan(FMA).

Mr. Saqib Matin, ACA, APA
Chief Internal Auditor

Saqib is a Chartered Accountant (CA) and an Associate Member of the Institute of Chartered Accountants of Pakistan as well as an Associate Member of Pakistan Institute of Public Finance Accountants. He joined ABL Asset Management Company Limited in January 2008 as Chief Financial Officer. He brings with him more than 10 years of diversified experience in the fields of accountancy, taxation, corporate and audit. Previously, he was associated with Atlas Asset Management Limited as Manager Fund Accounting & Financial Reporting. He also served in SME Bank Limited and Sapphire Textile Mills Limited as Manager Accounts. He commenced his professional career from Hameed Chaudhri & Co., Chartered Accountants.

Mr. Abid Jamal
Head of Research

Abid Jamal is the Head of Research at ABL AMC. Abid has followed the Pakistan's Capital markets since 2005. He was formerly associated with some prominent brokerages houses like J.P Morgan Pakistan and Elixir Securities. Before joining ABL AMC, he was a senior analyst at SICO Bahrain. He received a B.S. in Business Administration from the Ohio State University, USA.

Syed Hassan Mehdi
Head of Registrar Services & Manager Operations

Hassan has over a decade experience of working with leading financial institutions. In the initial years of his career, he was associated with the Union Leasing, subsidiary owned by Union bank Limited where he was looking after credit admin area of the leasing portfolio. Later on, Hassan joined NAFA and taken care of operations department. In addition, he was one of the key members in the launching of series of funds at the National Fullerton Asset Management Company Limited (NAFA), a subsidiary owned by NIB, NBP and Fullerton, Singapore. Hassan joined ABL Asset Management Company as Head of Registrar Services and Manager operations and also involved in the successful launching of four funds under the umbrella of ABL AMC. Hassan did his MBA major in Finance and also completed one year Post Graduation Diploma in Islamic Banking & Finance. Hassan major expertise involves around operations and Registrar Services and also having outstanding relationship with marketing department in disposing off the client queries efficiently and effectively.

Mr. Hammad Ali Abbas
Fund Manager

Hammad brings with him knowledge and experience pertaining to the mutual fund industry as well as corporate and treasury markets. His expertise lies in the launch and management of Mutual Funds. He has served with institutions such as NAFA where he held the position of an Assistant Fund Manager, a Senior Executive, Corporate and Investment Banking at ORIX Investment Bank Ltd. and a Corporate Dealer at Pak Oman

Investment Company Ltd. dealing primarily in equity, debt and money market instruments. He is a Bachelor (Hons) in Business and IT from Birmingham City University, UK and Master in Business and IT from The University of Manchester, UK.

**Kamran Aziz,
Fund Manager**

Kamran Aziz graduated from IBA in 2008 and joined ABL AMC as a Research Analyst covering Fertilizer and Banking sector of Pakistan. He passed his CFA Level 3 examinations. Currently he is working as a Fund Manager for ABL Stock Fund. He strongly believes in 'value investing' and is involved in advocating the same at various forums. Prior to joining the industry he ran his own web-based B2B Company, which catered to websites in US and Europe.

Kamran Aziz is an avid learner and takes keen interest in voluntary activities. He's been an active (voluntary) member of CFA Association of Pakistan. He has also been a speaker at various seminars and in-house discussions on stock market. Currently he is heading the Newsletter Committee of CFA Association of Pakistan

3.4 Duties and Responsibilities of the Management Company

The Management Company shall manage, operate and administer the Scheme in accordance with the Regulations, the Trust Deed and this Offering Document and the conditions that may be imposed by the Commission from time to time.

3.4.1 Primary Functions of the Management Company:

i. Fund Management

The Management Company has the responsibility to make all investment and disinvestment decisions within the framework of the Regulations, the Trust Deed and this Offering Document, including Supplemental Trust Deeds and Supplemental Offering Documents if any.

ii. Fund Manager and Investment Committee

The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to assist the Management Company in investing and managing the assets of the Scheme. All investment and disinvestment decisions shall be made through the investment committee within the framework of the Regulations, the Trust Deed and this Offering Document.

iii. Investor Services

The Management Company has the responsibility to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.

iv. Investor Records

The Management Company has the responsibility to maintain investors' records and for this purpose, shall perform Registrar's functions or appoint a Registrar/Transfer Agent who is responsible for performing Registrar Functions.

v. Registrar Services

The Management Company shall carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities. The Management Company shall not remove the records or Documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the Commission and the Trustee. The Management Company shall perform the function of Registrar/Transfer Agent. However, at its discretion the Management Company may outsource the Registrar Function to a third party.

vi. Distribution

The Management Company shall, from time to time, appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) under intimation to Trustee for carrying on Distribution Function(s) at one or more location(s) on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distributor and the Management Company. The Distributors shall be remunerated by the Management Company out of the Front-end Load or out of its own resources. Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Function(s). The Distributor(s) shall act as the interface between the investors, the Management Company, the Registrar/Transfer Agent and the Trustee and perform the Distribution Function(s), as defined in Clause 14.21 hereafter.

The distributors to whom it delegates have acquired registration with the Mutual Funds Association of Pakistan as registered service providers and are maintaining the registration on an annual basis and are abiding by the code of conduct prescribed for them by Mutual Funds Association of Pakistan and all existing distributors shall acquire registration with Mutual Funds Association of Pakistan as registered services provider before the 31st March 2012

vii. Investment Facilitators

The Management Company may, at its own responsibility, from time to time appoint Investment Facilitators to assist it in promoting sales of Units. The Investment Facilitators shall be remunerated by the Management Company out of the Front-end Load or out of its own resources.

viii. Record Keeping

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing and issuing 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 at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, the amounts received by the Scheme in respect of issues of Units, payments made by the Scheme on redemption of Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a

period of not less than ten years. The Management Company shall not remove the records or documents pertaining to the Scheme from its principal place to another place without the prior written permission of the Commission and the Trustee.

3.4.2 **Other Functions and Responsibilities of the Management Company:**

- i. The Management Company shall manage the Scheme and the Fund in the best interest of the Unit Holder(s), in good faith and 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, and subject to the restrictions and limitations as provided in the Trust Deed, and the Regulations and subject to any special exemptions granted by Commission. Any purchase or sale of investments made under any of the provisions of the Trust Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Trust Deed or the Regulations. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- ii. The Management Company shall comply with the provisions of the Regulations and the Trust Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of the Trust Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its gross negligence or reckless or willful act and/or omission of its officers, officials or agents.
- iii. The Management Company may from time to time appoint, remove or replace the Registrar/Transfer agent under intimation to the Trustee.
- iv. 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 Scheme.
- v. The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Management Company shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- vi. The Management company shall prepare and transmit within four months of closing of the accounting period of the Scheme to the unit holders, the Trustee, the Commission and stock exchanges, on which the units of the scheme are

listed, the annual report as per the requirements set out in Schedule V of the Regulations, including;

- (i) copy of the balance sheet and income statement;
 - (ii) cash flow statement;
 - (iii) statement of movement in Unit Holders' fund or Net Assets or reserves; and;
 - (iv) the Auditor's report of the Scheme;

- vii The Management company shall prepare and transmit (physically or on the web subject to Commission's approval) within one month of the close of the first and third quarters and within two months of the close of second quarter of the Accounting Period of account of the Scheme, prepare and transmit to the Unit Holders, the Trustee, the Commission and Stock Exchanges, on which the units of the scheme are listed whether audited or otherwise:
 - (i) balance sheet as at the end of that quarter;
 - (ii) income statement;
 - (iii) cash flow statement;
 - (iv) statement of movement in Unit Holders' fund or Net Assets or reserves; and;
 - (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of the person whose securities are owned for that quarter;

- viii The Management Company shall maintain a Register of Unit Holder(s) of the Trust (either in physical or electronic form) through Registrar/Transfer Agent or itself and inform the Trustee and the Commission of the address where the Register is kept. The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of SECP and the Trustee. The Management Company shall maintain the accounts, records and other documents pertaining to the scheme for a period not less than ten years.

- ix The Management Company shall with the consent of the Trustee, appoint at the establishment of the Trust and upon any vacancy an auditor, from the approved list of auditors circulated by the Commission from time to time, who shall be chartered accountants and independent of the auditor of the Management Company, as the case may be, and such auditor shall be appointed for a period as prescribed in the Regulations and the contents of the Auditor's report shall also be in accordance with the provisions of the Regulations.

- x The Management Company shall be obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for ratings as per the rating criteria of the rating agency. Such rating shall be updated at least once every Accounting Period and also published in the annual and quarterly reports of the Scheme.

- xi The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Trust. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions unless they are not in conflict

with the Trust Deed and the Regulations. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction, subject to the Trust Deed and the Regulations.

- xii The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- xiii Subject to Clause 3.4.2 (xiv) hereafter, the Management Company may appoint investment advisors to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund at its own cost and discretion, provided that the Management Company will be responsible for all acts of such advisors.
- xiv The Management Company may in consultation with the Trustee further appoint advisors and professionals in offshore countries for making investments in offshore countries and/or for issuing Units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Scheme, the Management Company and the Trustee and their respective obligations in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme.
- xv The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration with any single Broker and shall intimate the same to the Trustee
- xvi The Management Company shall nominate one or more of its officers to act as attorney(s) for performing the functions of Management Company and for interacting with the Trustee
- xvii The Management Company shall provide such other information and record to the Trustee as may be necessary for the Trustee to discharge obligations under the Regulations and the Deed.

3.5 Trustee

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

3.5.1 Basic Role of the Trustee

- i. The Trustee shall take into its custody or control and invest, hold and/or maintain the Scheme Property from time to time at the direction of the Management Company strictly

in terms of the provisions contained and the conditions stipulated in the Trust Deed, the Offering Document, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time. All registerable assets shall be registered in the name of or to the order of the Trustee. The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Trust Deed, the Offering Document(s), the Regulations and the conditions (if any) which may be imposed by the Commission from time to time;

- ii. The Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee.
- iii. The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Trust on behalf of the beneficial owners (the Unit Holders), within the framework of the Regulations, the Trust Deed establishing the Trust and Offering Document issued for the Trust.
- iv. The Trustee shall have all the obligations entrusted to it under the Regulations, the Trusts Act 1882, Trust Deed and this Offering Document.
- v. The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company.
- vi. The Trustee may in consultation with the Management Company and at the cost of the Fund appoint and may also remove and replace from time to time one or more bank(s) and/or other depository company, to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Trust with the approval of the Management Company at competitive terms as part of its normal line of business.
- vii. The Trustee shall comply with the provisions of the Trust Deed 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(s) or responsible official(s) of the Trustee or by any nominee(s) or agent(s) appointed by the Trustee with the written approval of the Management Company, provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by gross negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- viii. 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 suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under the Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of the Trust Deed and the Regulations. Whenever pursuant to any provision of the Trust 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 have been signed on behalf of the Management Company by any person(s) whose signature(s) the Trustee is

for the time being authorised in writing by the Management Company to accept;

- (b) any instruction(s) received online through the software solution adopted by the Management Company in consultation with the Trustee for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee.
 - (c) instructions given electronically to the Trustee based on distinctive users IDs and passwords allocated to authorised person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above malfunction, the Trustee and the Management Company not knowing the fact will act in the best interests of the Scheme and the unit holders; or
 - (d) third party evidence where required (such as broker contracts and note), in relation to (a) and (b) above.
- ix. The Trustee shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
 - x. The Trustee shall be liable for any loss caused due to its acts or omissions or that of its agents in relation to any custody of assets or investment forming part of the property of the Scheme;
 - xi. 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 offering of a Scheme and shall also ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration of business with any Broker;
 - xii. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of the Trust Deed and/or this Offering Document or the Regulations and/or any other applicable law, provided, however if for any reasons, it becomes impractical or not possible to carry out any instructions or fulfill or effectuate any of the provisions of the Trust Deed, the Trustee shall not be responsible therefore and it shall neither incur any liability for anything done or omitted to be done in good faith, provided it has attempted to employ its best efforts and all available means to comply with the instructions. In such situation, the Trustee shall forthwith notify the Management Company in writing, highlighting such reasons.
 - xiii. The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
 - xiv. The Trustee shall issue a report to the Unit Holder(s) included in the annual and second quarterly report whether in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Regulations, this Offering Document and the Trust Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

- xv. The Trustee shall ensure that (a) the sale, issue, re-purchase/redemption and cancellation of Units are carried out in accordance with the provisions of the Trust Deed, this Offering Document and the Regulations and (b) the methodology and procedures adopted by the Management Company in calculating the value of the Units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation prices are carried out in accordance with the provisions of the Trust Deed, this Offering Document and the Regulations. In order to comply with this obligation, the Trustee shall have an unhindered access to the records and information maintained or available with the Management Company or its agents.
- xvi. The Trustee shall ensure that the investment and borrowing limitations set out in the Trust Deed and the Regulations and the conditions under which the Scheme was registered are complied with.
- xvii. The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the Commission and the Management Company within four months of the close of the financial year of the Trustee.
- xviii. 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 Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- xix. The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's Authorised directors and officers. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under the Trust Deed or the Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Trust Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.
- xx. The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and the Trust Deed nor shall the Trustee be liable for any act or omission of the Management Company, nor for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust 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.

- xxi. The Trustee shall ensure that Units of the scheme have been issued after realization of subscription money, or act as provided in the Regulations. For this purpose, Management Company will provide the Trustee with the summary of Investments on regular basis.
- xxii. The Trustee shall Immediately inform the Commission if any action of the Management Company in relation to and on behalf of collective investment scheme contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws alongwith details of remedial action taken by the trustee where applicable;
- xxiii. The Trustee shall arrange for its annual system audit by an auditor and provide the report of such audit to the Commission and the concerned Asset Management Company, within four months of the close of its financial year;
- xxiv. The Trustee shall call a meeting of the unit holders in such manner specified by the Commission through circular,-
- (i) whenever required to do so by the Commission in the interest of the unit holders; or
- (ii) whenever required to do so as per the requirements of these Regulations;

For this purpose the following requirements shall be ensured by the trustee for convening the meeting of unit holders:

- notice of the meeting indicating time, place and purpose of the meeting shall be given to every unit holder of the Collective Investment Scheme at least seven working days prior to the meeting;
- in case of meeting called for any specific purpose, statement of material facts and other pertinent information/documents shall be made available to the unit holders;
- trustee of the Collective Investment Scheme shall attend every meeting of the unit holders and shall act as secretary to such meeting;
- any resolution passed or consented in writing by the majority of unit holders representing at least three fourths in value of the total outstanding units of the Collective Investment Scheme shall become binding except such resolution is contrary to the Rules, Regulations, Constitutive Documents or circulars and directives issued by the Commission; and
- the trustee shall submit minutes of the meeting along with any resolution passed in the meeting to the Commission within seven working days of the meeting;

- xxv The Trustee shall comply with the directions of the Commission given in the interest of the unit holders;
- xxvi The Trustee shall not invest in Open End Schemes for which it acts as trustee.
- xxvii The Trustee shall obtain and maintain duplicate of all the records of register of unit holders maintained by the Asset Management Company or the Registrar and shall update the record on a fortnightly basis.”;

3.6 Pre-IPO Investors

As per regulation 54 (3a) The minimum size of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme

Explanation: -

The minimum fund size means the Net Assets of the Open End Scheme. Further according to regulation 54 (3b) after the initial public offering or subsequently at any time if the size of any Open End Schemes falls below that minimum size of Rs.100 million the asset management company shall ensure compliance with the minimum fund size within three months of its breach and if the fund size remains below the minimum fund size limit for consecutive ninety days the Asset Management Company shall immediately intimate the grounds to the Commission upon which it believes that the Open End Scheme is still commercially viable and its objective can still be achieved.

The Pre-IPO Investors will be eligible to any profit earned on their investment from the date the funds are placed in a separate Bank Account till the day of the close of the of the Initial Period . The purpose of this is to ensure that all Unit Holders (Pre-IPO Investors and IPO investors) are treated at par at the beginning of the Initial Period. Such interest/profit shall not form part of the Trust Property.

3.7 Registrar/Transfer Agent

The Management Company will perform duties as the Registrar of the Scheme until any further notice and intimation to the Trustee. The Registrar shall carry out the responsibility of maintaining investors’ records, preparing and issuing account statements, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.

3.8 Custodian

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

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

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

3.9 Distributors/ Advisors/ Facilitators/Sales Agent

- i. Parties detailed in Annexure “C” of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches. The addresses of these branches are given in Annexure “C” of this Offering Document. These branches may be increased or decreased by the Management Company from time to time and the said change shall be notified to the Unit Holders through website of the Management Company. The Management Company may from time to time, appoint additional Distributors or terminate the arrangement with any Distributor and intimate the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.
- ii. The Distributors will be responsible for receiving applications for performing Distribution Functions, including receiving applications for issuance of Units and redemptions / transfer applications. They will also be interfacing with and providing other services to Unit Holders, including receiving applications for change of address and other particulars or application for issuance of duplicate certificates, requests for income tax exemption/Zakat exemption, etc. for immediate transmission to the Management Company or Registrar/Transfer Agent as appropriate for further action. The Management Company shall remunerate the Distributor out of its own resources and/or from Front-end Load.
- iii. The Distributors/Distribution Companies may appoint sub-distributors with prior approval of the Management Company to perform some aspects of the Distribution Functions but the Management Company shall be responsible for all acts and omissions of their sub-distributors.
- iv. The Management Company may, at its sole responsibility, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators’ function is to identify, solicit and assist investors in investing in the Scheme. The Management Company shall remunerate the Facilitators out of the Front-end load or its own resources.

3.10 Auditors

M/s A. F. Ferguson & Co.

- i. The Auditors will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to Accounting Period and will be eligible for reappointment by the Management Company with the consent of the Trustee. However, an auditor may be reappointed for up-to five consecutive terms. Thereafter, that auditor may only be appointed after a break in appointment.
- ii. The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.

- iii The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- iv 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, including notes, statements or schedules appended thereto.
- v The contents of the Auditors report shall be in accordance with the provisions of the Regulations.

3.11 Legal Advisors

M/s. Bawaney & Partners
404, 4th Floor, Beaumont Plaza
Beaumont Road
Karachi, Pakistan

3.12 Bankers

Allied Bank Limited
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Alfalah Limited

In addition, the Management Company may appoint any other Banks. The Trustee shall operate the accounts on instruction from the Management Company.

3.12.1 Bank Accounts

The Management Company would perform all activities through the Trustee of the Scheme.

- i. The Trustee, at the request of the Management Company, shall open Bank Account(s) titled “**CDC-Trustee ABL Government Securities Fund**” for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, Rules and Regulations, for collection, investment, redemption or any other use of the Trust’s funds.
- ii. The Trustee shall also open additional Bank Account(s) titled “**CDC-Trustee ABL Government Securities Fund**” at various branches of such other Bank(s) as requested by the Management Company. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.
- iii. The Trustee shall, if requested by the Management Company open Bank Accounts titled “**CDC-Trustee ABL Government Securities Fund**” in offshore countries where the Investments are made on account of the Scheme, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore

Investments of the Scheme. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP and the exchange control regulations, as well as any directives of the SBP and/or the Commission.

"Provided that the Management Company shall indemnify and undertake to hold the Trustee and its directors and officers for the time being in office indemnified and harmless from and against all losses, damages, costs and expenses (including legal fees and expenses that may be incurred in responding to or defending any notices, actions or proceedings), which they or any of them may suffer or sustain that may arise from and out of (1) the appointment of bankers, brokers and custodians in the offshore countries; (2) signing of account opening forms, agreements and declarations required by the offshore banks, brokers or custodians; (3) the appointment of advisor by the Management Company, if any, in the offshore countries; (4) the opening and operation of the Bank Accounts, brokerage accounts and custody accounts in offshore countries; (5) the investments made abroad on account of the Scheme, as well as the disinvestments and (6) all other related or incidental activities of the Trustee in relation to the above. The Management Company shall execute separate indemnity in this regard in the form and substance required by the Trustee."

- iv. The Management Company will exercise due caution and diligence in appointing and arranging of such bank, brokerage houses and custodian/ sub-custodian in offshore countries as mentioned in (iii) above. For the purpose of making such arrangements in offshore countries, the Management Company may in consultation with the Trustee retain the services of advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee, as provided in Clause 6.2.1.vii hereafter. However the cost of the advisors and professionals shall not be charged to the Scheme.
- v The Management Company may require the Trustee to open separate Bank Accounts for the Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. This account may also be used to facilitate redemptions and other Trust related (ancillary) transactions
- vi The Management Company may also require the Trustee to open separate Bank Account(s) as Distribution Account(s) for each Dividend distribution out of the Unit Trust.
- vii All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Scheme.
- viii All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- ix The amounts received from the investors during the Pre-IPO shall be deposited in separate Bank Accounts having title **CDC-Trustee ABL Government Securities Fund**. Separate bank accounts for Local and Offshore Pre-IPO investors will be opened with a scheduled bank. The Management Company may from time to time

deposit such Pre-IPO amounts with scheduled commercial banks having rating not lower than AA- (Double A minus) rated by any credit rating agency listed/approved by the Commission and subsequently transfer such amounts to the main Bank Account of the Scheme upon the close of the Initial Period of Offer. Any interest/markup, profit, etc. earned on such Pre-IPO bank deposits up to the close of the Initial Period, after deducting all expenses, shall be paid to the Pre IPO investors and shall not form part of Trust Property. Such payments shall be made either in the form of cash or additional units as the management may decide.

- x The Management Company shall not open or close or arrange to open or close any account with a bank, broker or depository for the Collective Investment Scheme without the approval of its Board except for in terms of SECP Circular 9 of 2009 dated September 03, 2009, where an AMC has obtained approval of its Board of Directors for opening/ arranging to open an account(s) with any particular bank, it may open accounts with any branch of that bank and shall obtain approval of its board of directors in the subsequent meeting

- xi Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders except for those mentioned in sub clauses (iv) and (vii) of clause 6.2.1 hereinafter.

- xii The Trustee if requested by the Management Company shall also open separate Bank Account(s) titled “**CDC -Trustee ABLAMC Funds**” at various locations for collection of funds pursuant to any centralized funds collection system that may be introduced by the Management Company for all the unit trusts managed by the Management Company. These account(s) shall be a temporary allocation accounts, where collections received on account of subscription of Units by investors of various units trusts and Administrative Plans that are managed by the Management Company and under trusteeship of common Trustee shall be held prior to their being allocated and transferred to the Scheme on a daily basis by the Trustee. The Management Company may also require the Trustee to open separate accounts for temporary parking of redemption funds”.

3.13 Details of Performance of Schemes under Management

ABL Government Securities Fund (ABL-GSF) is the fifth Fund being launched from ABL AMC’s platform. ABL AMC has already launched ABL Income Fund, ABL Stock Fund, ABL Cash Fund and ABL Islamic Income Fund which has received an excellent response from the market. ABL AMC further intends to launch open-ended Schemes in the future as well as manage discretionary funds. It has already acquired the requisite resources, facilities and systems. ABL AMC comprises of a dedicated team of professionals having relevant experience.

Existing Funds under Management

Details of Performance of Schemes under Management

ABL-GSF is the fifth Fund constituted by ABL Asset Management Company Limited after the launch of ABL Income Fund (ABL-IF), ABL Stock Fund (ABL-SF), ABL CashFund (ABL CF) and ABL Islamic Cash Fund (ABL- CF) respectively.

Existing Funds under Management

ABL Income Fund (ABL-IF)

ABL-IF, an open end fixed income fund was launched on September 20, 2008 with an Initial fund size of Rs.1.84 billion. Since its inception ABL-IF AUM grew by 168% to Rs.4.56 billion as on September 30, 2011. The Fund has a low risk profile having low exposure in corporate debt instruments. The fund's portfolio primarily consists of placements with good rated banks/DFIs, investments in short term sovereign debt instruments and banking TFCs.

Launch Date	September 20, 2008
Nature of Fund	Open End
Trustee	CDC Pakistan Ltd
Net Asset Value	Rs.4,561 million *
Par Value per Share	Rs.10.00/-
N.A.V. per Share	Rs.10.0217/- (Ex-Dividend)*
Listing	Karachi Stock Exchange
Benchmark	6-Month KIBOR
Rating	'A+(f)' by JCR – VIS

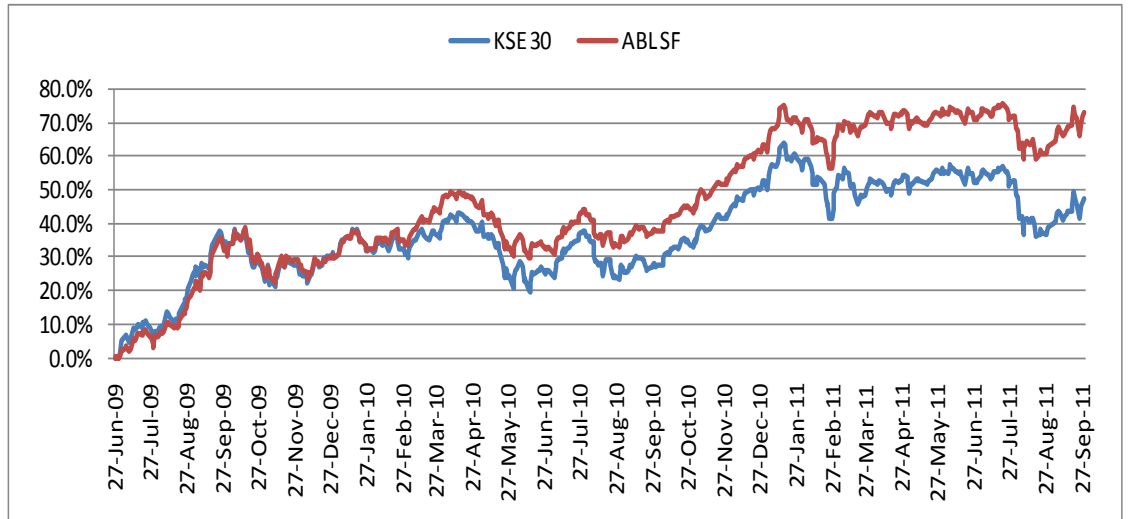
*As of September 30, 2011

ABL Stock Fund (ABL-SF)

ABL-SF, an open end equity fund, was launched on June 28, 2009 with an Initial fund size of Rs.361.2 million. The Scheme has a high risk profile having direct exposure to the stock market. The Scheme's portfolio primarily consists of quality blue-chip stocks and short term sovereign debt instruments. .

Launch Date	June 28th, 2009
Nature of Fund	Open End
Trustee	CDC Pakistan Ltd
Net Asset Value	Rs.385.26 million *
Par Value per Share	Rs.10.00/-
N.A.V per Share	Rs.10.1564/- *
Listing	Karachi Stock Exchange
Benchmark	KSE-30 index
Rating (Based on average two years performance)	MFR 5-Star (JCR-VIS)

*As of September 30, 2011

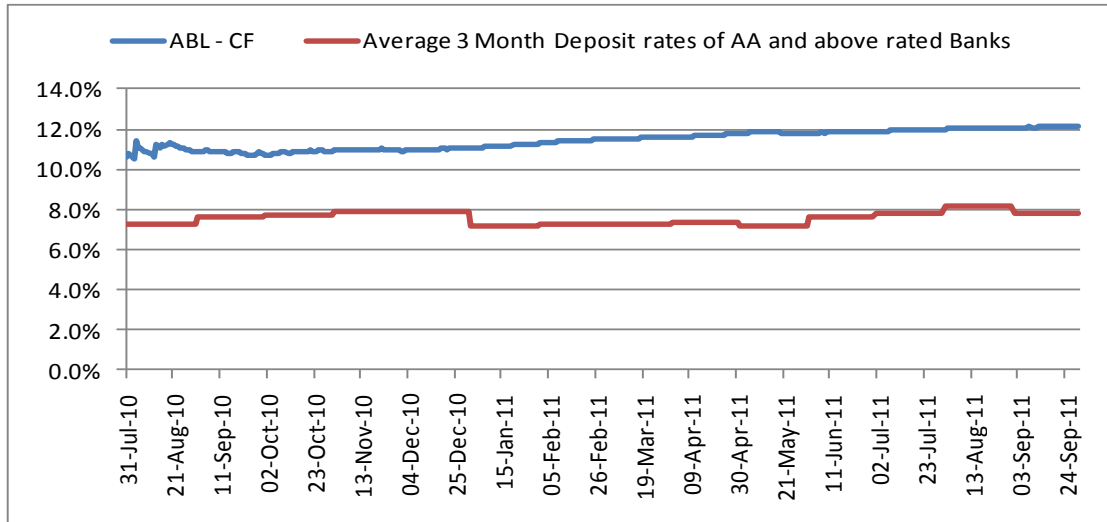


ABL Cash Fund (ABL-CF)

ABL-CF, an open end money market fund was launched on July 30, 2010 with an Initial fund size of Rs.1.78 billion. Since its inception ABL-CF AUM grew by 654% to Rs.13.43 billion as on September 30, 2011. The Fund has a low risk profile due to its low duration and investment in high quality assets. The fund's portfolio primarily consists of placements with good rated banks/DFIs and investments in short term sovereign debt instruments.

Launch Date	July 30, 2010
Nature of Fund	Open End
Trustee	CDC Pakistan Ltd
Net Asset Value	Rs.13,431million *
Par Value per Share	Rs.10.00/-
N.A.V. per Share	Rs.10.0164/- (Ex-Dividend)*
Listing	Karachi Stock Exchange
Benchmark	Average 3 Month Deposit rates of AA and above rated Banks
Rating	'AA+(f)' by JCR – VIS

*As of September 30, 2011

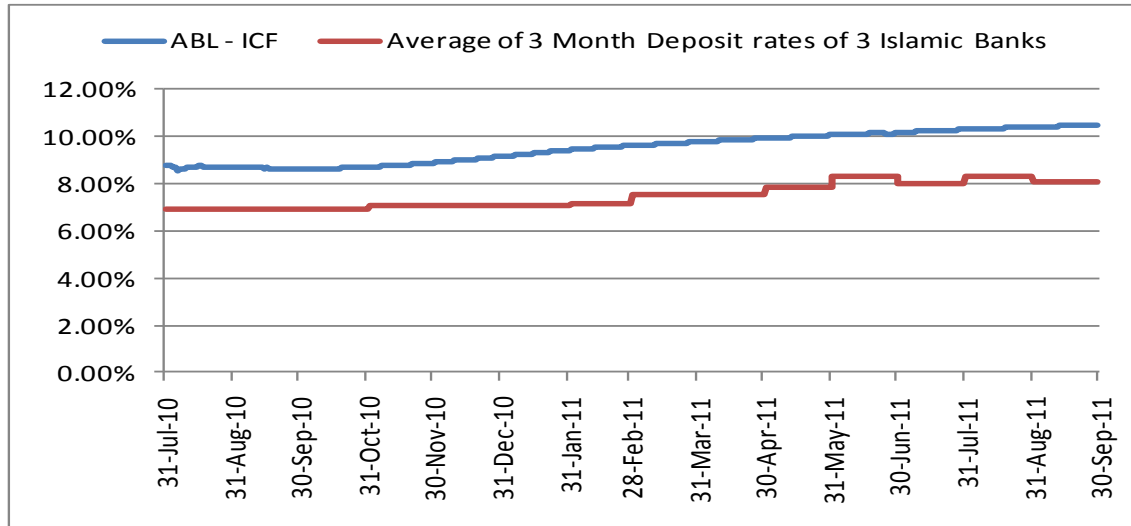


ABL Islamic Cash Fund (ABL-ICF)

ABL-ICF, an open end Islamic money market fund was launched on July 30, 2010 with an Initial fund size of Rs.401 million. Since its inception ABL-ICF AUM grew by 68% to Rs.674.6 million as on September 30, 2011. The fund has been converted from money market fund to fixed income fund effective from October 01, 2011 to augment returns for unit holders.

Launch Date	July 30, 2010
Nature of Fund	Open End
Trustee	CDC Pakistan Ltd
Net Asset Value	Rs. 674.559 million *
Par Value per Share	Rs.10.00/-
N.A.V. per Share	Rs.10.0146/- (Ex-Dividend)*
Listing	Karachi Stock Exchange
Benchmark	Average of 3 Month Deposit rates of 3 Islamic Banks
Rating	AA(f) (JCR-VIS)

*As of September 30, 2011



4. **CHARACTERISTICS OF UNITS**

4.1 **Classes of Units**

The Management Company shall issue the Units of different Classes and Types. Further, Management Company will charge different management fee to different Class of Units, accordingly two different NAVs will be announced. The valuation of Trust Property and expenses shall be in accordance with Trust Deed. While calculating NAV, income and expenses under each class will be allocated based on the weightage of outstanding units under each class except for management fee which will be charged in the manner prescribed against each class.

4.1.1 **Classes of Units**

- i. Class “A” – will be offered to those customers who invest Rs. 10 Billion or above in the ABL Government Securities Fund. The management company will charge management fee, front end load and back end load as per the schedule of charges prescribed in the annexure “B”.
- ii. Class “B” – will be offered to those customers who invest below Rs. 10 billion in the ABL Government Securities Fund. The management company will charge management fee, front end load and back end load as per the schedule of charges prescribed in the annexure “B”.

The management company may offer additional class of units by making supplemental offering document. The Management Company may revise management fee, Front End Load and Back End Load from time to time within the limits prescribed in the constitutive documents and in accordance with the Regulations.

The management company may at its discretion suspend the offering of any class of units with immediate effect but this suspension does not affect the redemption of units in such class.

Further, Management Company shall automatically switch the class B units to Class A units and vice versa in case of meeting the amount criteria as prescribed under each class except in case of corporate actions or variation in NAVs due to appreciation or depreciation of assets.

The investors of both the classes should have in all other respects the same rights and shall enjoy same level of asset management services.

4.2 Types of Units

4.2.1 An investor shall, at the time of opening an account, select the type(s) of Units(s) in which the investor wishes to invest, i.e. Growth and/or Income Units.

4.2.2 The minimum amount of investment to open and maintain an account is Rs.5,000/- for Growth Units and Rs.500,000/- for Income Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove provided, that in case of an upward change in the minimum amount required for maintaining the account or adding funds, the Management Company shall give fourteen(14) days notice to Unit Holders. If the investment is any investor's account below the minimum level as a result of revised limits, changes in valuation redemption, transfer or transmission, the Management Company may instruct the Registrar/Transfer Agent, under intimation to that investor, to close the account by redeeming the Units at the close of any accounting period at the price applicable to redemptions on such date. For Income Units, in case the amount falls below Rs.500,000/-, funds may be transferred to Growth Units.

After the initial investment, Unit Holders of ABL-GSF may add a minimum of Rs.1,000/- per transaction at their convenience. Units of ABL-GSF (including fractions thereof) shall be issued against the amount received from the Unit Holder(s) in accordance with the procedure laid down in this Offering Document. The Management Company may alter the minimum amount required for opening, maintaining or adding to the account. Provided that in case of an upward change in the minimum amount required for maintaining the account or adding funds, the Management Company shall give seven days notice to Unit Holders.

- i. **Growth Units:** The Unit value grows in line with the growth in the NAV, and the Unit Holders, shall have the option to receive distribution income in the form of cash or bonus units. The Unit Holder shall choose one of the following two options:
 - a) Growth Units with option of receiving a Cash Dividend at the time of distribution.
 - b) Growth Units with the option of receiving Bonus Units at the time of distribution.
- ii. **Income Units:** Income Unit Holders will be distributed Dividends in the form of Bonus Units only.
 - a) **Flexible Income Plan** - Unit Holders, at the time of purchase or beginning of an interval will authorize the Management Company to decide the quantum of part redemption of their unit holdings at the end of every Regular Interval (i.e. monthly, quarterly, semi-annually or annually) based on the performance (NAV growth) of the scheme during the Regular Interval.

- If the Value of Investment increases (due to growth in NAV) during an interval, the Management Company will calculate the number of units to be redeemed in such a manner that the total redemption value of such units is equal to the increase in the value of investment during that interval.
 - If the Value of Investment falls (due to fall in NAV) during an interval, the Management Company will not redeem any units at the end of that interval.
- b) **Fixed Income Plan** – Unit Holders, at the time of purchase or beginning of an interval will specify a fixed cash amount at Regular Intervals (i.e. monthly, quarterly, semi-annually or annually) and authorize the Management Company to redeem (at the prevailing NAV) such number of units from their holding that in rupee terms is equivalent to the specified fixed amount required at the end of every Regular Interval.

As a result of operation of this Clause, the capital invested may deplete in case sufficient returns are not earned to cover the amount required by the Unit Holder.

As mentioned in clause 10.2 of this Offering Document, price of units and their subsequent income may go up or down as market conditions so warrant. If income generated from the growth in unit prices outweighs the fixed cash amount, as specified by an investor then the capital of the investor shall not deplete. On the contrary, if income generated from the growth in unit prices becomes lower than the fixed cash amount being paid to an investor then this will lead to a reduction in the actual invested amount. If such a scenario emanates and growth factors dampen with respect to the fixed cash amount then the investor is susceptible to capital depletion. If such conditions persist, then the following steps may be exercised:

- i. The investor may opt to convert their plan from fixed income to flexible income or opt for growth units by completing and submitting the special instructions form as enclosed in Annexure “D”.
- ii. In case the amount falls below Rs.500,000/-, the Management Company may transfer the Income units into Growth Units.

As per clause 9.4 of this Offering Document, the Management Company will inform the fixed income unit holder regarding his/her account activity through regular account statements. Units so redeemed (at the prevailing NAV) from the investor’s holding, that in rupee terms is equivalent to the specified fixed amount, shall be highlighted in the account statement. Investors shall have to regularly monitor their account statements in order to protect their investment from depleting, in the instance that the specified fixed income amount outweighs growth in units.

Such measures will reduce the likelihood of a fixed income plan investor from depletion in capital.

The Management Company shall, calculate the redemption value to be paid to the Income Unit Holder(s) based on the Redemption Price of that day.

- 4.2.3 The Management Shall on the 25th of the last month of every Regular Interval, calculate the redemption value to be paid to the Income Unit Holder(s) based on the Redemption Price of that day.

The amount so redeemed shall be transferred/paid to the designated bank account/Cheque/pay order/Demand Draft within six (6) working days of the redemption.

- 4.2.4 The Unit Holder may withdraw funds from the option at any stage by filling out and submitting the prescribed form to the Distributor. If the value of the account goes below the prescribed amount as a result of loss in valuation or as a result of application of Clauses 4.2.2 (ii) above, the minimum value requirement shall not apply to that extent. In such an event, the Unit Holder is free to discontinue the option or convert the remaining Units into Growth Units.
- 4.2.5 The Registrar/Transfer Agent shall send an account statement to the Unit Holder each time there is an activity in the account. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the register.
- 4.2.6 In case the Management Company announces a suspension of further issue of Units of ABL-GSF, it may allow existing Unit Holders to continue acquiring Units out of any dividend declared on Units held under this option.
- 4.2.7 Certificates representing Income Units shall not be issued. However, the Transfer Agent shall send directly to each Unit Holder an account statement each time there is a transaction in the account.
- 4.2.8 All Units and fractions thereof (up to four or more decimal places) represent an undivided share in the Scheme and rank pari passu as to their rights in net assets, earnings and receipt of dividends and distributions. Each Unit Holder has a beneficial interest in ABL-GSF proportionate to the Units held by such Unit Holder. However, while maintaining the integrity of each Unit's pari passu rights, the Management Company may, for the convenience of investors, issue Units with different features from time to time.
- 4.2.9 Unit Holders may obtain certificates representing the Growth Units they hold by paying a nominal fee of Rs.50/- per certificate. This fee may be revised from time to time by the Management Company. Requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificate(s) if issued earlier. In the event of loss or defacing of certificates, the verification process shall be carried out to the satisfaction of the Management Company / Trustee /Registrar/Transfer Agent and the associated costs, if any, will be borne by the Unit Holder.
- 4.2.10 The Registrar/Transfer Agent may register a pledge / lien on any Units in favor of any third party with the specific authority of the Management Company. However, the pledge / lien shall be valid only if evidenced by a statement or letter issued by the Transfer Agent indicating the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien. (Please see Clause 4.7 for details).

4.3 Purchase and Redemption of Units

- i Units are purchased at the Offer Price and redeemed at the Redemption Price in accordance with the procedure set out in Clauses 4.4 and 4.5 of this Offering Document.
- ii. Units are allocated and issued on realization of subscription money;

- iii During the period the register is closed, as mentioned in Clauses 4.8 and 5.8 of this Offering Document, the sale and redemption of Units will be suspended.

The Management Company may decline the issue of Units to any applicant if it is of the opinion that it will not be possible to invest the substantial inflow of funds or to meet any regulatory requirements.

4.4 Procedure for Purchase of Units

4.4.1 Who Can Apply?

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the Purchase of Units in the Scheme. The onus for being so qualified lies with the investor itself and neither the Management Company, nor the Trustee, nor the Registrar/Transfer Agent, nor the Distributors nor the Investment Facilitators carry any responsibility in this regard. Application may be made pursuant to the procedures described in paragraph 4.4.2 below by any qualified or authorized investor(s) including, but not limited to, the following:

- Citizens of Pakistan resident in Pakistan. In respect of minors below 18 years of age, applications may only be made by their guardians.
- Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan provided such investment is permitted under their respective memorandum and articles of association and / or bye-laws.
- Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations/laws. Any person making an application for the Purchase of Units in the Scheme shall warrant that he/she is duly authorized to purchase such Units.
- Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including the SROs.
- Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act 1882, (11 of 1882).
- Insurance companies under the Insurance Ordinance, 2000.
- Non Profit Organization under Rule 213 (i) of the Income Tax Rules, 2002.
- Any other fund or entity which is allowed as per the constitution document or there is no restriction if confirming by all trustees in writing.

4.4.2 Account Opening Procedure

- i. The procedure herein below is designed for paper-based transactions. The Management Company may at a later date introduce electronic / web based options for the transactions.

- ii. Fully completed application form for purchase of Units, accompanied with the full amount for the investment and copies of the documents mentioned in the subparagraphs below should be delivered at any of the Authorized Branches of the Distribution Companies or the Management Company during the business hours till cut off time on each business day as announced by the Management Company from time to time and the same is placed at company's website. Currently only the Authorized Branches of the Distribution Companies and the Management Company as mentioned in Annexure "C" of this Offering Document are authorized to collect application and payment for the issue of Units as laid down in Clause 4.4.4 of this Offering Document.
- iii. In case of individuals, a photocopy of the Computerized National Identity Card (CNIC) of the applicant or any other form of identification acceptable to the Management Company, need to be furnished.
- iv. In case of body corporate or a registered society/ institutions/ corporate/ trusts attested copies of the following documents may be submitted:
 - a. Investors Name
 - b. List of Authorized Signatories signing on behalf of the company along with copies of CNIC and their specimen signatures.
 - c. Instructions for Redemption.
 - d. Bank details.
 - e. Instructions for Dividend mandate, Zakat and Tax status.
 - f. Memorandum and Articles/ charter / bye-laws or rules and regulation.
 - g. Power of attorney and / or relevant resolutions of the board of directors delegating any of its officers to invest in the Scheme and / or to realize the investments and
 - h. Other relevant documents as may be required by the Registrar/Transfer Agent.
- v. In case of existing Unit Holders, if any of the documents have previously been deposited with the Management Company and /or Registrar/Transfer Agent, fresh submission of documents will not be required, provided that deposited documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.
- vi. The applicant will receive a note confirming the receipt of the application form from an Authorized Officer of the Distributor or Management Company. Payment of Units can be made by cheque, pay order, demand draft, bank transfer as so desired.
- vii. Once the Investor Account has been opened, the Investor will be allotted a specific Registration/ Folio Number which can be used for all future transactions to facilitate reference and linking.
- viii. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant fails to rectify the discrepancy.

- ix. If subsequent to receipt of the application by the Distributor, but prior to issue of the Units the application is found by the Registrar/Transfer Agent or the Distributor to be incomplete or incorrect in any material manner, the Registrar/Transfer Agent or the Distributor will advise the applicant to remove the discrepancy; in the mean while the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any markup.
- x. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar/Transfer Agent or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days. If the investor, in the opinion of the Transfer Agent, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
- xi. Investors will be issued Units based on the Offer (Purchase) Price of the Scheme calculated on the basis of NAV as announced by the Management Company on the Business Day on which subscription amount realized. subject to receipt of correctly filled Investment Form at the Distributor (please refer to Clause 3.9 above) and/or Management Company before cut off time . However, the Investor will be provided the account statement within seven (7) Business Days after the said purchase amount of the Units purchased have been credited to the Fund Account and duly filled application form is received.

In the event a cheque is returned unpaid, the Management Company will assume the application for subscription as void and the Investor will be informed accordingly. The investor will be asked to submit new investment form in case of change of payment instrument. Units will only be allotted and issued based on realization of the money. However, offer price shall be based on the NAV announced by the management company on the business day when amount is realized in the Fund's bank account.

4.4.3 **Joint Application**

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

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

4.4.4 **Application for Purchase of Units**

An application for purchase of Units may be lodged with any authorized Distributor or presented to the Management Company. The application shall be in the form prescribed by the Management Company. Application forms are available with Distributors or Investment Facilitators or may be obtained from the Management Company or its web site i.e. www.ablamc.com. Units shall be issued based on the Purchase (Offer) Price that is determined as per Clause 4.9.3. Payment for the Fund Units can be made in the form of:

- Demand draft or Pay order in favor of CDC-Trustee ABL Government Securities Fund
- Online transfer of money
- Cheque (account payee only marked in favor of CDC-Trustee ABL Government Securities Fund)

The Management Company may also notify from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it.

The aforesaid payments must be handed over to a Distributor who will acknowledge the receipt on the Investment Form. Such payments must only be deposited in the bank account of the Scheme titled “CDC-Trustee ABL Government Securities Fund” maintained with the designated banks and their branches.

Units are issued after realization of subscription money;

4.5 **Procedure for Redemption of Units**

4.5.1 **Who Can Apply?**

All Unit Holders can apply for redemption of units.

4.5.2 **Redemption Application Procedure**

The Holder can request for redemption on any given Subscription Day by submitting the complete prescribed application form and surrender the endorsed certificate (if issued) to any Authorized Branch of the relevant Distributor.

In case of applications for redemption by Joint Holders, such application should be signed by all Joint Holders (See Clause 4.6.3 below) and all Joint Holders should endorse the Certificates. No money shall be paid to any intermediary except the Holder/Joint Holder.

The Management Company may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means subject to the satisfaction of the Trustee.

The Management Company shall not specifically use flipping mechanism (i.e., redemption and re-issuance of Units to the same Unit Holders based on different NAVs without cash settlement.

No netting off transaction (adjustment of the assets of the Scheme against the investment of Unit Holders) is allowed within the Scheme.

4.5.3 **Joint Unit Holder(s)**

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

4.6 **Procedure for Requesting Change in Unit Holder Particulars**

4.6.1 **Who Can Request Change?**

All existing Unit Holders or those who have purchased Scheme Units as per Clause 4.4 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via the Special Instructions Forms. These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site.

4.6.2 **Application Procedure for Change in Particulars**

- i. The information submitted at the time of purchase of Units can be changed through the Special Instructions Form.
- ii. Some of the key information which the Unit Holder can change is as follows:
 - (a) Change in address
 - (b) Joint Holder details
 - (c) Nominee details
- iii. The Unit Holder can also issue the following instructions:
 - (a) Change in Bank Account details
 - (b) Account Operating instructions
 - (c) Frequency of profit payments
- iv. Fully completed Special Instructions Form has to be submitted by both Individuals and/or Institutional Investor(s). This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within business hours on a Business Day.
- v. The applicant must obtain a copy of the Special Instructions Form signed and duly verified by an Authorized Officer of the Distributor or Management Company if the Form is given to an Investment Facilitator.
- vi. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Special Instructions Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- vii. The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes that the Unit Holder may request via the Special Instructions Form. These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.

4.6.3 **Joint Unit Holder(s)**

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

4.6.4 **Partial Transfer**

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

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

4.7.1 **Who Can Apply?**

All existing Unit Holders or those who have purchased Scheme Units as per Clause 4.4 above are eligible to apply for pledge / lien / charge of Units if they so desire. Such Pledge / Lien / Charge can be made via the Pledge of Units Form as attached in Annexure "D" of this Offering Document. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site.

- 4.7.2 Any Unit Holder and / or Joint Unit Holder(s) may request the Transfer Agent to record a pledge / lien of all or any of his / her Units in favor of any third party legally entitled to invest in such Units in its own right. The Transfer Agent shall register a lien on any Units in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- 4.7.3 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.
- 4.7.4 Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien /charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address mentioned in the Pledge Form and/or Account Opening Form submitted.
- 4.7.5 The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- 4.7.6 Fully completed Pledge of Units Form has to be submitted by both Individuals and/or Institutional Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within business hours on a Business Day.

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

4.8 Suspension of Dealing, Queue System and Winding Up

4.8.1 Redemption of Units

4.8.1.1 The Trustee shall at any time during the life of the Trust on the instruction of the Management Company authorize redemption of Units out of the Trust Property through duly Authorised Distributors and/or Investment Facilitators.

4.8.1.2 Application for redemption of Units shall be made by completing the prescribed application form, duly signed by the authorised signatory and having all necessary information required for the redemption of units, and submitting it at any office of the Management Company, authorised branch or office of an appointed Distribution Company. Application for redemption shall be retained by the Transfer Agent and a copy may be supplied to the Distribution Company, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic means subject to the satisfaction of Trustee such as online, ATMs or other means of electronic use. No person shall be entitled to redeem only part of the Unit comprised in a Certificate, however in case where a Certificate is not issued any number of Units may be redeemed by the Holder thereof. The application for redemption of Units shall be accompanied by the relevant Certificate, if issued, duly endorsed on the reverse. In case of applications for redemption by joint Holders, any Holder may sign the redemption form if he/ she is so authorised by all joint Holders. 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.

4.8.1.3 The Trustee may at its option dispense with the production of any Certificate which is lost, stolen or destroyed, upon compliance by the Unit Holder(s) with such requirements arising in the case of any application by him/ her for the replacement thereof.

4.8.1.4 The price at which Units shall be redeemed shall be the Redemption Price fixed by the Management Company subject to clause 4.5 above. The Redemption Price shall be announced by the Management Company at the end of each Business Day as specified by the Regulations.

4.8.1.5 The amount payable on redemption shall be paid to the Holder or in the case of joint Holders, the first named joint Holder by crossed cheque or direct transfer to her/his designated bank account or any other mode, after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed, provided that redemption is not suspended in terms of this Trust Deed.

4.8.1.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and the Management Company and if several persons are registered as joint Holders any one of them may give effectual receipt for any such moneys.

- 4.8.1.7 The Distribution Company shall verify the particulars given in the application for redemption of Units and documents submitted therewith.
- 4.8.1.8 Application for redemption will be received at the authorised offices or branches of the Distribution Company on all Subscription Days. Payments of redemption amounts for Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that in the event redemption requests on any day exceed ten (10) percent of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Trust and/or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. The redemption requests in excess of ten (10) percent of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceed ten (10) percent 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 (10) percent of the Units then in issue.
- 4.8.1.9 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Trust. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.
- 4.8.1.10 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out on-line or electronically or through ATMs or other means of electronic use, with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.
- 4.8.1.11 No netting off transactions (adjustment of assets of the scheme against the investment of unit holders) are allowed within the scheme.
- 4.8.1.12 The Management Company shall not specifically use flipping mechanism (i.e. redemption and re-issuance of units to the same unit holders based on different NAV's without cash settlement).
- 4.8.1.13 The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system.

4.8.2 (a) Temporary change in the method of dealing

Under the circumstances mentioned in the Offering Document and subject to compliance with the Regulations, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld.

(b) Permanent change in the method of dealing

A permanent change in method of dealing shall be made after one month's notice to Unit Holders with the approval of Trustee and SECP. Subject to compliance with Rules and Regulations and the circumstances mentioned in the Offering Documents. Such approval shall not be unreasonable being withheld.

4.8.3 Suspension of redemption of Units

4.8.3.1 The Redemption of Units may be suspended during extraordinary circumstances upto a maximum for fifteen working days including closure of one or more Stock Exchanges on which any of the Securities invested in by the Scheme are listed, the event of war (declared), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company or the Distributors unable to function, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s), or when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).

4.8.3.2 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 Directors of the Management Company.

4.8.3.3 Further, where the commission is of the opinion that it is in the interest of the unit holders, it may direct that the operations of the scheme including issuance, sale or redemption of units shall be suspended with effect from such date as specified by the Commission.

4.8.3.4 In case of suspension of redemption of the units of the Scheme the Management Company shall also suspend issuance of fresh units of the Scheme until and unless redemption of units is resumed.

4.8.3.5 Notwithstanding anything contained in the preceding Clauses, suspension of redemption of Units shall not exceed fifteen (15) working days at a time. In case the Management Company is unable to remove the suspension of redemption of Units of the Scheme within the fifteen working days of suspension, the Trustee shall immediately call a meeting of the Unit Holders at the expiry of the fifteenth working day to decide whether to continue the suspension of redemptions for a further period or revoke or transfer the Scheme to another asset management company.

4.8.3.6 The decision to continue the suspension, revoke or transfer the Scheme to another asset management company shall be supported by consent given in writing or resolution passed by Unit Holders representing at least three fourths in value of total outstanding Units of the Scheme.

4.8.3.7 Notwithstanding anything contained in any other provision, where the Commission is of the opinion that it is in the interest of the Unit Holders, it may direct that the

operations of Scheme, including the issuance, sale or redemption of Units be suspended with effect from such date as specified by Commission.

4.8.4 Suspension of fresh issue of Units

The Management Company may at any time under extraordinary circumstances upto a maximum for fifteen working days, subject to the Regulations, as may be modified from time to time, suspend issue of fresh Units. Such suspension may however not affect, the issue of bonus Units as a result of dividend distribution, the option to receive dividends in the form of additional Units. However, no such fresh administrative plan will be offered during the suspension period. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

4.8.5 Deferral of request for fresh issue of Units

The Management Company may at any time 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 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.

4.8.6 Queue System

In the event redemption requests on any day exceed ten (10) percent of the number of Units outstanding, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten (10) percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/ or arrange borrowing as it deems fit in the best interest of the Unit Holder(s) and shall determine the redemption price to be applied to the redemption requests based on such action. The requests in excess of the ten (10) percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Business Day still exceed-ten (10) percent of the Units in issue or ten (10) percent of the NAV of the Fund, 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 (10) percent of the Units then in issue.

4.8.7 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 Holder(s) who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holder(s) shall be paid after

selling the assets and determining the final Redemption (Repurchase) Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

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

4.9.1 The valuation of the property method for determining the value of the assets and liabilities and the Net Asset Value would be as mentioned in the Regulations and Clauses 14.34 and 14.35 of this Offering Document.

For the Classes of Units and the Initial Period (Purchase) Prices, please refer to Clause 1.7.2 and Clause 1.9 of this Document.

4.9.2 Subsequent to the Initial Period, the Management Company shall announce the Purchase (Offer) and Redemption (Repurchase) Prices for every Business Day, calculated on the basis of the NAV and adjusted for such load, transaction costs, charges and duties as are described herein. The method of calculation shall be such that the Trustee is satisfied regarding the accurate calculation of prices.

4.9.3 The Purchase (Offer) Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of Business Day (in the event there are close days, for any reason, following that business day the NAV so determined shall be adjusted for the accrual of income or losses if any for such close days), Transaction Cost, any Front-End Load (Please refer to Annexure "B" for the current level of load). The Purchase (Offer) Price so determined for a Business Day shall apply to purchase requests, complete in all respects, received by the Distributor and / or Management Company on that Business Day. The purchase (offer) price is different for each class of units due to different level of management fee structure for each class.

4.9.4 The Redemption Price shall be equal to the Net Asset Value (NAV) as of close of the business day immediately preceding the day of determination of the redemption price (in the event there are close days, for any reason, following that business day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such close days) less Transaction Cost, any Back-End Load (Please refer to Annexure "B" for the current level of load). The Redemption Price so determined for a Business Day shall apply to redemption requests, complete in all respects, received by the Distributor and / or Management Company on that Business Day. The redemption price is different for each class of units due to different level of management fee structure for each class.

4.9.5 The Management Company shall, on each Business Day, determine and announce the Net Asset Value based prices of the Units of each class by 6:30 pm. Under certain circumstances as provided in this Offering Document, the Management Company may suspend the announcement of the prices.

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

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

4.9.8 In respect of investments held in foreign currencies, the same will be translated in Pakistan Rupees using the closing buying spot rates declared by recognized banks in Pakistan at each balance sheet date, as per the generally accepted accounting principles and the NBFC Regulations

4.10 Purchase (Offer) and Redemption (Repurchase) of Units Outside of Pakistan

- i. Subject to foreign exchange control and other applicable laws, Rules and Regulations, in the event of arrangements being made by the Management Company for the Purchase (Offer) of Units to persons not residing in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.
- ii. In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility.
- iii. The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.
- iv. Neither the Trustee, nor the Management Company shall be responsible for arranging remittances of funds from the offshore countries to Pakistan and from Pakistan to offshore countries or for payment of any bank charges and other levies, if any in relation to issue and redemption of Units outside Pakistan.

4.11 Transfer, Transmission and Conversion Procedure

- i. Unit Holder may, subject to the law, transfer any Units held by them to any other account holder. The transfer shall be carried out after the Registrar/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with. A Unit shall be transferable only in its entirety.
- ii. 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 on respect thereof. 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 Certificates where the Certificates have been lost, destroyed, subject to compliance by the transferor with like requirements to those arising in the case of an application by him/her for the replacement of thereof as provided in this Offering Document or the Trust Deed. The Registrar/Transfer Agent shall retain all instruments of transfer.
- iii. The Registrar/Transfer Agent, shall 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 the Certificates which have been

cancelled at any time after the expiration of three 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 six years from transmission to the Trust. The Trustee or the Management Company or the Registrar/Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Registrar/Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided always (i) the aforesaid provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall be imposing upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled and (ii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

- iv. Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Registrar/Transfer Agent after satisfying as to all legal requirements. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Registrar/Transfer Agent.
- v. A Unit Holder may convert the Units of a Collective Investment Scheme managed by the Management Company into Units of another Collective Investment Scheme managed by the same Management Company. The Transfer Agent shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, have been received. The Management Company may impose a time limit before which conversion may not be allowed.
- vi. Unit Holder may merge the Units when he/she has invested with two folio/registration numbers and wishes to merge both the Units into one registration number/ Folio number/ABL AMC Account Number. The Registrar/Transfer Agent shall carry out the merger after satisfying that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, have been received.
- vii. The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line, with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.

5. DISTRIBUTION POLICY

5.1 Distribution Policy

The Scheme shall distribute at least 90% of the accounting income received or derived from sources other than un realized capital gains as reduced by such expenses as are chargeable to the Scheme under the Regulations.

The net amount available for distribution at the end of the financial year (or such interim period as may be decided by the Management Company), shall comprise of the revenues earned by the Scheme including the net impact of the revenue collected and paid out in the NAV calculation through Purchase (Offer) and Redemption (Repurchase) of Units

5.2 Declaration of Dividend

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, either in form of bonus Units or cash dividend, if any, available for distribution, including interim distributions at the end of Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit. Such profits may be distributed in cash, bonus units, or a combination of both.

5.3 Determination of Distributable Income

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

- i. The total income earned on the Trust Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit, etc.
- ii. All receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Trust Property once transferred to the Distribution Account.
- iii. Net realized appreciation as set out in (ii) above from which shall be deducted expenses as set out in Clause 6.2 below and such other adjustments as the Management Company may determine in consultation with the Auditors, subject to the Rules and Regulations and the provisions of the Income Tax Ordinance.

5.4 Reinvestment of Dividend

Dividends shall be automatically reinvested in additional Units in case of Growth Units, however a Unit Holder may instruct the Management Company in writing not to re-invest the future dividends to which he/she will be entitled. In such an event future dividends shall be paid by way of transfer to his designated bank account. Unit Holders may opt to receive the amount equivalent to their share of the annual cash distribution in the form of additional Units. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim distribution) cause to issue such number of Units to the Unit Holder that approximately equates the value of the Cash Dividend for the period. The issue price shall be determined on the basis of the NAV of June 30th or Profit distribution Date after appropriation of income of that year/ relevant period, but without any charge of the Front EndLoad normally deducted from the offer price. The issuance of the bonus Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

- 5.4.1 A Unit Holder may in writing at the time of purchase of Units or at a later date instruct the Management Company to reinvest the future dividends to which he/she will be entitled into the Scheme Units.
- 5.4.2 The Purchase (Offer) Price for the Units to be issued under Clause 5.4.1 above will be the NAV at the Distribution Date after the adjustment of the announced dividend.

5.5 Bonus Units

The Management Company may as per the instruction of the unit-holder distribute, wholly the distributable income in the form of stock dividend (which would comprise of the Bonus Units of the Trust) if it is in the interest of Unit Holders. The Bonus Units would rank paripassu as to their rights in the Net Assets, earnings and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder within fifteen days of the issue of Bonus Units.

5.6 Payment of Dividend

All payments for dividend shall be made by transfer of funds to the Unit Holder's designated bank account or the charge-holder's designated bank account in case of lien / pledge of Units as the case may be or through any other mode of payment

5.7 Dispatch of Dividend Warrants/Advice

Dividend warrants/advice and/or Account Statements shall be dispatched to the Unit Holders or the charge-holders at their registered addresses within one month from the date of announcement.

5.8 Closure of Register

The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven (7) calendar day's notice to Holders, provided that it is not closed for more than forty-five (45) days in any calendar year, not exceeding six (6) days at a time for any single purpose.

6. FEE AND CHARGES

6.1 Fees and Charges Payable by an Investor

6.1.1 Sales and Processing Charges (Front-end Load)

The Unit Purchase Price can include Front-end Load of a maximum of five percent (5%) of the Purchase (Offer) Price. The current level of Front End Load is as indicated in Annexure B. The issue price applicable to bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any Front-end Load. Transfer of Units from one owner to another shall be subject to a processing charge at the discretion of the management equal to an amount not exceeding one percent (1%) of the Net Asset Value at the date the request is lodged before cut-off time on the Business Day to the Authorized Distributor, or Management Company, which shall be recovered from the transferee. The taxes, charges or duties may be recovered by redemption of equivalent Units at the time of the transfer or may be recovered separately. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

6.1.2 Remuneration of Distribution Company / Investment Agent / Investment Facilitator

- i. The Distribution Company or any Investment Facilitator/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources and/or from any Front-end Load on terms to be

agreed between the Management Company and the Distribution Company/Investment Facilitator/Sales Agent.

- ii. Payments to the Distribution Company shall be made on the instructions of the Management Company and shall not be charged to the Trust Property. The remuneration due to the Distribution Company shall be paid within ninety(90) calendar days of the end of the calendar months.
- iii Distributors/Investment Facilitators or Sales Agents located outside Pakistan may, if so authorized by Trustee and the Management Company, be entitled to remuneration (from Management Company's own resources) on terms to be agreed between them and the Management Company, subject to the law for the time being in force.

6.1.3 Redemption Processing Charge (Back-end Load)

The Unit Redemption Price is calculated after deducting a processing charge not exceeding 5% from the Net Asset Value of the Unit. Please refer Annexure B for current tariff structure. The back-end load shall form part of the Trust Property.

6.2 Fees and Charges Payable by ABL Government Securities Fund

The following expenses will be borne by the Scheme:

6.2.1 Remuneration of the Management Company

- i. The Management Company shall be entitled to be paid monthly in arrears, accrued remuneration duly verified by the trustee, a remuneration of an amount not exceeding three (3) percent per annum of the average daily Net Assets during the first five years of the scheme and two (2) percent per annum of the average daily Net Assets thereafter, or such other amount as may be specified by the Commission from time to time and provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under Regulations.(current level of management fee for each class of units is prescribed at Annexure B)
- ii. The remuneration shall begin to accrue from the close of the 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 proportion to the total number of days accrued in the Accounting Period concerned.
- iii The remuneration due to the Management Company shall be paid in arrears within 15 (fifteen) Business Days after the close of each calendar month and after the receipt of invoice by the Trustee.
- iv In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and the Trust Deed to be payable out of Trust Property.
- v 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 the Trust Deed.

- vi The Management Company shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Trust Deed.
- vii The fees payable on offshore investments to an international fund manager/advisor as per clause 3.4.2 (xiv) above appointed by the management company, if any, the management fees shall be paid directly to such international fund manager/advisor by the management company which shall be the responsibility of the management company and shall not be charged to the Scheme.

6.2.2 **Remuneration of the Trustee**

- i. The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with Annexure "A". The remuneration shall begin to accrue following the expiry of the Initial Period. For any period other than a full calendar month such remuneration will be pro-rated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.
- ii. Such remuneration shall be paid to the Trustee within fifteen (15) Business Days after the end of each calendar month after the receipt of invoice from the Trustee.
- iii. In consideration of the foregoing and save as aforesaid and 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 Holders or against the Trust Property or against the Distribution/ Redemption Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.
- iv. The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed and the Regulations.
- v. Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.
- vi. The Trustee shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Regulations and the Trust Deed to be payable out of Trust Property.

6.2.3 **Expenses of the Management Company and Trustee**

The Management Company and Trustee shall bear all expenditures in respect of their respective secretarial and office space and professional management services provided in accordance with the provisions of the Trust Deed. Neither the Management Company nor the Trustee shall make any charge against the Unit Holders nor against the Trust Property nor against the Distribution Account for their services nor for expenses, except such

expenses or fees as are expressly authorized under the provisions of the Rules, Regulations and the Deed to be payable out of Trust Property.

6.2.4 Other costs and expenses to be charged and to be borne by the Trust.

- i. Remuneration of the Management Company;
- ii. Remuneration of both local and international trustee or custodian
- iii. Brokerage and Transaction Costs related to investing and disinvesting of the Trust Property.
- iv. Legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Unit Holders.
- v. Bank charges and financing costs; provided that the charges payable to any bank or financial institution against financings on account of the Scheme as permissible under Clause 2.6.2 (i), shall not be higher than the normal prevailing bank charges or normal market rates.
- vi. Auditors' fees and related expenses
- vii. Any fees payable to the Commission
- viii. Formation cost not exceeding one per cent of the pre-initial public offering capital or Five Million rupees, whichever is lower which shall be subject to audit and reimbursable to the Management Company over a period of not less than five years.
- ix. Any printing costs and related expenses for issuing the collective investment scheme's quarterly, half-yearly and annual reports, etc
- x. Hedging costs including forward cover, forward purchase or option purchase costs
- xi. Annual fee payable to the Commission under Regulation 62 of the Regulations;
- xii. 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
- xiii. Rating fees of the Scheme payable to the approved rating agency.
- xiv. Charges and levies of stock exchanges, National Clearing Company Limited, CDC charges, Capital Value Tax, Laga, Scheme's dividend/redemption of units transfer charges as payable to bank at time of transfer of funds to Unit Holder and such other levies and charges.
- xv. Listing fee payable to the Stock Exchange including renewals.
- xvi. Expenses incurred by trustee in effecting registration of all registerable assets in the name of the trustee;
- xvii. Other expenses directly related to Scheme as may be permitted by the Commission.

The expenses referred to in clause 6.2.4 shall be reported to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed.

7. TAXATION

7.1 Taxation on the Income of the Scheme

7.1.1 Liability for income tax

Under the Tax Law in Pakistan, the definition of a public company includes a Unit Trust whose units are widely available to the public and any other Trust as defined in the Trusts Act, 1882. The Scheme will be regarded as a public company liable to a tax rate applicable to a public company.

The income of the Scheme will accordingly be taxed at the following rates currently. Any change in the tax law from time to time will apply.

- Dividend income received from a company shall be taxed at an income tax rate of 10%.
- Capital gain arising on sale of securities listed on any Stock Exchange(s) in Pakistan was exempted from tax upto June 30, 2010. However, effective from July 1, 2010, Government of Pakistan through Finance Act 2010 introduced section 37 A in the income tax ordinance 2001, accordingly, capital gain is subject to tax as per the rates prescribed under the first schedule. No capital gain tax is charged if securities are held for more than one year.
- Income from Term Finance Certificates or Commercial Paper(s), Government Securities, return on Term Deposits / certificates of investment/deposit with banks / financial institutions, money market placements profit and loss sharing accounts with banks or any other income not mentioned above is taxable at the rate applicable to a public company (as per Income Tax law).

7.1.2 Liability for Income Tax if 90% of the Income is distributed

Notwithstanding the tax rates given above, the income from the Scheme will be exempted from tax if 90% or more of the income other than capital gains as reduced by such expenses as are chargeable to a Collective Investment Scheme is distributed amongst the Unit Holders as dividend. Further under the provisions of Clause 47 (B) of Part (IV) of the Second Schedule to the Income Tax Ordinance 2001 the Scheme's income from dividend, profit on debt, brokerage and commission is exempt from withholding tax under relevant provision of Law.

7.1.3 Zakat

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

7.2 Taxation on Unit Holders

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

7.2.1. Income Tax

Unit Holders of the Scheme will be subject to Income Tax on dividend income at the rate of 10% of gross amount of dividend.

The rate of tax so specified will be the final tax (except for companies, as defined in Income Tax Ordinance, 2001) and the payer (Trustee) will be required to withhold the amount of tax at source.

Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and provide the same to the Management Company and / or Transfer Agent and on the basis of Exemption Certificate income tax will not be withheld. In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution except for companies, as defined in Income Tax Ordinance, 2001.

7.2.2 Capital Gains

Capital Gains in disposition of Units in the Scheme will be subject to capital gains tax at the applicable tax rate. The Units of the Scheme will be listed on the Stock Exchange(s). Any changes in tax law from time to time shall apply.

7.2.3 Tax Credit

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units. The amount on which tax credit will be allowed shall be lower of (a) amount invested in purchase of new Units, (b) 15% of the taxable income of the Unit Holder, and (c) Rupees five hundred thousand, and will be calculated by applying the average rate of tax of the Unit Holder for the tax year. If the Units so acquired are disposed within 36 months, the amount of tax payable for the tax year in which the Units are disposed shall be increased by the amount of tax credit.

7.2.4 Zakat

Units held by Sahib-e-Nisab as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat at 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds.

7.3 Dividends

The Management Company shall distribute at least 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail Tax Exemption or any other benefits.

7.4 Disclaimer

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

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

8. REPORTS AND ACCOUNTS

8.1 Financial Year of ABL Government Securities Fund

The Accounting Period will commence from the date on which the Trust Property is first paid or transferred to the trustee to June 30th, and from July 01st to June 30th for all the following years.

8.2 Financial Reporting

The following reports will be sent to the Unit Holders:

- i. The Management company shall prepare and transmit within four months of closing of the accounting period of the Scheme to the unit holders, the Trustee, the Commission and stock exchanges, on which the units of the scheme are listed, the annual report as per the requirements set out in Schedule V of the Regulations, including;
 - i) copy of the balance sheet and income statement;
 - ii) cash flow statement;
 - iii) statement of movement in Unit Holders' fund or Net Assets or reserves; and;
 - iv) the Auditor's report of the Scheme;
- ii. The Management company shall prepare and transmit (physically or on the web subject to Commission's approval) within one month of the close of the first and third quarters and within two months of the close of second quarter of the Accounting Period of account of the Scheme, prepare and transmit to the Unit Holders, the Trustee, the Commission and Stock Exchanges, on which the units of the scheme are listed whether audited or otherwise:
 - i) balance sheet as at the end of that quarter;
 - ii) income statement;
 - iii) cash flow statement;
 - iv) statement of movement in Unit Holders' fund or Net Assets or reserves; and;
 - v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of the person whose securities are owned for that quarter;
- iii. The Management Company shall maintain a Register of Unit Holder(s) of the Trust (either in physical or electronic form) and inform the Trustee and the Commission of the address where the Register is kept.
- iv. The Trustee shall issue a report to be included in the annual and second quarter report of the Scheme, to be sent to Unit Holders whether, in his opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Constitutive Documents, the Rules and Regulations, and if the Management Company has not done so, the respects in which it has not done so and the steps that the Trustee has taken in respect thereof.

9. SERVICE TO UNIT HOLDERS

9.1 Availability of Forms

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

9.2 Register of Unit Holders

- 9.2.1 A Register of Unit Holders may be maintained by Registrar/Transfer Agent Department of the Management Company presently having its office at Transfer Agent Department, ABL Asset Management Company Limited, 11-B, Lalazar, M.T. Khan Road, Karachi or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.
- 9.2.2 Every Unit Holder will have a separate Registration/Folio Number. The Management Company shall use such Registration/Folio Number for recording Units held by the Unit Holder. Unit Holder's account identified by the Registration/Folio number will reflect all the transactions in that account held by such Unit Holder.
- 9.2.3 The Holder will be entitled to ask for copies of his account statement thereof on any Business Day within business hours by applying to the Transfer Agent in writing and providing such fee that the Management Company may notify from time to time.
- 9.2.4 The Register shall be conclusive evidence as to the Units held by each Unit Holder.

9.3 Information in the Register

The Register will normally contain the following major information:

9.3.1 About Unit Holders

- i. Name of Unit Holder / Joint Unit Holders;
- ii. Address of Unit Holder / first named Joint Holder;
- iii. Computerized National Identification Number(s) of Unit Holder/ Joint Unit Holders and or identification number of passport if applicable;
- iv. Father's or Husband's name of Unit Holder in case of individual;
- v. Occupation of the Unit Holder;
- vi. Tax status of the Unit Holder;
- vii. Bank details;
- viii. Zakat status of the Unit Holder(s);
- ix. Record of signature of Unit Holder/ Joint Holders;
- x. Particulars of Nominee(s);

9.3.2 About Units

- i. Type and Class;
- ii. Certificate number, if applicable;
- iii. Dates of purchase / redemption / transfer;
- iv. Number of Units held by the Unit Holder; and
- v. Information about lien / pledge / charge on Units.

9.3.3 Instructions

- i. Instruction about reinvestment or payment of dividend or the encashment of bonus Units;
- ii. Instructions for redemption application;
- iii. Information and instruction about Pledge of Units / lien;
- iv. Information and instruction about Nominee(s) in case of death of Unit Holder;
- vi. Bank details for Redemption / Dividend mandate.

9.3.4 Request for Changes

All existing Unit Holders or those who have purchased Scheme Units as per Clause 4.4 above are eligible to change their Unit Holder details if they so desire. Such change in particulars and requests can be made via Special Instruction Form, as attached in Annexure “D” of this Offering Document. These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through our web site. The Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.

9.4 Account Statement

The Registrar/Transfer Agent may send directly to each Unit Holder an account statement upon transaction in the account at the option of the Unit Holders.

9.5 Certificates

- 9.5.1 Unit Certificates will be issued only to Unit Holder(s) if requested.
- 9.5.2 Unit Certificate(s) will be issued only if requested by Unit Holder(s) together with a fee at the rate of Rs.50/- per Certificate or any other amount as determined by the Management Company from time to time.
- 9.5.3 The issued Certificate would be sent through postal or courier service at the applicant’s risk within twenty one (21) Business Days after the request for the Certificate has been made, to the address of the Unit Holder or to the address of the first named Joint Holder / Principal Account Holder, if the relevant Unit or Units are jointly held.
- 9.5.4 Certificate(s) will not be issued for fractional Units.
- 9.5.5 In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such Joint Holder(s) and delivery of such Certificate to the first named Joint Holder/Principal Account Holder named first therein shall constitute sufficient delivery to all Joint Holders. All payments required under this Offering Document (i.e. redemption and dividend) will be made to first name Joint Holder/Principal Account Holder.
- 9.5.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register. The Certificates shall be signed by the authorized officers of the Management Company, the Trustee and the Registrar, as provided in the Clause 33.7 of the Trust Deed.

9.5.7 *Notwithstanding anything to the contrary contained herein, where the Units are declared as CDS Eligible Securities, all matters concerning issuance, transfer, pledge and redemption of such Units issued in book entry form or deposited in to the CDS shall be dealt with in accordance with the provisions of the Central Depository Company of Pakistan Limited Regulations as amended from time to time.”*

9.6 Replacement of Certificates

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

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

9.6.3 Each new issue of Certificates will require payment of Rs.50/- per Certificate, subject to revisions of fee from time to time by the Management Company.

9.7 Pledge/Lien of Units/Charge

For details about Pledge / Lien of Units / Charge please refer to Clause 4.7 above.

9.8 Nomination

Subject to any Personal Laws that may be applicable to a Unit Holder, a single Unit Holder can nominate a successor to receive the Units upon his death by filling in the relevant portion of the Investment Form (or may request a nomination or change in nomination through the Special Instruction Form). Nominee(s) can be nominated only by single Unit Holder when there are no Joint Holders. The maximum number of Nominee(s) can be two (2) in number with their respective shares mentioned in percentage against their respective names. Such nomination shall however not restrict the Management Company or the Trustee or the Transfer Agent from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any disputes among the legal heirs of the deceased.

9.9 Financial Information

9.9.1 Auditors Certificate on Minimum Size of the Investment in the Units of the Scheme



A. F. FERGUSON & CO.

The Board of Directors
 ABL Asset Management Company Limited
 (Management Company of ABL Government Securities Fund)
 11-B Lalazar
 M.T Khan Road
 Karachi

November 28, 2011

C 0379

Dear Sirs

AUDITORS' CERTIFICATE FOR THE RECEIPT OF SUBSCRIPTION TOWARDS CAPITAL OF ABL GOVERNMENT SECURITIES FUND (the FUND)

As requested by you we have verified from the books and records of the Fund managed by ABL Asset Management Company Limited (ABL AMC) that a sum of Rs 100,000,000 (Rupees One hundred million only) has been received upto November 28, 2011 in the Fund's bank account maintained with ABL Bank Limited (Stock Exchange Branch) towards subscription of capital of the Fund.

S. No.	Investor	Number of Units	Amount in Rupees
1	ABL Asset Management Company Limited	10,000,000	100,000,000

This Certificate is being issued only for submission as part of the Fund's 'Offering Document'.

Yours truly

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
 State Life Building No. 1-C, L.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
 Tel: 02 (21) 32476682-6/32426711-5; Fax: 1 02 (21) 32475007/32427018; <www.pwc.com/pk>*

*Lahore: 53 C, 802-Avenue, Canal Bank, Clifton V, P.O. Box 39, Sindh Road - D-2246, Lahore-54000; Tel: 1 02 (42) 35715872-71; Fax: 1 02 (42) 35715872
 Islamabad: PIA Building, 52nd Floor, 45 Blue Area, 402-nd Ring Road, P.O. Box 3001, Islamabad-71000; Tel: +92 (51) 2233457-60; Fax: +92 (51) 2233424
 Riyadh: Hillside No. 1008, Street No. 3, King Fahd Causeway Building, Nubia-2-District, North of, Rabul, Al-Baharain; Tel: 966 (770) 5151201 -02 (770) 315120*

9.9.2 Auditors Certificate on the Net Asset Value of the Scheme



A. F. FERGUSON & CO.

The Board of Directors
 ABL Asset Management Company Limited
 (Management Company of ABL Government Securities Fund)
 11-B Lalazar,
 M.T Khan Road,
 Karachi

November 28, 2011
 C 0380

Dear Sirs

NET ASSET VALUE (UNAUDITED) OF EACH UNIT OF ABL GOVERNMENT SECURITIES FUND (the FUND)

As requested by you we confirm that on the basis of the unaudited books and records of the Fund and the details provided to us by the Management Company of the Fund, the Net Assets of the Fund as on November 28, 2011 are as follows:

Particulars	(Rupees)
Total assets of the Fund	100,005,000
Less: Total liabilities of the Fund	5,000
Net assets of the Fund	100,000,000
Number of units proposed to be issued	10,000,000
Net Asset Value per unit	10

This certificate is being issued only for submission as part of the Fund's 'Offering Document'.

Yours truly

*A. F. FERGUSON & CO. Chartered Accountants, a member firm of the PwC network
 State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32413607/32427938; www.pwc.com/pk
 Lahore: 242, 258, Avenue, Canal Bank, Railway P, P.O. Box 29, Shahdholi-Quaid-e-Azam, Lahore-54000; Tel: +92 (42) 37252164-74; Fax: +92 (42) 35793371
 Islamabad: P13 Building, 2nd Floor, on Blue Area, Faisal-Hay Road, P.O. Box 3024, Islamabad-44000; Tel: +92 (51) 2274377-66; Fax: +92 (51) 2279104
 Email: Info@pwc.com, Sales@pwc.com, Support@pwc.com
 Kabul: House N° 1011, Street No. 1, Behind Casino Building, Babol-e-Parsian, Karachi, Kabul, Afghanistan; Tel: +92 (770) 2152295; Fax: (770) 315490*

9.10 Formation Cost

All preliminary and floatation expenses of the Scheme including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, marketing of the Scheme and inviting investment therein and all expenses incurred during the period leading up to the Initial Period, shall be borne by the Scheme and amortized over a period of not less than five years. Such cost will not exceed one percent (1%) of amount received during Pre-IPO or Rs.5 million whichever is less.

10. WARNINGS

10.1 Offering Document

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

10.2 Fluctuation in Price and Income

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

10.3 Disclaimer

The investor must recognize that all investments involve varying level of risk. Neither the value of Units in the Scheme nor the dividend declared by the Scheme can be assured. The historical performance of this Scheme, the financial market or that any one security or transaction included in the Scheme's portfolio does not necessarily indicate future performance. Investors are advised to read Risk Disclosure and disclaimer as mentioned in this Offering Document in Clause 2.7 and Clause 2.8 above for more information.

11. GENERAL INFORMATION

11.1 Inspection of Constitutive Documents

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

ABL Asset Management Company Limited
11-B, Lalazar, M.T. Khan Road,
Karachi, Pakistan

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B",
SMCH, MianShahra-e-Faisal
Karachi

11.2 Date of Publication of Offering Documents

The Offering Document has been published on November 28, 2011. The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

12. REVOCATION OF ABL GOVERNMENT SECURITIES FUND

12.1 The fund may be extinguished by the occurrence of any of the following events,-

- (a) the Open End Scheme has reached its maturity date as specified in the Trust Deed;
- (b) where the AMC is unable to remove the suspension of redemption of units of Open End Scheme within the fifteen working days of suspension and the unit holders representing at least three fourth in value of total outstanding units of the concerned scheme passed the resolution or have given consent in writing that the scheme be revoked;
- (c) where the Asset Management Company goes into liquidation becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (d) in the opinion of the Asset Management Company the scheme is not commercially viable or the purpose of the scheme cannot be accomplished subject to the consent of trustee;
- (e) on occurrence of any event or circumstances which, in the opinion of the trustee, requires the Scheme to be revoked; and
- (f) where the Commission deems it necessary to revoke the fund so directs either trustee or Asset Management Company in the interest of unit holders;

12.2 Where a scheme is to be revoked the trustee shall immediately give notice to the Commission and in two newspapers having circulation all over Pakistan disclosing the circumstances leading to the revocation of the Scheme provided that this clause shall not be applicable to sub-clause (12.1)(a) referred above.

12.3 On the date of publication of the notice as mentioned at Clause 12.2 the affairs of and all information relating to the Open End Scheme shall be transferred to the trustee till the completion of the final settlement of the affairs of the Open End Scheme

13. DISTRIBUTION OF PROCEEDS ON REVOCATION OF ABL GOVERNMENT SECURITIES FUND

13.1 Upon the Trust being terminated 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 Trust Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid. Provided that in case of shortfall, neither the Management Company nor the Trustee shall be liable for the same.

13.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holder(s) pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in Clause 13.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case there is any deficit, the Management Company or the Trustee shall not be liable thereof and in case there is any surplus remaining in the hands of the Trustee, the same shall be distributed amongst the Unit Holders pro rata to the number of Units held by them.

14. **DEFINITIONS**

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

14.1 **“Accounting Date”** means the 30th day of June in each year, provided that the Management Company, with the written consent of the Trustee and after obtaining approval of the Commissioner of Income Tax and under intimation to the Commission may change such date to any other date.

14.2 **“Accounting Period”** means a period ending on and including an Accounting Date and commencing in case of the first such period on the date on which the Trust Property is first paid or transferred to the Trustee and in any other case from the end of the preceding Accounting Period.

14.3 **“ABL GOVERNMENT SECURITIES FUND” or “ABL-GSF” or “Trust” or “Unit Trust” or “Fund” or “Scheme”** means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.

14.4 **“Auditor”** means a firm of Chartered Accountants that is appointed by the Management Company with the consent of Trustee, as the auditor for the Scheme who shall be independent of the auditor of the Management Company and Auditor of the Trustee in accordance with the Regulations.

14.5 **“Authorised Branch and Branches”** means those branches of the Distributors authorised by the Management Company to perform the Distribution Function.

14.6 **“Authorized Investments”** Means transacted, issued, traded, listed securities, unlisted or assets or claims on assets, inside or outside Pakistan

- Cash in bank account;
- Short to long term bank deposits with banks including deposits in currencies other than the Pakistani Rupee;
- Listed/Unlisted, Secured/Unsecured and Rated Debt Securities(in case instrument rating is not available, entity rating will be applied);
- Treasury Bills, Pakistan Investment Bonds (PIBs), Ijara Sukuk and other such Government Securities like Government Guaranteed Bonds;
- Reverse Repo transactions;
- Money market placements with banks, DFIs and NBFCs;
- Spread transactions. The fund will buy in the ready settlement market and sell in future settlement market and vice versa (includes unwinding of transactions);
- Margin Trading System or any other of its replacement as announced by the SECP;

- Any other security and/or instrument and/or transactions that may be allowed by the SECP or any other regulatory authority from time to time;
 - All the authorized investments are subject to rating and exposure limits as defined by the SECP in its criteria for categorization of open-end collective investment schemes as well as the NBFIs Regulations;
- 14.7 “Back-end Load”** means the charge or commission (excluding Duties and Charge) not exceeding 5% of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units as per the Offering Document. Back-end load shall form part of Trust Property.
- 14.8 “Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a scheduled bank.
- 14.9 “Bank Accounts”** means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).
- 14.10 “Broker”** means any person licensed by the Commission and engaged in the business of effecting transactions in securities for the account of others.
- 14.11 “Business Day”** means a day on which commercial banks and State Bank of Pakistan are open for business
- 14.12 “Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.
- 14.13 “Commission”** is the Securities and Exchange Commission of Pakistan.
- 14.14 “Connected Person”** shall have the same meaning as in the Regulations.
- 14.15 “Constitutive Documents”** means the Trust Deed that is the principal document governing the formation, management or operation of the trust, the offering document and all material agreements in relation to the Trust.
- 14.16 “Cut-Off Time”** Cut-off timings for receiving applications of issuance, redemption, conversion, transfer and Pledge shall be 4:00 P.M any Business Day.
- 14.17 “Custodian”** means: (a) Bank(s), the MCB Financial Services Limited, or any other Depository for the time being which may be appointed by the Trustee with the approval of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and/ or (b) the Trustee, if performing custodian functions with the approval of the Management Company.
- 14.18 “Distribution Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Scheme from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).

- 14.19 “Distributor / Distribution Company”, “Distribution Companies”** means a Company or companies or firm or a Bank or any other financial institution appointed by the Management Company in consultation with the Trustee for performing any or all of the Distribution Functions and shall also include the Management Company itself, if it performs the Distribution Function. Distributor should acquire the associate membership of the Association constituted in consultation with the Commission and shall abide by the code of conduct prescribed by the Association(s).
- 14.20 “Distribution Date”** means the date on which the Management Company decides to distribute the profits (if any).
- 14.21 “Distribution Function”** mean the functions with regard to:
- a. receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
 - b. issuing receipts in respect of (a) above;
 - c. interfacing with and providing services to the Holders including receiving redemption/ transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar/Transfer Agent as appropriate;
 - d. accounting to the Trustee for all: (i) moneys received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function;
 - e. The above functions may be performed electronically, if appropriate systems are in place.
- 14.22 “Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, zakat, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 14.23 “Exposure”** shall have the same meaning as in the Regulations
- 14.24 “Federal Government”** means the Federal Government of Islamic Republic of Pakistan.
- 14.25 “Financial Institution”** means a bank, development finance institution, non banking finance company, modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan
- 14.26 “Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the Scheme, including floatation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Scheme, inviting investment therein and all other expenses incurred until the end of the Initial Period.

- 14.27 “Front-end Load”** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five per cent (5%) or such other percentage of the Net Asset Value which may be included in the Offer Price of the Units; provided however that different levels of Front-end Load may be applied to different classes of units as per details given in Offering Document.
- 14.28 “Government Securities”** means securities and other instruments issued and to be issued by any Federal and/ or Provincial Government of the Islamic Republic of Pakistan and/or the State Bank of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds, Treasury Bills, Ijara Sukuk and any securities/instruments replacing or substituting the foregoing from time to time.
- 14.29 “Holder” or “Unit Holder”** means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of the Trust Deed.
- 14.30 “Initial Period”** means a period determined by the Management Company not exceeding ninety (90) days during which Units will be offered at the Initial Price in terms of the Offering Document, inclusive of the offering to the Core Investors.
- 14.31 “Initial Price”** means the price of Rs.10/- (Rupees Ten) per Unit during the Initial Period determined by the Management Company.
- 14.32 “Investment”** means any Authorised Investment forming part of the Trust Property.
- 14.33 “Investment Facilitators/ Advisors/ Sales Agents”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/ Advisors/ Sales Agents out of the Front-end Load collected by it in the Offer Price and /or from Management Fee.
- 14.34 “Net Assets”** means the excess of assets over liabilities of the Scheme, such excess being computed in the manner specified in the Regulations.
- 14.35 “Net Asset Value” or “NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 14.36 “Offer Price”** means the sum to be paid to the Trustee for the benefit of the Trust for issuance of one Unit, such price to be determined pursuant to Clause 4.9.3 of this Offering Document.
- 14.37 “Offering Document”** means the prospectus, advertisement or other document (approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Regulations and is circulated to invite offers by the public to invest in the Scheme and shall include Supplementary Offering Document(s) published or circulated by the Management Company with the approval of the Commission.
- 14.38 “On-line”** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 14.39 “Ordinance”** means the Companies Ordinance, 1984.

- 14.40 “Par Value”** means the face value of a Unit as defined in the Offering Documents.
- 14.41 “Personal Law”** means the law of inheritance and succession as applicable to the Individual Unit Holder(s).
- 14.42 “Pre IPO”** means the period preceding the Initial Period during which investments are made in the Scheme by the Pre-IPO Investors.
- 14.43 “Pre IPO Investor(s)”** mean(s) the investors who make investments in the Scheme before the Initial Period.
- 14.44 “Redemption Account”** means the account(s) (which may be a current, saving or deposit account(s)) maintained by the Trustee with any bank having an investment grade rating and approved by the Management Company in which the amount required for redemption of Units to the Holders may be transferred.
- 14.45 “Redemption Price”** means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit, such amount to be determined pursuant to Clause 4.9.4 of this Offering Document
- 14.46 “Register”** means the Register of the Unit Holder(s) kept pursuant to the Regulations and the Trust Deed.
- 14.47 “Registrar/Transfer Agent** means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Function.
- 14.48 “Registrar Functions”** means the functions with regard to:
- a) maintaining the Register, including keeping a record of change of addresses/ other particulars of the Unit Holder(s);
 - b) issuing account statements to the Unit Holder(s);
 - c) issuing Certificate, including Certificates in lieu of undistributed income to Unit Holder(s);
 - d) canceling old Certificates on redemption or replacement thereof;
 - e) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s);
 - f) issuing and dispatching of Certificates;
 - g) dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends;
 - h) receiving applications for redemption and transfer/ transmission of Units directly from Holder or legal representatives or through Distributor;

- i) maintaining record of lien/ pledge/ charge.
- j) keeping record of change of addresses/other particulars of the Holders.

- 14.49** “**Regulations**” mean Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such Regulations granted or to be granted by the Commission.
- 14.50** “**Rules**” mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended or substituted from time to time.
- 14.51** “**SBP**” means State Bank of Pakistan.
- 14.52** “**Stock Exchange**” means Stock Exchanges registered under the Securities & Exchange Ordinance, 1969.
- 14.53** “**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 seven (7) days notice in the two (2) widely circulated English and Urdu newspapers declare any particular Business Day or days not to be a Subscription Day.
- 14.54** “**Transaction Costs**” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property.
- 14.55** “**Trust Property**” means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer or Redemption price, any Back-End load recovered in the Redemption Price after deducting there from or providing there against the value of Redemption, Front-end, Duties and Charges applicable to the purchase or redemption of Units and any expenses chargeable to the Scheme; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable or immovable assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Trust Deed and shall include the income, profit, interest etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account and the income earned on the investments of the Core Investors (seed capital) and Pre-IPO Investors upto the date of the close of the Initial Period which shall not form part of the Trust Property.
- 14.56** “**Unit**” means one undivided share in the Trust, and where the context so indicates, a fraction thereof.
- 14.57** “**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 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.

15. ARBITRATION

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

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

ANNEXURE A

Central Depository Company of Pakistan Limited

TARIFF STRUCTURE FOR OPEN-END MUTUAL FUNDS UNDER CDC'S TRUSTEESHIP

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

Net Asset (Rupees)		TARIFF
From	To	
Rs.1	1 Billion	0.17% p.a. of net asset subject to a minimum of Rs.0.6 million p.a.*
Above 1 billion	5 Billion	Rs.1.7 million plus 0.085% p.a. of net assets exceeding Rs.1 billion
Above 5 billion		Rs.5.1 million plus 0.07% p.a. of net assets exceeding Rs.5 billion

* However, No. minimum fee to be charged for one year from the date of launching of the Fund

ANNEXURE B

Current Level of Front-end and Back-end Loads

Effective from Close of Initial Period

Current Front End Load	Nil
Current level of Back-end Load	Nil
Current level of management fee Class "A" Units	"0.50p.a."
Current level of management fee Class "B" Units	"1.25% p.a."

Any change in the load and fee structure, provided it is within the maximum limit, shall be notified through an addendum to this annexure and/or by publication in a widely circulated newspaper, as and how the Commission may direct.

ANNEXURE C

Management Company and Distribution Companies

Management Company:

Management Company of the Scheme is ABL Asset Management Company Limited. Forms and other information of the Scheme can be collected from the following address of the Management Company or from branches of the respective Distribution Companies:

ABL Asset Management Company Limited

11-B, Lalazar, M.T. Khan Road,

Karachi Pakistan

For further information call:

111 ABL AMC

Website: www.ablamc.com

Distribution Companies:

ABL AMC has appointed the following Distribution Companies. Forms and other relevant information are available at their respective branches. Any change in the list shall be notified through an addendum to this annexure and/or by publication in a widely circulated newspaper and/or website.

Allied Bank Limited

S.No.	Branch	Branch Address	Branch Contact No.
Karachi			
1	Clifton Branch	Shop No 3&4, Ground Floor, Shaheen Centre, Clifton Karachi	021-35370390, 35377260
2	S.I.T.E. Branch	B/12C, S.I.T.E. Karachi	021-32572040
3	Hyderi Branch	Sooqulaman Apartment Block G, North Nazimabad	021-36647892
4	Zamzama Branch	Shop No 6/F, Ground Floor, Mall Square, Main Zamzama D.H.A Karachi	021-35301958, 35872501
5	Foreign Exchange Branch	Ground Floor Karachi House I.I Chundrigar Road, Karachi	021-32412757, 32434088, 32439239
6	Hassan Square Branch	B & H House, Near Civic Centre Hassan Square Gulshan-e-Iqbal Karachi	021-34961335
7	Shahrah-E-Faisal Branch	Ground Floor Amber Tower Shahrah-e- Faisal	021-34324057-58
8	Karimabad Branch	Al-Faisal Market Block 4, Federal B Area Shahrah-e-Pakistan, Karachi	021-36802364
9	Zaib-Un-Nisa. Street Branch	Main Zaib-un-Nisa Street Opposite English Boot House Karachi	021-35678779, 35676501, 35215378
10	Tariq Road. Branch	Plot No. 25-C, 26-C, Block 2 P.E.C.H.S, Main Tariq Road Karachi	021-34554409, 34554981, 34382269
11	Cloth Market Branch	Shop No 2,3 and 4 Ground Floor, Sindh Cloth Market Branch, M.A. Jinnah Road Karachi	021-32430353, 32430973
12	Khayaban- E- Badar Branch	Plot No. 23-C, off 26th street Main Khayaban-e-Badar Commercial Area Phase V D.H.A	021-35853995
13	Korangi Industiral Area	Ground Floor KATI Building Brooks Roundabout Korangi Industrial Area Karachi	021-35068823, 35068824
14	Bath Island	COK, Bath Island branch, Clifton, Karachi	021-35875639
Lahore			
15	Y-Block DHA Branch	142, Y-Block, Phase 3, Commercial Area, D.H.A Lahore	042-35732082
16	Kashmir Road Branch	8 - Kashmir Road, Lahore	042-36302272, 36305840
17	Mall Road Branch	59 - The Mall Lahore	042-37313711
18	PAF Base Branch	PAF Base, Sarfaraz Rafiqui Road, Lahore	042-99220598
19	Brandreth Road Branch	Main 9 - Brandreth Road Lahore	042-37667703

Islamabad			
20	Blue Area Branch	ABL Building, Blue Area, (Corporate) Center, Islamabad	051-2820101, 2274310
21	I-8 Markaz Branch	COMMERCIAL MARKET, SECTOR I-8/3, ISLAMABAD	051-4446238
22	F-6 Markaz Branch	Super Market Sector, F-6, Islamabad	051-2601672, 2872421
23	G-11 Markaz Branch	PLOT NO 19, FARHAN, PLAZA, G-11, MARKAZ, ISLAMABAD.	051-2292830, 2213147
24	F-10 Markaz Branch	ZAMAN PLAZA, 6-D, F-10 MARKAZ, ISLAMABAD	051-2293980
25	Chaklala Branch	Main Commercial Area Chaklala Scheme 3 Rawalpindi Cantt.	051-5766093, 5760092
26	Adamjee Road Branch	168, ADAMJEE ROAD, RAWALPINDI	051-5510001
Multan			
27	Chowk Rasheed Branch	1051/F Khanewal Road near Chowk Rasheedabad Multan	061-6211804
28	Abdali Road Branch	Nawai Waqt Building Main Abdali Road Multan	061-4516914, 4546695
29	Multan Cantt Branch	90 Aziz Shaheed Road Multan Cantt	061-4782729, 4583294
30	Nawan Sheher Branch	LMQ Road, Nawan Sheher Branch, Multan	061-4573100, 4570705
31	Shah Rukn-e-Alam	F-Block Shah Rukn-e-Alam Colony Multan	061-4552551, 4550600
Faisalabad			
32	Peoples Colony Branch	PEOPLES COLONY NO.1, 23-D, D-GROUND, COMMERCIAL AREA, FAISALABAD.	041-9220280, 9220380
33	Jail Road. Branch	KHEWAT NO-4592, KHATOONI NO . 6142/1 , SQ . NO.33 - 34, KHASRA NO. 1/2, CHK.# 122/JB, JAIL RD, FAISALABAD	041-8813202
Gujranwala			
34	Zia Plaza	Zia Plaza, G.T.Road, Gujranwala	055-9200354-56, 9200831, 9200833
Hayderabad			
35	Civic Center Branch	Ground Floor Civic Centre Building, Hyderabad	022-9200527-28

Sahiwal			
36	High Street Branch	High Street Branch Sahiwal	040-4466863, 4223373
Rahimyarkhan			
37	Shahi Road Branch	Shahi Road, Rahim Yar Khan	068-5889717
D.G.Khan			
38	Azmat Road Branch	Dera Ghazi Khan	064-2471355
Bahawalpur			
39	Fareed Gate Branch	Fareed Gate, Bahawalpur	062-2730262, 062-2881320
Gujrat			
40	G.T. Road Branch	Faisal Plaza, G.T. Road, Gujrat	053-3525350, 3534296
Abbotabad			
41	Supply Bazar branch	Supply Bazar, Abbotabad	0992-330889
Quetta			
42	Jinnah Road Branch	Main M.A. Jinnah Road Quetta	081-2821220, 2836365
Sialkot			
43	Kashmir Road Branch	Kashmir Road, Sialkot	052-9250541-42
Sargodha			
44	Zafarullah Chowk Branch	Branch Office Zafarullah Chowk, Sargodha	048-9230761
Jhelum			
45	Cantt Branch	CMH Road, Jhelum	0544-622993

Distribution Network	
Flow (Pvt.) Limited - www.flowlimited.com	
Head Office	Contact Number
403, Trade Tower, Abdullah Haroon Road, Karachi	(92-21) 3568-5950, 3568-5971, 3568-50415-16 Fax #: (92-21) 3568-3397
BMA Financial Services Limited - www.bmafs.com	
Head Office	Contact Number
Level 8, Unitower, I. I. Chundrigar Road, Karachi	(92-21) 111-BMA-TRADE or (92-21) 111-262-872 UAN #: (92-21) 111-262-111 Fax #: (92-21) 3243-0748
Branch Offices	Contact Number
Karachi Branches:	
Bahadurabad Branch: Office # 3, Mezzanine Floor, Akbar Manzil, Main Bahadurabad Roundabout, Karachi	Tel #: (92-21) 3493-1396, 3493-4802
Gulshan-e-Iqbal Branch: 3, Osif Centre, Block-13-A, Plot B-25, Mezzanine Floor, Near Usmania Restaurant, Gulshan-e-Iqbal, Karachi	Tel #: (92-21) 3481-8980-4 Fax #: (92-21) 3481-8985
Lahore Branch: Office # 10, 1 st Floor, Park Lane Tower, Tufail Road, Lahore Cantt.	Tel #: (042) 3662-2422 (5 Lines)
Islamabad Branch: 3 rd Floor, Jang Bulding, Block 'A', Fazal-e-Haq Road, Blue Area, Islamabad	Tel #: (92-51) 280-1151 (12 Lines) Fax #: (92-51) 280-1164
Faisalabad Branch: 8 th Floor, State Life Building, Liaquat Road, Faisalabad	Tel #: (92-41) 260-6020-26 Fax #: (92-41) 260-6027
Multan Branch: Ground Floor, State Life Building, Multan	Tel #: (92-61) 450-0272-6
Rawalpindi Branch: Office # 209, 2 nd Floor, Al-Amin Plaza, The Mall, Rawalpindi	Tel #: (92-51) 570-1216 (3 Lines)

Vector Consulting (Pvt.) Limited - www.vector.com.pk	
Head Office	Contact Number
Suite No. 1011-13, 10th Floor, Tower B, Tower B, Saima Trade Towers, I. I. Chundrigar Road, Karachi	Tel #: (92-21) 3227-5175-90 Fax #: (92-21) 3227-5193
Branch Offices	Contact Number
<u>Lahore Branch:</u> G-01, Ground Floor, Rehman Business Center, 32 B-III, Gulberg – III,	Tel #: (92-42) 3587-8016-17 Fax #: (92-42) 3587-8018
IGI Investment Bank (Fund Select) - www.igiinvestmentbank.com.pk	
Head Office	Contact Number
7 th Floor, The Forum, Suite 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi	Tel #: (92-21) 111-234-234 Fax #: (92-21) 111-567-567, 3530-1729
Branch Offices	Contact Number
<u>Lahore Branch:</u> Ground Floor, 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore	Tel #: (92-42) 111-234-234 Fax #: (92-42) 111-567-567
<u>Islamabad Branch:</u> Mezzanine Floor, Razia Sharif Plaza, 90 – Blue Area, G-7, Islamabad	Tel #: (92-51) 111-234-234 Fax #: (92-51) 111-567-567
<u>Faisalabad Branch:</u> 9 th Floor, State Life Building, Faisalabad	Tel #: (92-41) 254-0811-14, 254-0841-45 Fax #: (92-41) 254-0815
<u>Multan Branch:</u> Mezzanine Floor, Abdali Tower, Abdali Road, Multan	Tel #: (92-61) 450-0180-81 Fax #: (92-61) 478-4403
<u>Gujranwala Branch:</u> Anwar Industries Complex, Block B-1, G.T. Road, Gujranwala	Tel #: (92-55) 325-7353, 384-1346 Fax #: (92-55) 325-7453
<u>Peshawar Branch:</u> 2 nd Floor, Mall Tower, 35, The Mall, Peshawar	Tel #: (92-91) 525-3980-88 Fax #: (92-91) 525-3989

Atlas Capital Markets (Pvt.) Limited - www.atlascapital.com.pk	
Head Office	Contact Number
B-209, 2nd Floor, Park Towers, Abdullah Shah Ghazi Road, Clifton, Karachi	Tel #: (92-21) 3587-5760-06 Fax #: (92-21) 3537-6122
Branch Offices	Contact Number
Lahore Branches:	
2nd Floor, Ajmal House, Egerton Road, Lahore	Tel #: (92-42) 3636-6170-4 Fax #: (92-42) 3636-6175
Room No. 203, LSE Building, Shahra-e-Aiwan-e-Iqbal, Lahore	Tel #: (92-42) 3637-2110 Fax #: (92-42) 3631-1380
Islamabad Branch:	
24 –West, Raza Noor Plaza, Blue Area, Islamabad	Tel #: (92-51) 280-1101-4 Fax #: (92-51) 280-1108
Faisalabad Branch:	
8th Floor, State Life Building # 2, Liaquat Road, Faisalabad	Tel #: (92-41) 254-0861-4 Fax #: (92-41) 254-0866
Alfalalah Securities (Pvt.) Limited - www.alfalahsec.com	
Head Office	Contact Number
12th Floor, Tower 'A', Saima Trade Towers, I. I. Chundrigar Road, Karachi	Tel #: (92-21) 9921-7810-19
Branch Offices	Contact Number
Lahore Branch:	
Room No. 302, 3rd Floor, Siddiq Trade Center, 72 Main Boulevard, Gulberg, Lahore	Tel #: (92-42) 3578-1617-18
Islamabad Branch:	
F-8/3, 30, Margallah Road, Islamabad	Tel #: (92-51) 228-7003-12 Fax #: (92-51) 285-2597

Elixir Securities Pakistan (Pvt.) Limited - www.elixirsec.com	
Head Office	Contact Number
1st, Floor, P & O Plaza, I. I. Chundrigar Road, Karachi	Tel #: (92-21) 111-354-947 Fax #: (92-21) 3247-0475
Branch Offices	Contact Number
Karachi Branch: Stock Exchnage Office, Room No. 410-410, KSE Building, Stock Exchange Road, Karachi	Tel #: (92-21) 3244-3445 Fax #: (92-21) 3242-5304
Lahore Branch: Room No. 2, Ground Floor, Rahman Business Centre, Gulberg 3, Lahore	Tel #: (92-42) 111-354-947 Fax #: (92-42) 3587-8237
JS Global Capital Limited - www.js.com	
Head Office	Contact Number
6th Floor, Faysal House, Main Shahrah-e-Faisal, Karachi	Tel #: (92-21) 111-574-111 Fax #: (92-21) 3280-0163
Branch Offices	Contact Number
Karachi Branch: Stock Exchange Office, 2nd Floor, Room No. 75, KSE Building, Stock Exchange Road, Karachi	Tel #: (92-21) 3242-5692 Fax #: (92-21) 3241-8106
Lahore Branch: Ground Floor, 307 - Upper Mall, Lahore	Tel #: (92-42) 111-574-111 Fax #: (92-42) 3578-9109
Islamabad Branch: Chaudhary Plaza, 65 - West, Fazal-e-Haq Road, Blue Area, Islamabad	Tel #: (92-51) 111-574-111 Fax #: (92-51) 280-6328
Dubai Branch: Fairmount Hotel, Suite 172, Shaikh Zayed Road, P. O. Box 24459, Dubai, U.A.E.	Tel #: (971-4) 312-4350 Fax #: (971-4) 312-4351
London Branch: 53 Davies Street, London W1K 5JH, London, U.K.	Tel #: (44-207) 152-6350 Fax #: (44-207) 152-6349

Reliance Financial Products (Pvt.) Limited - www.reliancepakistan.com	
Head Office	Contact Number
215, Clifton Centre, Block 5, Clifton, Karachi	Tel #: (92-21) 111-215-215 Fax #: (92-21) 3583-7775
Invest Capital Investment Bank Limited - www.investcapital.com	
Head Office	Contact Number
C3C, 12th Lane, Ittehad Commercial, Phase-II, Ext. DHA, Karachi	Tel #: (92-21) 111-111-097 Fax #: (92-21) 3531-3887
Branch Offices	Contact Number
<u>Karachi Stock Exchange Office:</u> Suite No. 704, KSE Building, Stock Exchange Road, Karachi	Tel #: (92-21) 3244-6334-5 Fax #: (92-21) 3244-6336
<u>Karachi Office:</u> Suite 816, Progressive Plaza, Beaumont Road, Karachi	Tel #: (92-21) 3521-5226-8 Fax #: (92-21) 3521-5200
<u>Lahore Branch:</u> 16 – A, Main Gulberg, Jail Road, Lahore	Tel #: (92-42) 3577-6701-08 Fax #: (92-42) 3577-6708
<u>Islamabad Branch:</u> 301, Muhammad Gulistan Khan House, 82E, Blue Area, Fazl-e-Haq Road, Islamabad	Tel #: (92-51) 111-111-097 Fax #: (92-51) 227-5202
<u>Peshawar Branch:</u> First Floor, State Life Building, 34 The Mall, Peshawar, Cantt.	Tel #: (92-91) 527-6028 Fax #: (92-91) 527-3683
<u>Kohat Branch:</u> Office No KCB 1, 198-C, CMH Chowk, Kohat Cantt.	Tel #: (92-922) 520-435-36 Fax #: (92-922) 520-437
Pyramid Financial Consultants (Pvt.) Limited	
Head Office	Contact Number
518, Progressive Plaza, Beaumont Road, Karachi	Tel #: (92-21) 3563-8266-67
Foundation Securities (Pvt.) Limited - www.fs.com.pk	
Head Office	Contact Number
Ground Floor, Bahria Complex 2, M. T. Khan Road, Karachi	Tel #: (92-21) 111-000-357 Fax #: (92-21) 3561-2262
<u>Lahore Branch:</u> 94-D/1, Gulberg 3, Lahore	Tel #: (92-42) 111-000-357 Fax #: (92-42) 3578-1575
<u>Islamabad Branch:</u> 2nd Floor, Block 11, School Road, F-6 Markaz, Islamabad	Tel #: (92-51) 111-000-357 Fax #: (92-51) 287-9469

ANNEXURE D

Forms