

Risk Disclaimer: All Investments in mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in clause 02, Risk Factors mentioned in clause 2.6, Taxation Policies mentioned in Clause 07 and Warnings in Clause 09 before making any investment decision.

OFFERING DOCUMENT

OF

Faysal Islamic Special Income Fund (FISIF)

(An Open-End Shariah Compliant Income Scheme)

| Category CIS/Plan | Risk Profile | Risk of Principal Erosion |
|---|---------------------|----------------------------------|
| Shariah Compliant Income Fund (non-equity) | Medium | Principal at Medium |

(Wakalatul Istithmar based fund)

Duly vetted by

Shariah Advisor namely Mufti Abdul Zahid Farooqi

behalf of

Faysal Asset Management Limited

MANAGED BY

Faysal Asset Management Limited

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**OFFERING DOCUMENT OF
Faysal Islamic Special Income Fund (FISIF)**

MANAGED BY

Faysal Asset Management Limited

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

Date of Publication of Offering Document Dated June 08, 2022

Initial Offering Period from June 17, 2022

The **Faysal Islamic Special Income Fund** (the Fund/the Scheme/the Trust/the Unit Trust/FISIF) has been established through a Trust Deed (the Deed) dated **May 19, 2020** under the Trust Act, 1882 entered into and between **Faysal Asset Management Limited**, the Management Company, and **Central Depository Company of Pakistan Limited**, the Trustee.

The Shariah Advisors of the Fund has reviewed this Offering Document and provided their consent that this Offering Document adheres to the principles of Shariah.

REGULATORY APPROVAL AND CONSENT

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of Allocation Plans under **Faysal Islamic Special Income Fund (FISIF)** and registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) vide letter No SCD/AMCW/FISIF/229/2021 dated May 04, 2021. SECP has approved this Offering Document, under Regulations 54 of the NBFC & NE Regulations 2008 vide letter No SCD/AMCW/FISIF/87/2021 dated October 01, 2021.

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

Offering Document

This Offering Document sets out the arrangements covering the basic structure of the **Faysal Islamic Special Income Fund** (the “Fund”, the “Scheme”). It sets forth information about the Fund that a prospective investor should know before investing in any class of Unit of the Allocation Plan launched under this fund. The provisions of the Trust Deed, the Rules, the Shariah guidelines, the Regulations, circulars, directives etc as specified hereafter that may be issued from time to time to issued by the SECP govern this Offering Document.

Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors, Warning and Disclaimer. If prospective investor has any doubt about the contents of this Offering Document, he/she/it should consult one or more from amongst their investment advisors, legal advisers, bank managers, stockbrokers, or financial advisers to seek independent professional advice.

Investors must recognize that the investments involve varying levels of risk. The portfolio of the Allocation Plans under the Fund consists of investments, listed as well as unlisted that are

subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Allocation Plan(s) under the Fund nor the dividend declared by the Allocation Plan(s) of Fund is, or can be, assured. Investors are requested to read the Risk Disclosure and Warnings and Disclaimer statement contained in Clause 2.6 and Clause 9 respectively in this Offering Document.

All Investments of the Fund shall be in adherence to the principles of Shariah. It is possible that adherence to principles of Shariah will cause the Fund to perform differently from Funds similar objectives, but that are not subject to the requirements of principles of Shariah.

Filing of the Offering Document

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

- (1) License No. **AMCW/05/FAML/AMS/02/2019** dated **November 19, 2019** granted by SECP to Faysal Asset Management Limited to carry out Asset Management Services and Investment Advisor;
- (2) FAML has appointed of **Central Depository Company of Pakistan Limited** as the Trustee of the Fund;
- (3) Trust Deed (the Deed) of the Fund;
- (4) SECP's Letter No. **SCD/AMCW/FISIF/229/2021** dated May 04, 2021 registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;
- (5) Letters from **A.F Ferguson, Chartered Accountants & Co.**, Auditors of the Fund, consenting to the issue of statements and reports;
- (6) Letters from **Mohsin Tayebaly & Co. Barristers**, Legal Advisers of the Fund, consenting to act as adviser;
- (7) SECP's letter No. **SCD/AMCW/FISIF/87/2021** dated **October 01, 2021** approving this Offering Document.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Fund is an open-end Fund and has been constituted by a Trust Deed entered into at Karachi on **May 19, 2020** between:

Faysal Asset Management Limited, a Non-Banking Finance Company incorporated under the Companies Ordinance 1984, Companies Act, 2017 and licensed by SECP to undertake asset management services, with its principal place of business at **7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan** as the Management Company; and

Central Depository Company of Pakistan Limited, incorporated in Pakistan under the Companies Ordinance, 1984, and registered by SECP to act as a Trustee of the Collective

Investment Scheme, having its registered office at **CDC House, 99-B, Block “B” S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, Pakistan**, as the Trustee.

1.2 Trust Deed (the “Deed”)

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities Act 2015, Companies Act 2017 including Shariah Advisor guidelines 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 Offering Document and the Deed the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules or Regulations and Circulars issued by SECP, the latter shall supersede and prevail over the provisions contained in the Deed.

Further, all investments of the Fund property and allocation plan under fund shall be in accordance with Islamic Shariah as advised by Shariah Advisor. The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency.

1.3 Modification of Trust Deed

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

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

1.4 Duration

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

1.5 Trust property

The aggregate proceeds of all Units issued from time to time by each of the Allocation Plans after deducting Duties and Charges, Transactions Costs and any applicable Sales Load, shall constitute part of the Trust Property and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Deed but does not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property of the pertinent Allocation Plan.

1.6 Offering Document

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

1.7 Modification of Offering Document

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

1.8 Responsibility of the Management Company for information given in this Offering Document

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

1.9 Structure of Scheme

- 1.9.1** “Faysal Islamic Special Income Fund” has been constituted in the form of a Trust Scheme that shall invest in authorized investable avenues as specified in the Investment Policy contained herein and SECP Circular 7 of 2009, as may be amended or substituted from time to time.
- 1.9.2** The duration of the Fund is perpetual; however, the underlying Allocation Plans launched may have a fixed maturity or could be perpetual as well.
- 1.9.3** The Fund shall offer multiple Allocation Plans, hereafter, investing in authorized investable avenues. However, one allocation plan i.e. Faysal Islamic Special Income Plan-I (FISIP-I) shall be offered initially. Subsequently additional Allocation plans may be launched via Supplemental to this Offering Document with the consent of the Trustee and approval of the SECP.
- 1.9.4** Each Allocation Plan under the Fund will announce separate NAVs which will rank pari passu inter se according to the number of Units of the respective Allocation Plans.
- 1.9.5** Investors of the Fund may hold different types of Allocation Plans and may invest in any one or more of the available Allocation Plans.
- 1.9.6** Each Investor shall only be liable to pay the Offer Price of the Unit under the Allocation Plan(s) subscribed by him/her and no further liability shall be imposed on him/her in respect of Unit(s) held by him/her except a Contingent Load & Back End Load, which may be applicable on redemption on certain classes of Units of respective Allocation Plan(s) as described in “**Annexure B**” of the Offering Document.
- 1.9.7** The minimum size of the Scheme shall be of such amount as specified in the Regulations.

1.10 Initial Offer and Initial Period

1.10.1 Faysal Islamic Special Income Plan I

- (a) Initial Offer is made during the Initial offering Period which will be **01** Business Days and begins at the start of the banking hours on **June 17, 2022** and shall end at the close of the banking hours on **June 17, 2021**. During the initial period, the Units shall be issued at the Initial Price of Rs. 100 per Unit and subsequently at the price calculated and announced by the Management Company for every Dealing Day. No units shall be redeemable during the initial period of offer.

1.11 Transaction in Units after Initial Offering Period (IPO)

- (a) The allocation Plan will be remain open for subscription after the close of IPO at prevailing offer price and the Units of the Allocation Plan(s) can then be redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The Units will be available for redemption on each Dealing Day. NAV will be published on the Management Company's and MUFAP's website.
- (b) The Management Company may at some future time register the Units of Allocation Plans with a Depository organization, such as the Central Depository Company of Pakistan Limited. Any transactions for de-materialized Units registered with Depository will take place according to the rules and regulations of the depository organization and the constitutive documents of the Fund.
- (c) The Issue and Redemption of Units of one or more than one Allocation Plans may be suspended or deferred by the Management Company under certain circumstances as detailed in Clause 4.11.

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

2.1 Investment Objective

"Faysal Islamic Special Income Fund" shall be an open-end Shariah Compliant Income Scheme that aims to provide competitive regular return with capital preservation on Investments as per respective Allocation Plans by investing in authorized investable avenues in line with the risk tolerance of the Investor. It shall offer Units on a continuous basis during and after the -Pre-IPO & IPO Period; however, term-based plans, may be offered for a limited subscription period.

2.2 Allocation Plan

The Faysal Islamic Special Income Plan-I (FISIP-I) is offered under this Offering Document: The Management Company may provide additional and/or amend existing Allocation Plans with prior approval of the Commission, and may announce the same by Supplementary Offering Documents as covered in clause 2.2.3.

2.2.1 Investment Objective of Allocation Plan(s)

(a) Faysal Islamic Special Income Plan-I

The primary objective of FISIP-I is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah Compliant instruments while taking into account liquidity considerations.

2.2.2 The Benchmark of the allocation Plan is as follows:

| Plan | Benchmark |
|--|--|
| Faysal Islamic Special Income Plan-I (FISIP-I) | The benchmark of FISIP-I shall be the Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic windows of conventional banks as selected by MUFAP. |

2.2.3 Addition, Removal or Changes to existing Allocation Plans:

The Management Company may remove or amend Allocation Plans with prior consent of the Trustee and approval of the Commission, and may announce the same by a Supplementary Offering Document(s), giving thirty (30) days prior notice to the Unit Holders as specified in the regulation. Management Company may add new plans with prior consent of the Trustee and the commission.

2.2.4 Asset Allocation in Allocation Plans

For “Faysal Islamic Special Income Plan-I (FISIP-I)”, the Management Company shall actively manage the allocations, from time to time, subject to the specified limits as per Clause 2.2.9.

2.2.5 Accounts for “Trust Property of the Scheme” and “Trust Property under Allocation Plans”:

The Trustee shall hold the Trust Property under each Allocation Plan, as well as Trust Property of the Scheme on deposit in a separate account with a Islamic Bank and Islamic window of conventional bank, of minimum rating of A- (A minus). All Trust Property, except in so far as such cash may, in the opinion of the Management Company, be required for transfer to the Distribution Account or to be kept for meeting the redemption requirements etc, shall be applied by the Trustee from time to time in such Authorized Investments as may be directed by the Management Company, subject to the provisions of the Deed, the Offering Document and the Regulations.

2.2.6 Divestment of Investments:

Any Investment may at any time be divested at the discretion of the Management Company either in order to invest the proceeds of the sale in other authorized investments or to provide funds required for the purpose of any provision of the Deed or in order to retain the proceeds of sale in cash deposit as aforesaid or any combination of the aforesaid. Any Investment, which ceases to be an Authorized Investment, would be divested within such period as the Management Company determine to be in the best interest of the Unit Holders after acquiring approval of the Commission under intimation to the Trustee.

2.2.7 Exposure limits for “Trust Property of Scheme” and “Trust Property under Allocation Plan(s)”:

The Trust Property of the Scheme and the Trust Property under each Allocation Plan shall be subject to such exposure limits as are provided in the Regulations or the Commission’s relevant circulars, directives and notifications, provided that the Management Company shall have a period of four (4) months from the date the exposure limits are breached to

bring the Fund into compliance with the exposure limits if the deviation is due to appreciation, depreciation or disposal of any Investment.

2.2.8 Fund category and applicable exposure limits:

The Fund is categorized as a Shariah Compliant Income Scheme and would be subject to the relevant exposure limits as specified in the Commission Circular No. 7 of 2009 (as amended or substituted from time to time) dated March 6, 2009, the Rules, the Regulations or any such direction or circular issued by the Commission from time to time.

2.2.9 Basic feature of Faysal Islamic Special Income Plan-I

(a) “Faysal Islamic Special Income Plan-I (FISIP-I)”:

- i. The allocation plan will be actively allocated between authorized investable avenues.
- ii. The Management Company may, from time to time to change the allocations of the portfolio in the authorized investable avenues based on the Fund Manager’s outlook for the asset-classes.
- iii. Initially, the Management Company may seek to invest in the following authorized investable avenues mentioned below:

Investment Policy:

| S. NO | Asset Class | Entity /Instrument Rating | Minimum Exposure as % of Net Assets | Exposure Limit as% of Net Assets |
|-------|--|---------------------------|-------------------------------------|----------------------------------|
| 1 | Shariah Compliant Government Securities with maturity equal to and greater than 90 days, where the maximum weighted average maturity in this category shall not exceed 4 years. | N/A | 0% | 75% |
| 2 | Cash and/ or near cash instruments with licensed Islamic Banks and licensed Islamic Banking windows of Conventional Banks | A- | 25% | 100% |
| 3 | Murhaba Share Financing or any other Shariah compliant form of securities leveraging product | Investment Grade | 0% | 40% |
| 4 | Secured and Unsecured (listed and/or privately placed) Sukuks | A- | 0% | 75% |
| 5 | Shariah Compliant Commercial paper | A- | 0% | 75% |
| 6 | Shariah Compliant non-traded securities with maturity of less than and equal to six (6) months including but not limited to Bank Deposits with licensed Islamic Banks and licensed Islamic | A- | 0% | 75% |

| | | | | |
|---|---|----|----|---|
| | Banking windows of conventional Banks and Placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with banks, NBFCs, Mudarabahs and DFIs. | | | |
| 7 | Shariah Compliant non-traded securities with maturity exceeding six (6) months including but not limited to Bank Deposits with licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and Placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with banks, NBFCs, Mudarabahs and DFIs. | A- | 0% | 15% |
| 8 | Deposits (Current/Saving, Term Deposit Receipt, Certificate of Deposit (COD), Certificate of Investments (COI), Certificate of Musharka (COM) with Licensed Islamic Banking windows of Microfinance Bank. | A- | 0% | 25% |
| 9 | Authorized investments in overseas markets including Mutual Funds. Overseas investments would be subject to prior approvals/guidelines of SECP and SBP. | A- | - | 0-30% of Net Assets or subject to cap of USD 15 million whichever is lower. |
| 10 | Any other Shariah Compliant instrument / securities that may be allowed by the SECP from time to time and is in accordance with the guidelines of Shariah Advisor of the Scheme. | A- | - | As may be allowed by the Commission |
| <ul style="list-style-type: none"> In case the Entity is not rated, Instrument Rating shall apply. | | | | |

2.2.10 Risk Control in the Investment Process

The Management Company shall ensure that effective risk control measures are in place for protection of the investors. The objective of the risk control process is to monitor and measure the risks of Portfolio construction, diversification and holdings, risk concentrations and their contribution to the overall risk profile of the Fund, with clear definitions of process and procedures. Faysal AMC's investment team aims to identify securities following thorough analysis of securities proposed to be invested in. In addition to in-house equity research, inherent regulatory position/sector limits optimal

diversification methods and liquidity screens will be employed to achieve the desired level of risk and return.

2.2.11 Disposal of Haram Income

Where some Haram income accrues to the Fund, it will be donated to registered charitable institutions in order to purify the Fund's income. This will be done in accordance with the guidelines issued by the Shariah Advisor from time to time.

2.2.12 Management Company Can Alter Investment Mix

The Management Company can from time to time alter the weightings, subject to the specified limits as per **Clause 2.2.9** above, between the various types of investments if it is of the view that market conditions so warrant. The Funds not invested in the foregoing avenues shall be placed as deposit with scheduled Islamic banks/Islamic windows of conventional banks.

2.3 Changes in Investment Policy

The investment policy will be governed by the Regulations and/or SECP directives. Any Fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving thirty (30) days prior notice to the Unit Holders as specified in the regulation.

2.4 Investment Restrictions

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

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

- (c) The Management Company on behalf of the Scheme shall not:
 - i. (Make Investments in Non-Shariah complaint instruments and against the guidelines of Shariah Advisor of the Fund.)
 - ii. Purchase or sell -

- a. Bearer securities;
 - b. Securities on margin;
 - c. Real estate, commodities or commodity contracts;
 - d. Securities which result in assumption of unlimited liability (actual or contingent);
 - e. Anything other than Authorized Investments as defined herein;
- iii. Participate in a joint account with others in any transaction;
 - iv. Take exposure to equities;
 - v. Affect a short sale in a security whether listed or unlisted;
 - vi. Purchase any security in a forward contract;
 - vii. Take Exposure in any other Collective Investment Scheme.
 - viii. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulation;
 - ix. Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company.
 - x. invest in securities of the Management Company
 - xi. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission
 - xii. apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission.
 - xiii. Sell or issue Units for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Scheme.
 - xiv. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or take over.
 - xv. invest the subscription money until the closure of initial offering period.
 - xvi. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts.
 - xvii. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company.
 - xviii. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations.
 - xix. accept deposits
 - xx. make a loan or advance money to any person from the assets of the Scheme.
- (d) The Management Company shall not take Exposure of more than thirty five per cent (35%) of Collective Investment Scheme in any single group; and for this purpose, “group” means

persons having at least thirty percent (30%) or more shareholding in any other company, as per publicly disclosed information.

- (e) The investment in issued Islamic debt securities of a company shall not, at any time, exceed an amount equal to fifteen per cent (15%) of total Net Assets of the Scheme or fifteen per cent (15%) of that single issue, whichever is lower. In all other cases the exposure limit of ten per cent (10%) as specified in Regulation No. 55(5) of the Regulations shall prevail.
- (f) The Management Company shall not invest more than thirty five per cent (35%) or index weight, whichever is higher subject to maximum of 40% of total Net Assets of the Scheme in securities of any one sector as per classification of the stock exchange.
- (g) Where the Exposure of the Scheme exceeds the limits specified in sub-clause (e) and (f) above because of corporate actions or due to market price increase or decrease in Net Assets of the Scheme, the excess Exposure shall be regularized within Four (4) months of the breach of limits.
- (h) The Management Company, on behalf of the Scheme, shall not take Exposure of more than ten per cent (10%) of the total Net Assets of the Scheme in listed group companies of the Management Company and such Exposure shall only be made through the secondary market.
 - (i) Rating of any bank or DFI with which funds of the Scheme are placed shall not be lower than A- (A Minus).
 - (ii) Rating of Shariah Compliant debt instruments in the portfolio of the Scheme shall not lower than A- (A Minus).
- (i) Rating of any NBFC and Modaraba with which Funds are placed shall not be lower than A- (A minus).
- (j) Weighted average time to maturity of net assets of the scheme shall not exceed 4 years excluding Shariah Compliant Government Securities.
- (k) In case of redemptions requests are pending due to constraint of liquidity in the Fund, for more than the period as stipulated in the Regulations, the Management Company shall not make any fresh investment or rollover of any investment.
- (l) The Scheme shall invest at least twenty five per cent (25%) of the Net Assets in cash and near cash instruments which include cash in bank account (excluding TDRs) and Shariah Compliant Government Securities not exceeding ninety (90) days to maturity. This minimum cash and near cash requirements shall be calculated on the basis of the average for each calendar month.
- (m) There shall be no restriction regarding time to maturity of any single asset and duration of a single security in the portfolio of the Scheme.
- (n) The Scheme shall not invest more than fifteen per cent (15%) of the Net Assets in non-traded securities including Reverse Repo, Bank Deposits, Certificates of Investments, Certificates of Musharakas and anything over six (6) months maturity which is not a marketable security.

2.4.1 Exemption to Investment Restrictions

In order to protect the right of the Unit Holders, the Management Company may take an Exposure in any unauthorized investment due to recovery of any default proceeding of any counter party of any Authorized Investment with the approval of the Commission and Shariah Advisor.

2.5 Shariah compliant Financing Arrangements

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

If subsequent to such financing, 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 Shariah compliant financing.

- (b) The charges payable to any Bank or institution against financing on account of the Fund as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.
- (c) The charges payable to any Bank or institution against financing on account of the Scheme as permissible above shall be allocated to the Allocation Plan(s) for which the financing has been made.
- (d) Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financings from banks, financial institutions and non-banking finance companies. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such financings.
- (e) For the purposes of securing any such financing the Trustee may upon instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property of the pertinent Allocation Plan or the Scheme as the case may be 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.
- (f) Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.
- (g) Any liability or loss incurred due to negligence of AMC or the Trustee shall be borne by the party responsible.
- (h) In case, where redemption requests exceed ten percent of the total number of units in issue of fund on any one dealing day, the redemption requests of AMCs and its sponsors, if any, shall have least priority for redemption on that day.

2.5.1 Restriction of Transactions with Connected Persons

- (a) The Management Company in relation to the allocation plans shall not invest in any security of a company if any director or officer of the Management Company owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten per cent of those securities collectively subject to exemption provided in the Regulations.
- (b) The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of the Trustee, purchase or sell any security from or to any Connected Person or employee of the Management Company.
- (c) Provided that above shall not be applicable on sale or redemptions of Units.
- (d) For the purpose of sub-paragraphs (a) and (b) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- (e) 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.

2.6 Risk Disclosure

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

- (1) **Government Regulation Risk** - Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- (2) **Country or Political Risk** – The uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as break down of law and order, war, natural disasters, etc. and any governmental actions or legislative changes or court orders restraining payment of principal or income.
- (3) **Interest Rate Risk** – A rise or decline in interest rates during the investment term may result in a change in return provided to investors.
- (4) **Credit Risk** - Credit Risk comprises Default Risk, and Credit Spread Risk. Each can have negative impact on the value of the income and money market instruments including Sukuk etc. .
 - **Default Risk** - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all;
 - **Credit Spread Risk** - The risk that there may be an increase in the difference between the return/markup rate of any issuer's security and the return/markup rate of a risk free security. The difference between this return/mark up rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of income and including t money market instruments;

- (5) **Price Risk** - The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.
- (6) **Liquidity Risk** – Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.
- (7) **Settlement Risk** – At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund’s performance etc.
- (8) **Reinvestment Rate Risk** –In a declining interest/ markup rate economic environment, there is a risk that maturing securities or coupon payments will be reinvested at lower rates, which shall reduce the return of the Fund compared to return earned in the preceding quarters.
- (9) **Events Risk** - There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
- (10) **Redemption Risk** - There may be special circumstances in which the redemption of Units may be suspended or the redemption payment may not occur within six working days of receiving a request for redemption from the investor.
- (11) **Investor Concentration Risk** - The Risk that the performance and liquidity of the Portfolio is adversely impacted due to a few large investors investing-in or redeeming from the fund over a short-time period. Factors contributing to such an adverse impact may include, but are not limited to, deviations in portfolio allocation, price impact of portfolio rebalancing, higher allocations in illiquid scripts etc.
- (12) **Distribution Taxation Risk** – Dividend distribution or return of capital to investors is liable to tax as per income tax ordinance 2001. The distributions are uniform across all units therefore unit holder who invest in a fund before distribution of dividend may be liable to pay tax even though they may not have earned any gain on their investments.
- (13) **Shariah non-compliance Risk** - The risk associated with employing funds in investments that are not consistent with the Principles of Shariah.

2.7 Disclaimer

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

Disclosure:

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

3. OPERATORS AND PRINCIPALS

3.1 Management Company

Faysal Asset Management Limited is the Fund Manager of Faysal Islamic Special Income Fund (FISIF), having its registered office as mentioned below:

Faysal Asset Management Limited

7th Floor, Faysal House, ST-02,
Main Shahrah-e-Faisal,
Karachi, Pakistan
UAN: (111-329-725)
URL: www.faysalfunds.com

3.1.1 Organization

Faysal Asset Management Limited ("FAML") is an Investment Advisory and Asset Management Company was incorporated on 6th August 2003 and registered as an Asset Management Company with the SECP on November 12, 2003. FAML has been assigned Management Quality Rating of AM2 by The Pakistan Credit Rating Agency which denotes 'High management industry standards and benchmarks'.

The following is the current shareholding structure of the company:

| Sr. No. | Sponsors | Shareholding Percentage |
|----------------|---------------------------|--------------------------------|
| 1 | Faysal Bank Limited (FBL) | 99.995% |
| 2 | Others (individuals) | 0.005% |
| | Total | 100% |

3.1.2 Principal Shareholders

Faysal Bank Limited

Faysal Bank Limited (FBL), holding 99.99% shares of FAML, started operations in Pakistan in 1987, first as a branch set-up of Faysal Islamic Bank of Bahrain and then in 1995 as a locally incorporated Pakistani bank under the present name of Faysal Bank Limited. On January 1, 2002, Al Faysal Investment Bank Limited, another group entity in Pakistan, merged into Faysal Bank Limited which resulted in a larger, stronger and much more versatile institution.

FBL is a full service banking institution offering consumer, corporate and investment banking facilities to its customers. The Bank's widespread and growing network of branches in the four provinces of the country and Azad Kashmir, together with its corporate offices in major cities, provides efficient services in an effective manner. The strength and stability of FBL is evident through the Credit Rating assigned by JCR-VIS Credit Rating Company Limited for entity ratings AA/A-1+ (Double A/A One Plus) with stable outlook and from PACRA Credit rating company of "AA" (Double A) for long term and "A1+" (A One Plus) for short term with stable outlook. The majority shareholding of Faysal Bank Limited is held by Ithmaar Bank B.S.C an investment bank listed in Bahrain.

3.2 Board of Directors of the Management Company

| Name | Position | Other Directorships | Current Occupation | Address |
|--------------------------|-----------------|----------------------------|--|---|
| Mr. Salman Ahmed Usmani | Chairman | Nil | Faysal Bank Limited as Head of Treasury | 4th Floor, Faysal House, ST-02, Shahrah-e-Faisal, Karachi. |
| Mr. Osman Asghar Khan | Director | Nil | CEO at SG Technical (Pvt) Ltd | 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi |
| Mr. Tahir Yaqoob Bhatti | Director | Nil | Head of Retail Banking -Faysal Bank Limited | 4th Floor, Faysal House, ST-02, Shahrah-e-Faisal, Karachi |
| Mr. Mian Salman Ali | Director | Nil | Chief Risk Officer - Faysal Bank Limited | 4th Floor, Faysal House, ST-02, Shahrah-e-Faisal, Karachi |
| Mr. Nadir Rahman | Director | Director | Chief Operating Officer of Pakistan Stock Exchange | Faysal Asset Management Limited, 7th Floor, Faysal House, ST-02, Shahrah-e-Faisal, Karachi. |
| Syed Muhammad Fraz Zaidi | Director | Nil | Head of Strategy -Faysal Bank Limited | 4th Floor, Faysal House, ST-02, Shahrah-e-Faisal, Karachi |

3.2.1 Profile of the Management

Mr. Salman Ahmed Usmani-Chairman

Salman Ahmed Usmani has an extensive experience of over 28 years in both the multinational and local banking sector, with expertise in Treasury and Risk Management, Asset and Liability Management, Strategic Planning, Corporate Restructuring, Strategic Negotiations, Acquisitions and Strategic Alliances and International Operations. Presently he is associated with Faysal Bank Limited as Head of Treasury. Prior to joining Faysal Bank Limited, he was associated with MCB Bank Limited as Global Treasurer and Head Investment Banking Group. His past experience has been with organizations such as ANZ Grindlays, American Express, Bank of America, Mashreq Bank and United Bank Limited.

Mr. Osman Asghar Khan – Director

Mr. Osman Asghar Khan serves as a CEO at SG Technical (Pvt.) Ltd. Before that he was associated with EMC Information Systems as Country Manager of Pakistan and Afghanistan. Mr. Khan has been a Director of Lahore Stock Exchange (G) Ltd and National Clearing Company of Pakistan Ltd. Mr. Khan also served a Director of Karachi Stock Exchange (Guarantee) Limited. Mr. Osman Asghar Khan is a Certified Public Accountant from USA and a Chartered Accountant from Canada and Pakistan. He has

completed his MBA (Accounting) from Boston University (USA) and BA (Economics & International Relations) from Brown University (USA).

Mr. Tahir Yaqoob Bhatti– Director

Mr. Tahir Yaqoob Bhatti has over 30 years of diverse experience in Retail, Commercial, Corporate, Operations, Special Assets Management and Digital Banking. He has previously been associate mainly with Allied Bank Limited, Askari Bank Limited and National Bank of Pakistan. Presently he is associated with Faysal Bank Limited as Head, Retail Banking. Prior to joining Faysal Bank Limited, his last assignment was Business Head – Wholesale and Private Banking at JS Bank. Tahir Bhatti holds MBA Finance from IBA, Lahore and a Masters in Commerce from Hailey College. He also qualified DCMA and holds a Banking Diploma from the Institute of Bankers in Pakistan.

Mian Salman Ali – Director

Mian Salman Ali brings with him a banking experience of over 15 years in large local and multinational banks. During his career, he has held various leadership / supervisory roles in business and control functions. He has a diversified experience in the field of Corporate Banking, Commercial / SME Banking & Credit / Risk Management. Prior to joining Faysal Bank Limited, he has been associated with ABN AMRO Pakistan and Allied Bank Limited. Mian Salman holds a Master of Business Administration degree from Lahore School of Economics. He is also a certified Islamic Banking Professional from NIBAF.

Mr. Nadir Rehman-Director

Mr. Nadir Rahman has over 28 years of professional experience, primarily in financial services. He has been a seasoned project manager with assignments undertaken all over Asia and North Africa. He has vast experience in diverse leadership roles in different geographies, and of various financing structures. Previously, he has served as CEO of BMA Capital, KASB Securities, JS Global Capital, and Foundation Securities. He has held senior roles at Bukhatir Investments, Fauji Foundation, Standard Chartered Bank, ABN AMRO Bank and Citibank. Nadir holds dual degrees from the University of Pennsylvania's Wharton School and College of Arts and Sciences.

Syed Muhammad Fraz Zaidi- Director

Syed Muhammad Fraz Zaidi brings with him over 15 years of experience in the financial services sector, where he has held leadership roles in Finance, Risk Advisory and Strategy. Prior to joining Faysal Bank Limited, he has been associated with organizations such as H & H Exchange Co. (Pvt.), A. F. Ferguson & Co. and United Bank Limited. His last assignment was Head Operational Risk & Basel-II Division at United Bank Limited. Fraz Zaidi is a Chartered Accountant from the Institute of Chartered Accountants, Pakistan.

3.2.2 Management Profile:

Mr. Khaldoon Bin Latif-CEO

Mr. Latif has been associated with the capital markets for over a fifteen years, with both domestic and international experience providing a comprehensive blend. Prior to joining Faysal Asset Management, Mr. Khaldoon was associated with BMA Asset Management Company Limited as its Chief Executive Officer (CEO). Earlier he was associated with JS Investments Limited as its Chief Investment Officer (CIO) and KASB Funds Limited as its CEO. Before KASB Funds he was the General Manager and Director of TSWLL Bahrain, a wholly owned subsidiary of TAIB Bank BSC. which offered custody, brokerage, asset

management, and advisory services for over 40 different markets spanning across the US, Europe, MENA, Far East and South Asia. Mr. Latif has also held non-Executive Directorships at TSLLC, a brokerage firm which was a member of both Abu Dhabi and Dubai Stock Exchanges. He has also been an non-executive director on the board of TSML - a broad based fund incorporated out of Mauritius dedicated to investing in India. He has also represented a European hedge fund on the board of PACE Pakistan Ltd and has served on the board of TMT Ventures - venture capital firm based in Pakistan with successful incubation startups particularly in the telecom space. He has been a member of the Mutual Fund Association over the last four years and has been an Executive Director between FY17&18. He is also a non-executive director on a bank holding company out of Bahrain, IIBank LLC, that has operations in Africa and Europe.

Mr. Latif also brings both buy and sell side exposure of domestic capital markets in Pakistan. Mr. Latif began his career on the sell side with AKD Securities Ltd in various capacities including Head of Foreign Institutional Sales and Equity Research in the capacity of Head of Research and Chief Economist. On the Buy side, Mr. Latif has worked with PICIC AMC as Head of Research and Product Development where his tenor also included active management of the PICIC Energy Fund. Mr. Latif is a LUMS Alumni and has done a number of capital market courses with CFA association, Daiwa, J.P. Morgan and Bahrain Institute of Banking and Finance (BIBF). He has also completed his Director Certification program from IBA.

Mr. Ayub Khuhro - Chief Investment Officer

Mr. Ayub Khuhro is the Chief Investment Officer of Faysal Asset Management Limited, and has over nine years of experience in asset management and research. Mr. Ayub started his career with Pak Oman Asset Management Company in the research division before moving on to Faysal Bank Limited as Research Head in the Equity Capital Markets Division. At Faysal Bank, he was involved in managing the equity portfolio worth over USD 80mn and spearheading the research effort to provide indepth advice and coverage across the capital markets for the Investment Committee. He was also involved in IPO's and private equity valuations for the bank. He joined Faysal Asset Management in 2012 as Head of Research and revamped the department to cater to the ever growing needs of the Funds and Capital Markets.

Mr. Ayub has developed a unique understanding of equity, fixed income and money market investments. With the power to exercise all investment options for FAML, he has ensured that his investment decisions have encompassed both strategic and tactical asset allocations, implemented via thorough research, evaluation of historical performance of classes and instruments. Mr. Ayub holds a Bachelors of Science (BSc Hons) degree in Economics from Lahore University of Management Sciences (LUMS).

Mr. Faisal Ali Khan -Chief Financial Officer & Company Secretary

Faisal is a fellow member of the Institute of Chartered Accountant of Pakistan having a professional experience of over eighteen years ranging from financial reporting, regulatory compliance, budgeting and taxation to corporate and secretarial practices including 11 years of experience in the asset management and investment advisory industry. Prior to joining to Faysal Funds, Mr. Faisal was associated with BMA Funds as their CFO & Company Secretary while he has also served at Saudi Pak Industrial and Agricultural Company (Pvt.) Ltd, Attock Refinery Limited and KPMG at different positions.

Mr. Omer Bin Javaid - Chief Distribution Officer

Mr. Omer is the Chief Distribution Officer of Faysal Asset Management Limited, and has extensive experience of over sixteen years in investment banking and asset management. Prior to joining FAML, he was associated with BMA Capital Management, JS Investments, Citi Bank, Standard Chartered and various other banks. He has served at various senior positions where he was responsible for managing the overall institutional and retail sales development, leading corporate sales teams, training and strengthening company's internal sales team and client service. Mr. Omer holds a Masters degree in Business Administration from Newport University, Karachi.

Mr. Saad H. Qureshi- Head of Strategy & HR

Mr. Saad spearheads organizational strategy function with emphasis on business growth, operational efficiency and resource optimization. He carries over 16 years of experience in Pakistan's asset management / financial service industry and was associated with various institutions in past including: UBL Fund Managers, NAFA, PICIC AMC (now HBL AMC), JS Investments, IGI Fund Select and CDC Pakistan. Prior to joining Faysal Funds, he was heading Strategy and Business Development at Pak Oman AMC. Saad possesses a vast experience of structuring and successfully launching need-based investment products, closing investment advisory mandates, building and managing high performance sales teams and organization structuring while achieving significantly improved top-line bottom-line for organizations. He holds BBA (Hons.) and MBA in Marketing from Institute of Business Administration (IBA) – Karachi.

Mr. Khurram Salman- Head of Compliance and Internal Audit

Mr. Khurram is a chartered certified accountant with more than fourteen years experience of working with financial services firms in the Middle East and Pakistan. He has worked extensively in the disciplines of regulatory compliance, financial reporting, internal and external auditing. He has successfully implemented the best practices pertaining to internal controls environment, IFRS based financial reporting and regulatory compliance pronouncements across several multinational organizations operating in Bahrain, Saudi Arabia and Pakistan.

Mr. Umair A. Khan-Head of Advisory

Mr. Umair has more than 11 years of diversified work experience at leading Investment Management Cos. His core areas of expertise are in Investment Analysis/Management, Investment Advisory and structuring customized Product Offering as per client needs. Prior to joining FAML, he was with BMA Funds Ltd where he served as Head of Equities and managed SMAs worth over Pkr 4.0bn including Fixed Income portion of SMAs. Prior to that he was with JSIL where he served as Fund Manager (Hybrid Allocation – VPS Schemes and SMAs). He has started his career as a Research Analyst at MCB Arif Habib Investments where he spent 4 years for identifying undervalued scripts/sectors while was an active member in the Investment Committee as well as key member involved in the merger of MCB and Arif Habib Investments. He holds a Bachelors in Business Administration degree in Finance from Bahria University and holds Chartered Financial Analyst (CFA).

Mr. Nafees Malik - Head of Product, Customer Services & Digital Transformation

Mr. Malik has more than 9 year of diversified work experience at local and Multinational financial services. His core areas of expertise are in business development, Product restructuring, financial sales, Marketing & Investment advisory. Prior to joining FAML, he was with Primus Investment Management Ltd (A wholly owned subsidiary of Pak Brunei Investment Company) where he served as Head Business Units. During his professional

career he also served on various roles in KASB Group his last assignment being head of Marketing and Channel management at KASB Funds & Union Bank.

Mr. Malik holds Master degree in Economics and Business administration (MBA) and currently pursuing his M.Phil. Leading to PHD. Mr. Malik is also a member of Management association of Pakistan, Institute of capital market.

3.2.3 Performance of Listed Associated Companies

Faysal Bank Limited

| Year December 31 | Paid up Capital | Shareholders' equity | Total Assets | Profit after tax | Earnings per share | Cash dividend per share | Bonus |
|------------------------|--------------------|-------------------------|-----------------|------------------------|--------------------------|----------------------------------|-------|
| | | | | | PKR | PKR | |
| 2012 | 9,274 | 20,977 | 313,123 | 1,422 | 1.53 | Nil | 12.5% |
| 2013 | 10,433 | 22,166 | 355,280 | 1,850 | 1.77 | Nil | 12.5% |
| 2014 | 10,433 | 26,302 | 388,127 | 2,477 | 2.37 | Nil | 15.0% |
| 2015 | 11,997.6 | 30,352 | 430,073 | 4,222 | 3.52 | 1 | 0 |
| 2016 | 11,997.6 | 35,008 | 444,464 | 4,302 | 3.59 | Nil | 10.0% |
| 2017 | 13,197 | 39,232 | 488,026 | 4,514 | 3.42 | Nil | 15% |
| 2018 | 15,177 | 43,533 | 599,915 | 4,837 | 3.18 | Nil | Nil |
| 2019 | 15,177 | 55,264 | 629,853 | 6,004 | 3.96 | Nil | Nil |

3.3 Existing Schemes under Management and their performance

Faysal Asset Management Limited are currently managing twenty-six open end mutual funds namely:

- 1- Faysal Income & Growth Fund (FIGF);
- 2- Faysal Money Market Fund (FMMF);
- 3- Faysal Islamic Savings Growth Fund (FISGF);
- 4- Faysal Asset Allocation Fund (FAAF);
- 5- Faysal Stock Fund (FSF);
- 6- Faysal MTS Fund (FMTSF);
- 7- Faysal Islamic Asset Allocation Fund (FIAAF);
- 8- Faysal Financial Sector Opportunity Fund (FFSOF);
- 9- Faysal Savings Growth Fund (FSGF);
- 10- Faysal Islamic Dedicated Equity Fund (FIDEF);
- 11- Faysal Sharia Capital Preservation Plan (FSCPP);
- 12- Faysal Sharia Capital Preservation Plan (FSCPP II);
- 13- Faysal Sharia Capital Preservation Plan (FSCPP III);
- 14- Faysal Sharia Capital Preservation Plan (FSCPP IV);
- 15- Faysal Halal Amdani Fund (FHAF);
- 16- Faysal Active Principal Preservation Plan (FAPPP);
- 17- Faysal Financial Value Fund (FFVF);
- 18- Faysal Government Securities Fund (FGSF);
- 19- Faysal Islamic Stock Fund (FISF);
- 20- Faysal Islamic Cash Fund (FICF);
- 21- Faysal Cash Fund (FCF);
- 22- Faysal Sharia Capital Preservation Plan (FSCPP V);
- 23- Faysal Sharia Capital Preservation Plan (FSCPP VI);
- 24- Faysal Sharia Capital Preservation Plan (FSCPP VII);

25- Faysal Sharia Capital Preservation Plan (FSCPP VIII); and

26- Faysal Sharia Capital Preservation Plan (FSCPP IX)

1- Faysal Income & Growth Fund (FIGF)

The prime objective of Faysal Income & Growth Fund is to provide superior long-term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments; in particular, the aim is to minimize interest rate risk through duration management and default risk through portfolio diversification. The Fund will employ prudent and disciplined investment management, and maximize the total investment return through systematic and informed security selection.

| | |
|-------------------|--|
| Fund Name | Faysal Income & Growth Fund |
| Fund Type | Open End |
| Category | Aggressive Fixed Income Scheme |
| Date of Launching | October 10, 2005 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Income & Growth Fund | | | | |
|-----------------------------|------------|--------------|--------------|--------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2006 | 1,501.00 | 105.59 | 7.73% | 5.50% |
| 2007 | 2,553.60 | 112.86 | 12.75% | 12.75% |
| 2008 | 2,304.00 | 103.43 | 9.94% | 10.00% |
| 2009 | 722.97 | 101.8 | 8.90% | 8.00% |
| 2010 | 746.97 | 104.12 | 11.04% | 10.75% |
| 2011 | 604.00 | 104.45 | 9.71% | 9.00% |
| 2012 | 530.54 | 107.11 | 13.55% | 11.50% |
| 2013 | 565.62 | 105.92 | 9.50% | 8.50% |
| 2014 | 460.12 | 104.92 | 8.82% | 8.98% |
| 2015 | 556.63 | 105.15 | 12.14% | 12.50% |
| 2016 | 1,836.48 | 105.56 | 9.41% | 9.50% |
| 2017 | 1,003.46 | 105.86 | 4.56% | 4.26% |
| 2018 | 902.33 | 111.31 | 5.15% | 4.89% |
| 2019 | 544.83 | 106.36 | 7.81% | 7.59% |
| 2020 | 773.49 | 106.57 | 11.19% | 11.00% |

2- Faysal Money Market Fund (FMMF)

Faysal Money Market Fund aims to generate competitive returns with minimum risk and enhanced liquidity by investing primarily in short-term government securities, term deposits and money market instruments with weighted average time to maturity of Net Assets not exceeding 90 days.

| | |
|-----------|--------------------------|
| Fund Name | Faysal Money Market Fund |
| Fund Type | Open End |
| Category | Money Market Scheme |

| | |
|-------------------|--|
| Date of Launching | December 13, 2010 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Low |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Money Market Fund | | | | |
|---------------------------------|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2011 | 579.74 | 103.68 | 11.20% | 5.75% |
| 2012 | 1,639.45 | 102.87 | 10.98% | 10.60% |
| 2013 | 2,782.10 | 102.27 | 9.06% | 8.45% |
| 2014 | 5,191.66 | 100.86 | 8.35% | 8.05% |
| 2015 | 3,329.63 | 101.06 | 8.35% | 8.50% |
| 2016 | 757.33 | 101.10 | 5.67% | 5.70% |
| 2017 | 783.16 | 101.35 | 7.14% | 6.87% |
| 2018 | 2,246.55 | 106.65 | 5.23% | 4.97% |
| 2019 | 2,768.78 | 101.7089 | 8.87% | 1.35% |
| 2020 | 5,253.45 | 101.8935 | 12.57% | |

3- Faysal Islamic Savings Growth Fund (FISGF)

Faysal Islamic Savings Growth Fund an open end mutual fund seeks to provide maximum possible preservation of capital and a reasonable rate of return via investing in Shariah Compliant money market and debt securities having good credit quality rating and liquidity.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Savings Growth Fund |
| Fund Type | Open End |
| Category | Islamic Income Scheme |
| Date of Launching | June 14, 2010 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Moderate |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Islamic Savings Growth Fund | | | | |
|---|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2010 | 333.58 | 100.38 | 9.04% | 0.35% |
| 2011 | 295.40 | 103.51 | 10.33% | 9.75% |
| 2012 | 536.52 | 103.00 | 11.24% | 10.35% |
| 2013 | 784.98 | 102.56 | 8.28% | 7.80% |
| 2014 | 665.42 | 101.49 | 7.65% | 7.42% |
| 2015 | 886.84 | 101.81 | 8.22% | 8.00% |
| 2016 | 636.15 | 101.92 | 5.50% | 5.50% |

| | | | | |
|------|----------|--------|--------|--------|
| 2017 | 1253.76 | 102.62 | 5.30% | 4.61% |
| 2018 | 1013.27 | 107.16 | 4.42% | 4.20% |
| 2019 | 1,643.37 | 102.97 | 7.85% | 7.72% |
| 2020 | 2,241.25 | 103.18 | 10.67% | 10.47% |

4- Faysal Asset Allocation Fund (FAAF)

Faysal Asset Allocation Fund endeavors to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing equity, fixed income & money market instruments.

| | |
|-------------------|--|
| Fund Name | Faysal Asset Allocation Fund |
| Fund Type | Open End |
| Category | Asset Allocation Scheme |
| Date of Launching | July 24, 2006 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | High |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Asset Allocation Fund | | | | |
|------------------------------|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2007 | 650.30 | 123.54 | 23.52% | 19.26% |
| 2008 | 544.83 | 91.31 | -10.48% | NIL |
| 2009 | 231.21 | 56.34 | -38.30% | NIL |
| 2010 | 305.51 | 73.64 | 30.70% | 15.00% |
| 2011 | 351.58 | 70.71 | 20.58% | 4.75% |
| 2012 | 297.08 | 65.95 | -0.02% | NIL |
| 2013 | 106.32 | 79.31 | 20.26% | 12.75% |
| 2014 | 125.90 | 68.94 | 17.01% | 9.00% |
| 2015 | 587.69 | 70.59 | 16.16% | 9.50% |
| 2016 | 738.80 | 68.85 | -2.46% | NIL |
| 2017 | 702.21 | 68.73 | 4.67% | 5.08% |
| 2018 | 186.78 | 53.86 | -21.64% | Nil |
| 2019 | 95.05 | 42.57 | -20.96% | Nil |
| 2020 | 113.69 | 43.35 | 1.83% | 2.37% |

5- Faysal Stock Fund (FSF)

The objective of Faysal Stock Fund (FSF) (formerly Faysal Balanced Growth Fund, FBGF) is to provide Capital growth by investing primarily in a diversified pool of equities and equity related investments. So as to diversify fund risk and to optimize potential returns.

| | |
|-------------------|--|
| Fund Name | Faysal Stock Fund (Formerly Faysal Balanced Growth Fund) |
| Fund Type | Open End |
| Nature of Fund | Equity Scheme (Formerly Balanced Scheme) |
| Date of Launching | April 19, 2004 |

| | |
|--------------|--|
| Par Value | Rs. 100/- |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | High |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Stock Fund | | | | |
|-------------------------------|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2004 | 1,998 | 98.59 | -1.57% | NIL |
| 2005 | 1,761 | 112.9 | 14.70% | 12.50% |
| 2006 | 1,621 | 106.26 | 26.00% | 26.00% |
| 2007 | 1,076 | 121.49 | 21.16% | 18.00% |
| 2008 | 1,020 | 101.8 | -0.09% | 3.40% |
| 2009 | 640 | 76 | -24.00% | NIL |
| 2010 | 516.30 | 92.71 | 21.99% | 27.00% |
| 2011 | 360.19 | 72.27 | 9.98% | 9.55% |
| 2012 | 210.02 | 59.78 | -4.69% | NIL |
| 2013 | 107.69 | 71.23 | 19.15% | 10.85% |
| 2014 | 119.80 | 61.79 | 14.69% | 7.50% |
| 2015 | 130.15 | 64.00 | 19.83% | 10.00% |
| 2016 | 107.30 | 65.08 | 7.39% | 4.40% |
| 2017 | 311.15 | 73.47 | 14.30% | NIL |
| 2018 | 211.42 | 60.02 | -18.31% | NIL |
| 2019 | 116.48 | 43.07 | -28.24% | NIL |
| 2020 | 104.94 | 45.04 | 4.57% | 8.96% |

6- Faysal MTS Fund (FMTSF)

The objective of Faysal MTS Fund (FMTSF) is to provide competitive returns primarily through investment in to MTS market.

| | |
|-------------------|--|
| Fund Name | Faysal MTS Fund |
| Fund Type | Open End |
| Category | Income Scheme |
| Date of Launching | April 08, 2016 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co Chartered Accountants |
| Risk Profile | Moderate |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal MTS Fund | | | | |
|-------------------------------|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2016 | 175.62 | 100.11 | 5.96% | 1.31% |
| 2017 | 172.60 | 100.29 | 6.14% | 5.90% |
| 2018 | 644.28 | 105.94 | 5.63% | 5.35% |

| | | | | |
|------|---------|--------|--------|--------|
| 2019 | 838.28 | 100.80 | 8.80% | 8.80% |
| 2020 | 1000.64 | 101 | 13.04% | 12.85% |

7- Faysal Islamic Asset Allocation Fund (FIAAF)

The objective of Faysal Islamic Asset Allocation Fund is to earn competitive Riba free return by investing in various Shariah Compliant asset classes/instruments based on the market outlook and may easily change allocation to take advantage of directional macro and micro economic trends and undervalued stocks.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Asset Allocation Fund |
| Fund Type | Open End |
| Category | Shariah Compliant Asset Allocation Scheme |
| Date of Launching | September 09, 2015 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co Chartered Accountants |
| Risk Profile | High |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Islamic Asset Allocation Fund | | | | |
|--------------------------------------|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2016 | 192.60 | 95.98 | -4.02% | NIL |
| 2017 | 374.35 | 99.93 | 23.04% | 19.27% |
| 2018 | 428.62 | 80.17 | -19.77% | NIL |
| 2019 | 180.03 | 64.57 | -19.46% | NIL |
| 2020 | 1,833.96 | 71.60 | 10.89% | 9.71% |

8- Faysal Financial Sector Opportunity Fund (FFSOF)

Faysal Financial Sector Opportunity Fund seeks to provide a competitive rate of returns to its investors by investing in money market and debt instruments with major exposure in financial sector instruments.

| | |
|-------------------|--|
| Fund Name | Faysal Financial Sector Opportunity Fund |
| Fund Type | Open End |
| Category | Income Scheme |
| Date of Launching | July 05, 2013 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co Chartered Accountants |
| Risk Profile | Low |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Financial Sector Opportunity Fund | | | | |
|--|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2014 | 394.65 | 100.22 | 9.12% | 8.52% |
| 2015 | 204.36 | 100.23 | 7.41% | 7.41% |

| | | | | |
|------|--------|--------|--------|--------|
| 2016 | 191.14 | 101.09 | 7.08% | 6.25% |
| 2017 | 102.07 | 101.41 | 5.27% | 4.95% |
| 2018 | 110.67 | 106.33 | 4.85% | 4.61% |
| 2019 | 702.44 | 101.79 | 8.68% | 8.82% |
| 2020 | 1,082 | 101.98 | 12.91% | 12.73% |

9- Faysal Savings Growth Fund

To generate competitive returns by investing primarily in debt and fixed income instruments having investment grade credit rating.

| | |
|-------------------|--|
| Fund Name | Faysal Savings Growth Fund |
| Fund Type | Open End |
| Category | Income Scheme |
| Date of Launching | May 12, 2007 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Savings Growth Fund | | | | |
|----------------------------|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2007 | 1,133 | 101.4 | 10.42% | 1.25% |
| 2008 | 4,044.80 | 103.58 | 9.97% | 10.00% |
| 2009 | 6,422.19 | 103 | 12.74% | 12.75% |
| 2010 | 7,070 | 103.17 | 10.98% | 10.95% |
| 2011 | 4,556 | 102.99 | 11.01% | 10.75% |
| 2012 | 1,726.45 | 103.26 | 11.14% | 9.00% |
| 2013 | 898.45 | 102.42 | 8.67% | 7.85% |
| 2014 | 1,418.35 | 101.46 | 8.81% | 8.57% |
| 2015 | 2,004.26 | 101.59 | 12.81% | 12.85% |
| 2016 | 4,111.37 | 101.68 | 7.75% | 7.80% |
| 2017 | 3,148.49 | 102.01 | 5.99% | 5.65% |
| 2018 | 2,187.33 | 107.01 | 4.90% | 4.66% |
| 2019 | 1,569.98 | 102.39 | 7.59% | 7.45% |
| 2020 | 2,610.85 | 102.52 | 11.67% | 11.56% |

10- Faysal Islamic Dedicated Equity Fund

Faysal Islamic Dedicated Equity Fund (FIDEF) is an Open-end Shariah Compliant Islamic Equity Fund. The objective of FIDEF is to provide other 'Fund of Funds' Schemes an avenue for investing in Shariah Compliant Equities.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Dedicated Equity Fund |
| Fund Type | Open End |
| Category | Shariah Compliant Equity Scheme |
| Date of Launching | July 05, 2019 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |

| | |
|--------------|---|
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | High Risk |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Islamic Dedicated Equity Fund | | | | |
|---|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 995.31 | 78.09 | -20.97% | Nil |

11- Faysal Sharia Capital Preservation Plan

The “Faysal Sharia Capital Preservation Plan” is an Islamic Plan under “Faysal Sharia Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Islamic income/Money market, Islamic equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Sharia Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | July 09,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan | | | | |
|--|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 961.98 | 102.04 | 5.39% | 1.84% |

12- Faysal Sharia Capital Preservation Plan II

The “Faysal Sharia Capital Preservation Plan-II” is an Islamic Plan under “Faysal Sharia Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Islamic income/Money market, Islamic equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Sharia Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan II |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | September 27, 2019 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |

| | |
|--------------|-------------------------|
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan II | | | | |
|---|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 1,0888.40 | 103.28 | 3.28% | 3.23% |

13- Faysal Sharia Capital Preservation Plan III

The “Faysal Sharia Capital Preservation Plan-III” is an Islamic Plan under “Faysal Islamic Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant income/Money market component, Shariah Complaint equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Financial Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan III |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | March 31,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan III | | | | |
|--|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 1,249 | 101.48 | 1.88% | 1.41% |

14- Faysal Sharia Capital Preservation Plan IV

The “Faysal Sharia Capital Preservation Plan IV” is an Islamic Plan under “Faysal Islamic Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant Sovereign Income/Money market component, Shariah Complaint equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Financial Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan IV |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | July 24,2020 |

| | |
|--------------|--|
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan IV | | | | |
|---|-------------------|---------------------|-------------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

15- Faysal Halal Amdani Fund

The objective of Faysal Halal Amdani Fund is to provide competitive rate of return with maximum possible preservation of capital by investing in liquid and low risk Shariah Compliant bank deposits, money market & debt securities.

| | |
|-------------------|--|
| Fund Name | Faysal Halal Amdani Fund |
| Fund Type | Open End |
| Category | Shariah Compliant Money Market Scheme |
| Date of Launching | October 10, 2019 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Low |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Halal Amdani Fund | | | | |
|---------------------------------|-------------------|---------------------|-------------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 6,592.41 | 100.1508 | 11.75% | Nil |

16- Faysal Active Principal Preservation Plan

The “Faysal Active Principal Preservation Plan” is an Allocation Plan under “Faysal Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Sovereign income/Money market, equity Collective Investment Scheme and Banks deposit by using CPPI methodology, while aiming to providing Principal Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Financial Planning Fund |
| Plan Name | Faysal Active Principal Preservation Plan |
| Fund Type | Open End |
| Category | Fund of Funds Scheme |
| Date of Launching | December 19, 2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |

| | |
|--------------|---|
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Active Principal Preservation Plan | | | | |
|--|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 739.32 | 106.21 | 6.65% | 5.90% |

17- Faysal Financial Value Fund

The Fund will actively allocate its portfolio between the equity asset classes and fixed income/money market asset classes based on the macroeconomic view of the fund manager on such asset classes. The Investment Policy of the Fund shall be in accordance with the Rules, Regulations and directives issued by SECP.

| | |
|-------------------|--|
| Fund Name | Faysal Financial Value Fund |
| Fund Type | Open End |
| Category | Sector Asset Allocation Scheme |
| Date of Launching | December 27, 2019 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | High |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Financial Value Fund | | | | |
|------------------------------------|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | 1,691.66 | 106.44 | 5.67% | Nil |

18- Faysal Government Securities Fund

The objective of the Scheme is to provide competitive returns by investing primarily in government Securities.

| | |
|-------------------|--|
| Fund Name | Faysal Government Securities Fund |
| Fund Type | Open End |
| Category | Sovereign Income Scheme |
| Date of Launching | March 16,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Low |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Government Securities Fund |
|--|
|--|

| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
|-------------------------------|-------------------|---------------------|---------------------|------------------------|
| 2020 | 2,914.37 | 100.13 | 10.90% | 2.93% |

19- Faysal Stock Islamic Fund

The investment objective of the fund is to provide long term capital growth by investing primarily in Shariah compliant listed equity securities, with prudent and professional management.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Stock Fund |
| Fund Type | Open End |
| Category | Shariah Compliant Equity Scheme |
| Date of Launching | July 24,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | High |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Islamic Stock Fund | | | | |
|----------------------------------|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

20- Faysal Islamic Cash Fund

The Objective of the Fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market securities

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Cash Fund |
| Fund Type | Open End |
| Category | Shariah Compliant Money Market Scheme |
| Date of Launching | August 10,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Low |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Islamic Cash Fund | | | | |
|---------------------------------|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

21- Faysal Cash Fund

The Objective of the Fund is to seek maximum possible preservation of capital and a competitive rate of return via investing primarily in money market securities.

| | |
|-------------------|--|
| Fund Name | Faysal Cash Fund |
| Fund Type | Open End |
| Category | Money Market Scheme |
| Date of Launching | December 30,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Low |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Cash Fund | | | | |
|-----------------------|------------|--------------|-----------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

22- Faysal Sharia Capital Preservation Plan V

The “Faysal Sharia Capital Preservation Plan V” is an Islamic Plan under “Faysal Islamic Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant Sovereign Income/Money market component, Shariah Complaint equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Financial Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan-V |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | July 24,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan V | | | | |
|---|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

23- Faysal Sharia Capital Preservation Plan VI

The “Faysal Sharia Capital Preservation Plan VI” is an Islamic Plan under “Faysal Islamic Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant Sovereign Income/Money market

component, Shariah Complaint equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Financial Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan-VI |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | December 28,2020 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan VI | | | | |
|---|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

24- Faysal Sharia Capital Preservation Plan VII

The “Faysal Sharia Capital Preservation Plan VII” is an Islamic Plan under “Faysal Islamic Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant Sovereign Income/Money market component, Shariah Complaint equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Financial Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan VII |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | April, 15, 2021 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan VI | | | | |
|---|-------------------|---------------------|---------------------|------------------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

25- Faysal Sharia Capital Preservation Plan VIII

The “Faysal Sharia Capital Preservation Plan VIII” is an Islamic Plan under “Faysal Islamic Financial Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant Sovereign Income/Money market component, Shariah Complaint equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Islamic Financial Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan-VIII |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | August, 25, 2021 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan VIII | | | | |
|--|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| 2020 | Nil | Nil | Nil | Nil |

26- Faysal Sharia Capital Preservation Plan IX

The “Faysal Sharia Capital Preservation Plan IX” is an Islamic Plan under “Faysal Sharia Planning Fund” with an objective to earn a potentially competitive return through dynamic asset allocation between Shariah Compliant Sovereign Income/Money Market component, Shariah Complaint Equity Collective Investment Scheme and Islamic Banks deposit by using CPPI methodology, while aiming to providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager’s outlook on the assets classes.

| | |
|-------------------|--|
| Fund Name | Faysal Sharia Planning Fund |
| Plan Name | Faysal Sharia Capital Preservation Plan-IX |
| Fund Type | Open End |
| Category | Shariah Compliant Fund of Funds Scheme |
| Date of Launching | January 07,2022 |
| Par Value | 100 |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Risk Profile | Medium |
| Listing | Pakistan Stock Exchange |

Distribution Details are as under:

| Faysal Sharia Capital Preservation Plan IX | | | | |
|--|------------|--------------|--------------|-----------------|
| Year Ended June 30 | Net Assets | NAV Per Unit | Annual Yield | Dividend Payout |
| | Nil | Nil | Nil | Nil |

3.4 Role and Responsibilities of the Management Company

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

The Fund is based on the Shariah principles of “Wakala”, in which the Management Company shall administer the scheme in accordance with the Rules, the Regulations, the Deed and this Offering Document. The management company shall manage and operate the Scheme and Fund Property in the interest of the Principal (Unit Holders) in good faith, and to the best of its ability.

3.4.1 Administration of the Scheme

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

3.4.2 Management of Fund Property

The Management Company shall manage the Fund Property in the interest of the Unit Holders in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons and group companies or its officers, and subject to the restrictions and limitations as provided in the Deed and the Rules and Regulations. Any purchase or sale of investments made under any of the provisions of the Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Deed or the Rules and Regulations. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to elements or circumstances beyond its reasonable control.

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

3.4.3 Appointment of Distributors

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

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

- (a) the Distributors to whom it delegates, have acquired registration from SECP in line with SRO. 1160(I) 2015 dated November 25, 2015.
- (b) the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information of Collective Investment Scheme.
- (c) The Management Company and Distributor shall not:
 - i. involve either directly or indirectly in the mis-selling of Collective Investment Scheme; and
 - ii. sell units of Collective Investment Scheme directly or indirectly by making a false and mis-leading statement, concealing or omitting material facts of the Scheme and concealing the risk factors associated with the Scheme.
- (d) The Management Company or distributor shall take reasonable care to ensure suitability of the scheme to the investor.
- (e) The Management Company or distributor shall ensure that;
 - i. any performance reporting/ presentation is accompanied by all explanations, qualifications, limitations and other statements that are necessary to prevent such information from misleading investors.
 - ii. Promotional materials do not contain untrue statements or omit to state facts that are necessary in order to prevent the statements from being misleading, false or deceptive.
- (f) Performance is measured and presented after taking into account the risk-tolerance, investment objectives, level of understanding and knowledge of the recipient.

3.4.4 Appointment of Investment Facilitator

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

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

- (a) the investment facilitator have acquired registration with the Mutual Funds Association of Pakistan (MUFAP) as registered service providers and are abiding by the code of conduct prescribed by the Association; and
- (b) the written contract with the Investment facilitator clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

3.4.5 Maintenance of Accounts and Records

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, amounts received by the Scheme in respect of issue of Units, payments made from the Scheme on redemption of the Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall

maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

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

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

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

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

3.5 Maintenance of Unit Holders Register

3.5.1 A Register of Unit Holders may be maintained by the Management Company itself or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.

3.5.2 The office of the Transfer Agent is located at **7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan**, where Register of Unit Holder will maintain.

3.5.3 Every Unit Holder will have a separate Registration Number. The Management Company shall use such Registration Number for recording Units held by the Unit Holder. Unit Holder's account identified by the registration number will reflect all the transactions in that account held by such Unit Holder.

3.5.4 Disclaimer

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

3.6 Role of the Trustee

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

- The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under 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 or the Rules and Regulations. Whenever pursuant to any provision of the Trust Deed, any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:
 - a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and
 - any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s)
- The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.
- In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.6.1 Obligations under Regulations and Constitutive Document

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

3.6.2 Custody of Assets

The Trustee has the responsibility for being the nominal owner and custodian of the assets of the Fund on behalf of the beneficial owners (the Unit Holders), within the framework of the Regulations, the Trust Deed and Offering Document issued for the Fund.

3.6.3 Investment of Fund Property at the direction of the Management Company

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

3.6.4 Carrying out instructions of the Management Company

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

3.6.5 Liabilities of the Trustee

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

3.6.6 Disclaimer

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

3.7 Shariah Advisor

The Management Company has appointed **Mufti Abdul Zahid Farooqi** as the Shariah Advisor for the Fund. Profile of the Shariah Advisor is detailed as **Annexure “D”** of this Offering Document.

The Shariah Advisor will be appointed under intimation to the Trustee for a period of five years but may be reappointed on completion of the term. The Management Company may at any time, with prior notice to the Trustee and intimation to the Commission, terminate the Agreement with the Shariah Advisor by giving a notice as per the Agreement with the Shariah Advisor, before the completion of the term, and fill the vacancy under intimation to the Commission and the Trustee. Furthermore, the Agreement entered into for the appointment of the Shariah Advisor shall be furnished to the Commission.

3.7.1 Duties and Responsibilities of Shariah Advisor

The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah and regulations issued by the Commission. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable to the Trustee, the Management Company, the Unit Holders and other parties.

The Shariah Adviser shall do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Adviser will then decide as to which screening criteria are relevant to be used in the context of Pakistan's capital markets and the instruments available therein, and which need to be modified/added/deleted.

The Shariah Adviser shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Fund into a Shariah Compliant Investment.

The Shariah Adviser has certified that Investment Policy of the Trust is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on future research for purposes of increasing the Shariah acceptability of the Investment Policy, permission for necessary amendments of the Deed may be sought from the Commission.

The Shariah Adviser shall determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and will recommend to the Management Company the criteria for selecting the Charities to whom such sums shall be donated, subject to the condition that such approved charity organization is not related to the Shariah Adviser, Management Company or any of their employees.

At the end of each Annual and Semi Annual Accounting Period or such other interval as the Commission may require, the Shariah Adviser shall issue a Shariah certificate to be included in the Annual reports or such other report in respect of the Shariah compliance of the preceding year's or past operations of the Fund in accordance with the Shariah guidelines issued by the Shariah advisor.

3.8 Transfer Agent

The Management Company will perform duties (has appointed **Faysal Asset Management Limited** having its office at **7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan** as the Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders.

3.9 Custodian

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

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

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

3.10 Distributors/Facilitators

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

3.11 Auditors

A.F. Ferguson & Co
(Chartered Accountants)

(Registered Address)
State Life Building No. 1-C I.I Chundrigar Rd,
City Railway Colony,
Karachi City, Sindh

- 3.11.1 They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Ordinance, Companies Act 2017 as amended from time to time. The appointment of Auditor and contents of the Auditor’s report shall be in accordance with the provisions of the Rules and Regulations.
- 3.11.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.

- 3.11.3 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- 3.11.4 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet, profit and loss account, cash flow statement and statement of movement in Unit Holders' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.
- 3.11.5 The contents of the Auditors report shall be as mentioned in the Regulations.

3.12 Legal Advisors

The legal advisor of the Fund are:

Mohsin Tayebaly & Co.

Barristers & Advocates, Corporate Legal Consultants

(Registered Address)

2nd Floor, Dime Centre,
BC-4 Block 9, KDA Scheme 9,
Clifton, Karachi

3.13 Bankers

The bankers to the Fund may include Faysal Bank Limited- Islamic Banking, Bank Alfalah Limited- Islamic Banking and any other bank as per the discretion of the Management Company to change from time to time.

In addition to the above-mentioned Banks, the Management Company may appoint any other with scheduled Islamic banks/Islamic windows of conventional banks. The Trustee shall operate the bank accounts on instruction from the Management Company.

3.13.1 Bank Accounts

- (a) The Trustee, at the request of the Management Company, shall open Bank Account(s) for the Fund at designated Banks having minimum rating of A-(A minus) and above inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trusts Funds. The Banks Accounts shall be titled:

For Faysal Islamic Special Income Plan-I (FISIF-I)

“CDC- Trustee Faysal Islamic Special Income Fund” (For Common Collection Account)

“CDC- Trustee Faysal Islamic Special Income Fund- Faysal Islamic Special Income Plan -I”

- (b) While opening and operating any type of account and/or making investments in offshore countries on the instructions of Management Company, if the Trustee is

required to provide any indemnities to offshore parties then Trustee and the Fund would be counter indemnified by the Management company to such extent.

- (c) The Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
- (d) All bank charges for opening and maintaining bank accounts for an Allocation Plan under the Trust shall be charged to the pertinent Allocation Plan.
- (e) 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.
- (f) The amounts received from the Investors before the Initial Period shall be deposited in a Bank Account of the respective Allocation Plan/ Fund and any income, profit etc earned and/or accrued on the investments of that amount upto and including the day before the opening of Initial Period shall not form part of the Trust Property and shall be paid by the Management Company or the Trustee to those Investors participated before the Initial Period, either in cash or in additional Units as selected by those Investors, in proportion of their investments.
- (g) The Trustee shall, if requested by the Management Company at its discretion also open a separate Account designated by the Management Company. These account(s) may be used for the purpose of collection of sale proceeds, where collections received on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s). Such account(s) may also be used for temporary parking for the purpose of redemption. Provided however, in relation to the other unit trusts managed by the Management Company mentioned above, there are similar provisions in the trust deeds of such Funds and have Trustee as common between them. Such accounts shall be in the title of **CDC-Trustee FAML Funds**.

3.14 Rating of the Scheme

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

3.15 Minimum Fund Size

The minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. In case after the initial public offering or subsequently at any time if the size of open ended scheme falls below the minimum size of one hundred million rupees, the asset management company shall ensure compliance with the minimum fund size within three (3) months of its breach and if the fund size remains below the minimum fund size limit for consecutive ninety (90) days, the asset management company shall immediately intimate the grounds to the commission upon which it believes that the scheme is still commercially viable and its objective can still be achieved.

4. CHARACTERISTICS OF UNITS

4.1 Units

- (a) All Units of the Allocation Plans and fractions thereof represent an undivided share in the Allocation Plan and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions in their respective Allocation Plan. Each Unit Holder has a beneficial interest in the particular Type of Unit of the Allocation Plan, proportionate to the Units held by such Unit Holder under the pertinent Allocation Plan. For the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time, after seeking prior approval of the Commission and amending the Offering document.
- (b) The Management Company shall offer Allocation Plans that shall invest in only Authorized Investable Avenues (unless otherwise allowed under the Rules, Regulations, and/ or any directives issued or any exemptions granted by the Commission to the Fund and/ or to the Management Company from time to time) in differing percentage allocations.

4.2 Classes of Units

The Management Company may issue any of the following classes of Units for this Fund being offered by the Management Company:

For Faysal Islamic Special Income Plan-I

- (a) **Class “A” Units:** These Units of Fund will be issued to the Unit Holders during & after the initial offering period and units may carry Front- end load as described in **Annexure “B”**.

Subject to the terms of the Trust Deed and this Offering Document, all Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in Scheme, proportionate to the Units held by such Unit Holder.

Irrespective of the different classes of Units issued, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in the Trust Deed and Offering Documents.

4.3 Purchase and Redemption of Units

- (a) Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in of this Offering Document.
- (b) Units of the Scheme shall be allocated on the basis of Purchase (Offer) Price applicable on the date of receipt of duly completed purchase application along with the online payment/ payment instrument within cutoff timings.
- (c) Units are issued after realization of subscription money.

- (d) During the period the register is closed, the sale, redemption and conversion of Units will be suspended.
- (e) The Management Company may decline an applicant for issue of units if it is of the opinion that it will not be possible to invest the substantial inflow of Funds or to meet any regulatory requirements.

4.4 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 of Allocation Plan(s) under the Fund. 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:

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

4.4.2 How can Units be purchased?

Account Opening Procedure

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

- (a) In case of new investor before purchasing Units of any Allocation Plan(s) under the Fund an investor must open an account with Management Company using the Account Opening Form attached to this Offering Document.
- (b) In case of individuals, a photocopy of the Computerized National Identity Card (CNIC), NICOP or Passport etc of the applicant or any other form of identification acceptable to the Management Company needs to be furnished.
- (c) In case of a body corporate or a registered society or a trust the following documents would be required,
 - (i) Duly certified copy of the memorandum and articles of association/ Charter/ Byelaws or rules and regulations;
 - (ii) Duly certified copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officers to invest the Funds and/ or to realize the Investment;
 - (iii) Duly certified copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated
 - (iv) Duly certified copy of the Computerized National Identity Card (CNIC) of all members of the Board of Directors, Partners, and Trustees; and
 - (v) The Management Company may also requires other documents for processing account opening request in accordance with the laws as may be applicable from time to time.
- (d) In case of existing Unit Holders, if any of the documents (in a-c above) have previously been submitted with the Management Company and/or Transfer Agent, fresh submission of documents will not be required provided that submitted documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.

Any change in the particulars of Unit Holder name or address or bank account of any unit holder as entered in the Register shall forthwith be notified in writing by relevant unit holder to the distributor company or transfer agent.

- (e) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy.
- (f) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the meanwhile the application will be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any interest or mark-up. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days and if the investor, in the opinion of the Registrar, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.

- (g) The Investor Account Opening Form can be lodged with any Distributor or directly lodged with the Management Company. No other person (including Investment Facilitators) is authorized to accept the forms or payment.
- (h) The Management Company will make arrangements, from time to time, for receiving Account Opening Forms from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.4.3 Joint Application

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

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

4.4.4 Purchase of Units

- (a) After opening an account an account holder may purchase Units of Allocation Plan(s) under the Fund using the Investment Application Form attached to this Offering Document. Payment for the Units must accompany the form.
- (b) Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, demand draft, pay order, banker cheque or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" as specified below;

For Faysal Islamic Special Income Savings Plan-I:

- Demand draft or Pay order in favor of "CDC-Trustee Faysal Islamic Special Income Fund- Faysal Islamic Special Income Plan-I"
- Online transfer to Bank Account(s) of "CDC- Trustee-Faysal Islamic Special Income Fund- Faysal Islamic Special Income Plan-I"
- Cheque (account payee only marked in favor of "CDC- Trustee-Faysal Islamic Special Income Fund- Faysal Islamic Special Income Plan-I"

The Account Holder may also make payment for Purchase of Units in favor of “**CDC-Trustee FAML Funds**” provided that the account holder specifies name of the Allocation Plan and the Fund, along with relevant investment amount, in the Investment Application Form.

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

4.4.5 Minimum Amount of Investment

Initially Units shall be issued at par value of 100/- with a minimum investment size of Rs. 5,000/- (Rupees Five Thousand only) and thereafter the minimum amount for investment would be of Rs.1,000/- (Rupees One thousand only). The Management Company reserves the right to alter the minimum amounts stated hereinabove after giving thirty days prior notice to the Unit Holders. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

4.4.6 Determination of Purchase (Offer) Price

- (a) Units of Allocation Plans offered during the PRE-IPO and IPO will be offered on Initial Offer Price as specified in clause 1.10.
- (b) After the IPO period, the Purchase (Offer) Price for the Unit offered through Public Offering, shall be determined from time to time pursuant to the Sub clause (c) hereafter and shall be announced by the Management Company for Dealing Days during the period when the relevant allocation plan is open for subscription.
- (c) The Purchase (Offer) Price of Units of any Allocation Plan shall be equal to the sum of:
 - i. The Net Asset Value of the Allocation Plan as of the close of the Business Day (backward pricing);

- ii. Any Front-end Load as disclosed in this Offering Document;
 - iii. Such amount as the Management Company may consider an appropriate provision for Duties and Charges;
 - iv. Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
 - v. Such sum shall be adjusted upward to the nearest decimal places; and
 - vi. If such price exceed or falls short of the current value of the underlying assets by more than five percent based on information available, the assets Management Company shall defer dealing and calculate a new price and this new price would be applicable for dealing of units.
- (d) The Purchase (Offer) Price so determined shall apply to purchase requests, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which the completely and correctly filled purchase of Units application form is received.
- (e) The Purchase (Offer) Price of the units of the Allocation Plans for subscription shall be separately calculated and announced by the by the Management Company shall be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

4.4.7 Allocation/ Issue of Units

- (a) The Purchase Price determined at the end of the dealing day for units of the allocation plan(s) shall apply to all Investment Request Forms, complete in all respects, received by the Management Company at its registered address or by the Distributor at its Authorized Branch(s) during Business Hours on that Dealing Day. Any Investment Request Forms received after Business Hours will be transferred to the next Dealing Day.
- (b) Units will be allocated and issued at the Purchase Price as determined in clause 4.4.6 above and after realization of Funds in the bank account of the Fund.
- (c) The Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders.
- (d) In case the Management Company announces a suspension of further issue of Units of an Allocation Plan under the Fund, it may allow existing Unit Holder of that Allocation Plan to continue acquiring Units against reinvestment of any cash or bonus / Stock dividend declared on the Units held in the pertinent Allocation Plan. Also, if issue of Units of an Allocation Plan is suspended, Units of other Allocation Plans under the Fund may continue unaffected.

4.4.8 Issuance of Physical Certificates

- (a) Unit Certificates will be issued only if requested by the Unit Holder.
- (b) Unit Holder can apply for the issue of Certificate by completing the prescribed application form and submitting it to the relevant Distribution Company together with

a fee at the rate of **Rs. Nil** per Certificate or any other amount as determined by the Management Company from time to time.

- (c) The Certificate will be posted at the applicant's risk within 21 Business Days after the request for the Certificate has been made to the address of the Unit Holder or to the address of the first named Joint Unit Holder, if the relevant Unit or Units are jointly held.
- (d) The Certificate will be available in such denomination as Management Company and the Trustee decide from time to time. Unless, the Unit Holder has instructed to the contrary, the minimum number of Certificates will be issued.
- (e) A Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.

4.4.9 Replacement of Certificates

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

4.4.10 Issuance of Units in Book Entry form in CDS

Unit Holder may obtain Units of Allocation Plans under the Fund in Book Entry form in CDS, if and / or when the Fund becomes CDS eligible. The Issuance of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.5 Procedure for Redemption of Units

4.5.1 Who Can Apply?

- During the Pre-IPO & IPO Period the Units shall not be redeemed.
- After the IPO Period all Unit Holders are eligible to redeem the said Units (subject to applicable back end & contingent load) as specified in **Annexure “B”**.
- Furthermore, the units shall not be redeemable and/or reallocated during the book closure of the Fund.

4.5.2 Redemption Application Procedure

- (a) Request for Redemption of Units of Allocation Plan(s) under the Fund shall be made after the close of the IPO Period by completing the prescribed redemption form and the same is received at the Authorized Branch or office of the Distributor on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so required by the Management Company.

- (b) The Management Company may redeem only part of the Units comprised in a Certificate and reissue a new Certificate for the remaining Units, however, in the case where Certificate is not issued any number of Units may be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate.
- (c) The Registrar with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof.
- (d) In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the Investor Account Opening Form.
- (e) The Distribution Company or the Registrar shall verify the particulars given in the application for Redemption of Units. The signature of any Unit Holder or Joint Account holder on any document required to be signed by him under or in connection with the application for redemption of Units may be verified by Management Company or the Registrar or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Unit Holder's user ID and password will authenticate his identity. The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- (f) If subsequent to receipt of the redemption application by the Distributor, but prior to the redemption of the Units, the application is found by the Management Company or the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Management Company or Registrar or the Distributor will advise the applicant to remove the discrepancy. In the meanwhile, the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- (g) The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.
- (h) The amount payable on redemption shall be paid to the Unit Holder or first named joint Unit Holder by dispatching a cheque/ bank draft/ pay order/Bank cheque for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form within six Business Days from the date of presentation of the duly completed Redemption form, electronic or otherwise, at the Authorized Branch or office of the Distributor or the Management Company. The amount can also be paid to the third party upon instruction of the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form.
- (i) No Money shall be paid to any intermediary except the Unit Holder or his authorized representative.
- (j) The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust property under Allocation plan(s). A request for redemption of Units may also be made through the use of electronic

means such as Internet or ATM facilities under prior arrangement with the Trustee and seeking prior approval of the Commission.

- (k) The receipt of the Unit Holders for any amount payable in respect of the Units shall be a good discharge to the Trustee and the Management Company. In case of joint Unit Holders any one of them may give effectual receipt for any such moneys
- (l) Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Dealing Days. Where redemption requests on any one Dealing Day exceed ten (10) percent of either the total number of Units outstanding of the pertinent allocation plan, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the Clause 4.11.4
- (m) On the occurrence of any circumstance specified in the Regulation or the Deed that may require the Allocation Plan(s) under the Fund should be suspended, the Management Company shall suspend the Sale and Redemption of Units of the respective allocation plan(s) and the intimation of suspension shall be made to the Unit Holders, the Trustee and the Commission according to the procedure laid down in the Regulation.
- (n) The Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:
 - (a) cash settled transaction based on the formal issuance and redemption requests.
 - (b) net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).

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

4.5.3 Redemption of Units in Book Entry form in CDS

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

4.6 Terms & Conditions for Same Day Redemptions

To receive payment within the same Business Day, duly completed redemption form(s) must be received by the Management Company within such Cut-off time as mentioned in **Annexure “B”** to this Offering Document. Every Investor submitting the redemption form will be given an acknowledgement of the application that shall carry time and date of submission of request. The redemption form that is received on or before Cut-off time on any business day at the registered office or the authorized branch shall be redeemed based on the repurchase price that is fixed on the basis of the NAV determined on the business day prior to the receipt of such Form.

- (a) Payment shall be dispatched on the same business day where the mode of payment is through cheque/bank cheque/pay order; OR
- (b) Payment instructions shall be initiated before the end of banking hours on the same business day to the respective account of the unit holder where the mode of payment is through on-line transfers/RTGS (depending on bank timings of designated bank(s) which may vary from bank to bank).

Subject to duly completed redemption form(s) must be received by the Management Company as per the specified time, failing which the redemption request(s) will be processed on next working day.

- (c) Same Day Redemption facility will not be available to Unit-Holders residing outside Pakistan. Redemption of Units issued outside Pakistan shall be honored within six (6) business days, subject to provisions in the Trust Deed and Offering Document of the Fund.
- (d) On discretion of the Management Company all bank charges (for online transfer, if levied), would be borne by the Unit Holder from his redemption proceeds or by collecting from the unit holder as deemed fit by the management company.
- (e) The Management Company will endeavor to honor same day redemption, if redemption requests are received in accordance with Clause 4.6 and would depend upon the monetary limit for same day clearing as imposed by the State Bank of Pakistan. The Management Company will have the right to accept or defer any redemption request in such case beyond the above-mentioned stipulated time to a maximum of six Business Days from the date of receipt of a properly documented request for redemption of Units, provided that the redemption is not suspended before the day on which application is submitted or if the application had been received on the day on which the redemption was suspended.
- (f) The amount payable on redemption shall be paid to the Holder or in case of Joint Holders to the first named joint Holder or any other joint Holder specified in the application for redemption of Units by dispatching a cheque/ bank draft/ pay order, online transfer, as the case may be, for the amount to the registered address of the Holder.

Disclaimer: The Management Company (FAML) will try its level best to transfer redemption proceeds on the same day. However, FAML/Trustee will not be responsible for transfer / settlement risk and any other risk factor that is beyond the control of management of FAML/ Trustee.

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

- 4.7.1 Subject to exchange control, SECP prior approval and other applicable laws, Rules and Regulations, in the event of arrangements being made by the Management Company for the Purchase (Public Offer) of Units to persons not residing in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may include in addition to the Purchase (Public Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

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

4.7.3 The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising therefrom.

4.8 Determination of Redemption (Repurchase) Price

4.8.1 After the IPO period, the Redemption (Repurchase) Price of Units of any Allocation Plan(s) shall be equal to the Net Asset Value (NAV) of the pertinent Allocation Plan(s) as of the close of Business Day (backward pricing):

- (a) Any Back-end Load / contingent Load as per the details in this Offering Document **Annexure “B”**;
- (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc;
- (c) Such amount as the Management Company may consider an appropriate provision for Transaction Costs; and
- (d) Such sum shall be adjusted downward to the decimal paisa.

Level of all backend load/ contingent Load shall be disclosed in the Offering Document in **Annexure “B”**. An increase in backend load/ contingent Load will require thirty (30) days prior notice to the Unit Holder or any other period as specified in the Regulations.

4.8.2 The Repurchase (Redemption) Price so determined shall apply to properly filled redemption application requests, complete in all respects, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which a correctly and properly filled redemption application is received.

4.8.3 The Redemption Price of Units of Allocation Plan(s) determined by the Management Company shall be made available for every Dealing Day to the public at the office and branches of the Distributors and at the discretion of the Management Company may also be published in any daily newspaper widely circulated in Pakistan and will be published at Management Company’s and MUFAP’s website.

4.9 Procedure for Requesting Change in Unit Holder Particulars

4.9.1 Who Can Request Change?

All Unit Holders are eligible to change their Unit Holder details if they so desire. For such change in particulars, a request shall be made via the Special Instructions Form (Form 07). These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made through CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

4.9.2 Application Procedure for Change in Particulars

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

Change will not be allowed in Title of account, CNIC and Joint holders details.

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

4.9.3 Transfer, Nomination & Transmission

- (a) Unit Holder may, subject to the law, transfer any Units of any Allocation Plan(s) held by them to any other person. The transfer shall be carried out after the Management Company/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.
- (b) Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the register. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value.
- (c) Where Certificates have been issued, the Management Company / Transfer Agent with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document. The Management Company or the Transfer Agent shall retain all instruments of transfer.
- (d) The Transfer Agent shall, with the prior approval of the Management Company or the Management Company itself be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered at any time after the

expiration of ten years from the date of registration thereof and all the Certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years from transmission to the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided that (i) this provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall impose upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner. Complete list of unclaimed dividends will be maintained by Asset Management Company (AMC) and shall not be destroyed. Unit Holder may nominate any successor/ nominee for transmission, subject to all legal requirements, in case of the decease of Unit Holder.

- (e) Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Transfer Agent or the Management Company itself as Registrar after satisfying as to all legal requirements such as intimation of death of deceased Unit Holder along-with certified copy of death certificate, indemnity from nominee along-with copy of CNIC of nominee and deceased Unit Holder, original unit certificate (in case of physical certificate) etc. If considered necessary the Management Company may also require either heirship or succession certificate for the purpose of determining entitlement of the deceased Unit Holder's property. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Transfer Agent.
- (f) A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Scheme managed by the Management Company by redeeming the Units of first Scheme and issuance of Units of later Scheme(s) at the relevant price applicable for the day. The Transfer Agent or Management Company itself shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.
- (g) A Unit Holder may merge the Units which he/she has invested with two folio/registration numbers into one folio/ registration number. The Transfer Agent shall carry out the merger after satisfying that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, has been received.

4.9.4 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.

4.9.5 Conversion

Conversion of Units of an Allocation Plan to Units of any other Allocation Plan offered under this Scheme, or conversion of Units of the Allocation Plan(s) to / from Units of any other Scheme managed by the Management Company can be carried out by submitting the duly filled Conversion Application Form, or any other Form as designated by the Management Company for the purpose of conversion from time to time, to the Authorized Branch of the Management Company together with any certificate / document required. Subject to applicability of pertinent backend load/ contingent load of respective allocation plan as defined in **Annexure “B”** Physical Certificates, if issued, must accompany the form.

4.10 Procedure for Pledge / Lien / Charge of Units

4.10.1 Who Can Apply?

- (a) All Unit Holders of Allocation Plan(s) 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 “C”** of this Offering Document. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made to the CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.
- (b) Any Unit Holder of Allocation Plan(s) either singly or with Joint Unit Holder(s) (where required) may request the Management Company or Transfer Agent to record a pledge / lien of all or any of his / her/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Management Company or Transfer Agent shall register a lien on any Unit in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Management Company or Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- (c) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.
- (d) Payments of cash dividends or the issue of bonus Units/stock dividend and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien / charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address of Pledgee mentioned in the Pledge Form and/or Investor Account Opening Form submitted. In case of Units are pledged through Central Depository System, payments of cash dividends or the issuance of bonus Units goes to the Pledgor as per Central Depositories Act.
- (e) The Distribution Company and / or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

- (f) Fully completed Pledge of Units Form has to be submitted by both Individuals and/or non-individuals Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within Business Hours on a Dealing Day.
- (g) All risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

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

4.11.1 Temporary Change in the Method of Dealing

Under the circumstances mentioned in Clause 4.11.2 & 4.11.3, Subject to compliance with Regulation (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. A permanent change in the method of dealing shall be made after expiry of at least one month's notice to Unit Holders and with the approval of Trustee.

4.11.2 Suspension of Fresh Issue of Units

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

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

Such suspension may however not affect existing Unit Holders of Allocation Plan(s) for the issue of bonus Units as a result of profit distribution. The Management Company shall announce the details of circumstances at the time a suspension of fresh issue is announced. The Management Company shall immediately notify SECP and Trustee if issuance of Units of an Allocation Plan is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Allocation Plan's prices are normally published.

In case of suspension of redemption of Units of Allocation Plan(s) due to extraordinary circumstances the issuance of Units of the pertinent Allocation Plan(s) shall also be kept suspended until and unless redemption of Units is resumed.

In case of suspension of issuance / redemption of Units of an Allocation Plan(s), the issuance / redemption of other Allocation Plan(s) may continue unaffected.

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

4.11.3 Suspension of Redemption of Units

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

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

4.11.4 Queue System

In the event redemption requests on any day exceed ten percent (10%) of the outstanding Units of an Allocation Plan, the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to ten percent (10%) of the outstanding Units of the Allocation Plan. The Management Company shall proceed to sell adequate assets of the pertinent Allocation Plan and / or arrange financing as it deems fit in the best interest of all Unit Holders of the pertinent Allocation Plan and shall determine the redemption price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Dealing Day, such requests shall be processed on basis proportionate to the size of the requests. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within (24) Twenty four hours of receipt of any such request following the queue system. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Dealing Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Dealing Day still exceed ten percent (10%) of the Units of the Allocation Plan, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the redemption price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the outstanding Units of the Allocation Plan.

4.11.5 Winding up in view of Major Redemptions

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in the Fund being run down to an unsustainable level or it is of the view that the selloff of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the Queue System, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets under their respective Allocation Plan(s) and determining the final Redemption Price for the Allocation Plans being offered under this Scheme. However, interim distributions of the proceeds may be made if the Management Company finds it feasible. In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.

5. DISTRIBUTION POLICY

5.1 Declaration of Dividend

- (a) The Management Company shall decide as soon as possible but not later than thirty working days after the Accounting Date / interim period whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period and shall advise the Trustee of the amount of such distribution per Unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.
- (b) The Management Company on behalf of the each Allocation Plan shall, for every accounting year, distribute by way of dividend to the Unit Holders of each Allocation Plan, not less than ninety percent of the accounting income for the pertinent Allocation Plan, received or derived from sources other than capital gains as reduced by such expenses pertaining to that Allocation Plan.

- (c) For the purpose of this Clause the expression “accounting income” means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Ordinance, 1984, the Regulations and the directives issued by SECP. Wherever the requirement of Regulations or the directives issued by SECP differs with the requirement of IAS, the Regulations and the said directives shall prevail.

5.2 Determination of Distributable Income

The amount available for distribution in respect of any Accounting Period shall be the sum of all income and net realized appreciation, from which shall be deducted:

- the expenses, as stated in Clause 6.2 to 6.4 of this Offering Document; and
- any taxes of the Fund

All the receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property under the pertinent Allocation Plan, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders of the Allocation Plan by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Trust Property under the Allocation Plan.

5.3 Payment of Dividend

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

5.4 Dispatch of Dividend Warrants/Advice

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

5.5 Reinvestment of Dividend

The Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via Investor Account Opening Form) to have any Cash/ Bonus/ Stock Dividend announced for an Allocation Plan be reinvested on behalf of the investor through issuance of new Units, of the pertinent Allocation Plan, within the Unit Holder register after deduction of applicable taxes.

5.6 Bonus Units

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of stock dividend for each Allocation Plan (which would comprise of the Bonus Units of the Allocation Plan) if it is in the interest of Unit Holders. After the fixing of the rate of bonus distribution per Unit of an Allocation Plan, in case of

distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units of the pertinent Allocation Plan issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings and receipt of dividend and distribution with the existing Units of the pertinent Allocation Plan from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder within fifteen days of the issue of Bonus Units.

5.7 Encashment of Bonus Units

The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds after deduction of applicable taxes shall be credited in accordance with the normal procedure already detailed above for Redemption of Units.

5.8 Closure of Register

The Management Company may close the Register by giving at least seven (7) days notice to Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole thirty days in each year with further period of fifteen days to be allowed by the Commission on application of the Company. During the closure period, the sale, redemption, conversion of Units or transfer of Units will be suspended. Notice for closure of register should be published in two newspapers (Urdu and English language) having circulation in major cities of Pakistan as per direction of SECP.

6. FEE AND CHARGES

6.1 Fees and Charges Payable by an Investor

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

6.1.1 Front-end Load

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

The Management Company may at its discretion charge different levels of Load on different Allocation Plans being offered by the Management Company under this Scheme, as per **Annexure “B”**. Any change in Front-end Load shall be done through an supplemental to the Offering Document after seeking prior approval of the Commission.

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

The issue price applicable to Bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any sales or processing charge.

The current level of Front end load is indicated in **Annexure “B”**.

6.1.2 Back-end Load

Back end Load deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of Units, but Unit Holders within a class shall be charged same level of back end load. Management Company may change the current level of Back-end Load after giving thirty (30) days prior notice to the Unit Holder through newspaper (either Urdu or English Newspaper) and via post and the unit holders shall be given an option to exit at the applicable NAV without charge of back end load as specified in the Regulation.

The current level of Back-end Load is indicated in **Annexure “B”**.

6.1.3 Contingent Load

The amount payable by the unit holder on redemption of Unit to cover loss incurred by Fund due to disinvestments if units are redeemed before the maturity of the plan and such amount would be treated as part of the Fund Property.

The current level of Contingent Load is indicated in **Annexure “B”**.

6.1.4 Other Charges

Transfer of Units from one owner to another shall be subject to a Processing charge of an amount not exceeding **0% (Zero) percent** of the Net Asset Value at the date the request is lodged, which shall be recovered from the transferee. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

Units of an allocation plan issued to an Account holder through conversion from another scheme run by the Management Company or from another Allocation Plan under the Scheme, shall be issued at a price based on the Net Asset Value of the allocation plan on that date plus the applicable Front-End Load. Invest may also be subject to additional Taxes/Duties for such transfers.

6.1.5 Expenses borne by the Management Company and the Trustee

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

Any cost associated with sales, marketing and advertisement of collective investments schemes shall not be charged to the collective investment schemes.

6.1.6 Remuneration of Distribution Company / Investment Agent / Investment Facilitator

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

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

6.2 Fees and Charges Payable by the Fund

Separate expense & income accounts may be set up for each Allocation Plan. The following expenses shall be borne by the Fund:

6.2.1 Remuneration of the Management Company

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

Current level Management Fee is disclosed in **Annexure "B"**. Any increase in the current level of Management Fee, provided it is within the maximum limit prescribed in the Regulations shall be subject prior approval of SECP and after to giving a thirty (30) days prior notice to the unit holders and the unit holders shall be given an option to exit at the applicable NAV without charge of any exit load.

6.2.2 Remuneration of the Trustee

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

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

6.3 Formation Costs

All preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred during and up to the Initial Offering Period subject to a as prescribed in the Regulation, shall be borne by the Fund subject to the audit of expenses and amortized over a period of not less than five

years or within the maturity of the Fund whichever is lower. This cost shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed. Formation cost will be shared by current Allocation Plans.

6.4 Other costs and expenses

The following charges shall also be payable out of the Fund Property.

- (i) Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
- (ii) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- (iii) Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
- (iv) Bank charges, financing and financial costs;
- (v) Auditors' Fees and out of pocket expenses.
- (vi) printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports
- (vii) Fund rating fee payable to approved rating agency.
- (viii) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- (ix) fee pertaining to the Fund payable to the Commission.
- (x) Taxes, fees, duties if any, applicable to the Fund and on its income, turnover and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund).
- (xi) Charges and levies of stock exchanges, national clearing and settlement company, , CDC charges.
- (xii) Any amount with the Shariah Advisor may declare to be Haram and to be paid to Charity.
- (xiii) Shariah Advisory Fee.
- (xiv) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.
- (xv) **Total Expense ratio:** Total Expense ratio shall be capped up to 2.5% or any other limit as may be directed by SECP from time to time.

7. TAXATION

7.1 Taxation on the Income of the Fund

7.1.1 Liability for Income Tax

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

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

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

- (i) Dividend income as applicable according to the relevant law;

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

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

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

The Fund will distribute not less than 90% of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

7.2 Withholding tax

Under the provision of Clause 47(B) of part (IV) of second schedule of the income Tax Ordinance 2001, the Fund's income from dividend, from Shariah compliant term finance certificates, Sukuks, return on (Riba free) deposits with banks/financial institutions, return from (Riba Free) contracts, securities or instruments of companies, organizations and establishments will not be subject to any withholding tax.

7.3 Zakat on Fund

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

7.4 Taxation and Zakat on Unit Holders

7.4.1 Taxation on Income of the Unit Holder from Allocation plans under the Fund

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

- 7.4.2 Unit Holders of Allocation Plan(s) under the Fund will be subject to Income Tax as per applicable income tax rate on dividend income distributed by the Allocation Plan(s) (exemption on distribution out of capital gains is limited to those Funds which are debt or money market Funds and they do not invest in shares).

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

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

7.4.4 Unit Holders who invest in a plan just before it makes a distribution may be liable to pay tax even though they may not have earned any gain on their investment as return of capital to investors upon distribution is also taxable.

7.4.5 Unit holders may be liable to pay tax even though they may not have earned any gain on their investment as return of capital through distribution to investors is also taxable as per Income Tax Ordinance, 2001

7.4.6 Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and provide the same to the Management Company and/or Transfer Agent and on the basis of Exemption Certificate income tax will not be withheld.

7.4.7 Tax Credit to Unit Holders

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units.

7.4.8 Zakat

Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration in due course of time to the Management Company.

7.5 Disclaimer

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

8. REPORTS TO UNIT HOLDERS

8.1 Account Statement

The Management Company/Transfer Agent shall send directly to each Unit Holder an account statement each time there is a transaction in the account. The Management Company/Transfer Agent shall provide account balance and/or account activities through electronic mode to Unit Holder, who opted for such service.

The Unit Holder will be entitled to ask for copies of his account statement on any Dealing Day within Business Hours by applying to the Management Company/Transfer Agent in writing and providing such fee to the Management Company as may be notified on Management Company website from time to time. Provided that the Management Company shall send an investment account statement to each Unit Holder on the registered mailing address provided by the Unit Holder at least once in a year.

8.2 Financial Reporting

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

8.3 Trustee Report

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

8.4 Fund Manager Report

The Management Company shall prepare Fund Manager report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also made available at their website.

9. WARNING AND DISCLAIMER

9.1 Warning

- 9.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your bank manager, Shariah Advisor, Legal advisor, or other financial advisor. The price of the Units of this Fund and the income of this Fund (from which distributions to Unit Holders is made) may increase or decrease.
- 9.1.2 Investment in Allocation Plan(s) under this Fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

9.2 Disclaimer

- 9.2.1 The Units of the Allocation Plan(s) under the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Pre-IPO Investors or any other bank or financial institution. The portfolio of the Allocation Plan(s) under the Fund are subject to market risks and risks inherent in all such investments.
- 9.2.2 Allocation Plans' target return/ dividend range cannot be guaranteed. Allocation Plans' Unit price is neither guaranteed nor administered/ managed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

10. GENERAL INFORMATION

10.1 Accounting Period / Financial Year of the Fund

Accounting Period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

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

10.2 Inspection of Constitutive Documents

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

Faysal Asset Management Limited

7th Floor, Faysal House, ST-02,
Main Shahrah-e-Faisal,
Karachi, Pakistan

Central Depository Company of Pakistan Limited

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

10.3 Transfer of Management Rights of the Fund

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

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

10.4 Extinguishment/Revocation of the Pertinent Allocation Plan(s) under the Fund

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

- (i) where the Management Company is unable to remove the suspension of redemption of Units of the pertinent Allocation Plan(s) under the fund within the fifteen business days of suspension and the Unit Holders of pertinent Allocation Plan(s) representing at least three fourth in value of total outstanding Units of the pertinent Allocation Plan(s) pass a resolution or have given consent in writing that the respective Allocation Plan (s) be revoked;
- (ii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license. However, the liquidation of the Fund, due to any reason, shall also constitute the liquidation of all Allocation Plan(s) offered by it but the liquidation of any or all of the Allocation Plan(s), due to any reason, shall not constitute the liquidation of Fund;
- (iii) in the opinion of the Management Company the pertinent Allocation Plan(s)/scheme is not commercially viable or purpose of the pertinent Allocation Plan(s)/scheme cannot be accomplished subject to the consent of Trustee;
- (iv) The Management Company subject to regulatory approval, may announce winding up of the Allocation Plan(s) under the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property of pertinent Allocation Plan(s) to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) of pertinent Allocation Plan(s) and that it would be in the best interest of all the Unit Holder(s) that the Allocation Plan(s) under the Trust be wound up;
- (v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Allocation Plan(s) under the Fund to be revoked; and
- (vi) where the Commission deems it necessary to revoke the Allocation Plan(s) under the Fund so directs either Trustee or the Management Company in the interest of Unit Holders of the pertinent Allocation Plan(s);

10.5 Procedure and manner of Revocation of the Fund

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

10.6 Distribution of proceeds on Revocation

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

11. GLOSSARY

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

“Accounting Date” means the thirtieth day of June in each year and any interim date on which the financial statements of the Scheme are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining approval from the Commission and the Commissioner of Income Tax may change such date to any other date and such change shall be intimated to the Commission.

“Account Opening / Investment Account Opening Form” means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund.

“Accounting Period” means a period ending on and including an accounting date and commencing (in case of the first such period) on the date immediately after the close of IPO and (in any other case) from the next day of the preceding accounting period.

“Allocation Plans” means approved allocation plan(s) offered under the Scheme. Each Allocation Plan shall invest only in Authorized investmentable Avenues and / or other instruments as approved by the Commission. Details of the Allocation Plan(s) shall be disclosed in this Offering Document and any details regarding additional Allocation Plans shall be disclosed in the subsequent supplementary Offering Documents.

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

“Asset Management Company” means an asset Management Company as defined in the Rules and Regulations.

“Auditor” means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.

“Authorized Branches” means those Branches of Distributors or Distribution Companies which are allowed by the Management Company to deal in Units of the Funds managed by the Management Company.

“Authorized Broker” means those Brokers which are authorized to deal in Government Securities.

“Authorized Investments” Authorized Investments are those as defined in the clause 2.2.9 of this Offering Document.

“Back-end Load” means the charge 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 specified in this document.

“Bank” means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.

“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).

“Broker” means any person engaged in the business of effecting transactions in securities for the account of others.

“Business Day” means any day on which scheduled banks/stock exchanges are open for business in Pakistan.

“Contingent Load” means amount payable by the Unit Holder on redemption of Units at as specified in the Offering Document. Any such amount would be treated as part of the Deposited Property.

“Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.

“CIS” / “Collective Investment Scheme(s)” means Open-ended Scheme(s) managed by the Management Company and / or by other Asset Management Companies (both local and international).

“Connected Person” shall have the same meaning as assigned in the Rules and Regulations.

“Constitutive Documents” means the Trust Deed or such other documents as defined in the Regulations.

“Custodian” means a Bank, a Depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee in consultation with the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee, and shall also include the Trustee itself if it provides custodial services for the Fund.

“Cut-Off Time” / “Business Hours” means the day time for dealing in Units of the Fund. The current Cut-Off Timing/Business Hours are mentioned in **Annexure “B”** of this Offering Document.

“Dealing Day” means every Business Day in which Units will be available for dealing (purchase, redemption, transfer, switching etc) on Dealing Days during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days’ notice in two widely circulated English or Urdu newspapers in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).

“DFI” means Development Financial Institution and includes the Pakistan Industrial Credit and Investment Corporation (PICIC), the Saudi Pak Industrial and Agricultural Investment Company Limited, the Pak Kuwait Investment Company Limited, the Pak Libya Holding Company Limited, the Pak Oman Investment Company (Pvt.) Limited, Investment Corporation of Pakistan, House Building Finance Corporation, Pak Brunei Investment Company Limited, Pak-Iran Joint Investment Company Limited, Pak-China Investment Company Limited, and any other financial institution notified under Section 3-A of the Banking Companies Ordinance, 1962.

“Distribution Account” means the Bank Account (which may be a current, saving or deposit account) maintained separately for each Allocation Plan 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) of the pertinent Allocation Plans shall be transferred. income or profit, if any, including those accruing on unclaimed dividends, in this account shall be

transferred to the respective Allocation Plan(s) from time to time, as part of the Trust Property for the pertinent Allocation Plan(s) benefit of the Unit Holder(s) of the pertinent Allocation Plan(s).

“Distributor / Distribution Company” means Company(ies), Firm(s), Sole Proprietorship concern(s), individual(s), Banks or any other Financial Institution appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and who are registered with MUFAP as Registered Service Providers. The Management Company may itself also performs the Distribution Function.

“Distribution Function” means 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 Transfer Agent as appropriate;
- (d) accounting to the Management Company for all: (i) payment instruments received from the applicants for issuance of Units; (ii) payments instruments to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function; and
- (e) the above functions may be performed electronically, if appropriate systems are in place.

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

“Exposure” shall have same meanings as provided in the Regulations.

“Federal Government” means the Federal Government of Islamic Republic of Pakistan.

“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.

“Financial Sector” shall comprise of the savings and term deposits / certificates/ securities/ instruments issued by the entities of Banking Sector, Financial Services Sector, Life Insurance Sector and Non- Life Insurance Sector as classified by Pakistan Stock Exchange and DFIs.

“Force Majeure” means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any

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

“Formation Cost” means preliminary expenses relating to regulatory and registration fees of the Scheme, flotation 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 this Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period.

“Front-end Load” means the Sales load which may be included in the offering price of the Units; provided however that different levels of Front-end Load may be applied to different investors, as determined by the Management Company. However aggregate of Front-end Load and Back-end Load should not exceed 3% of Net Asset Value.

“Fund” means **“Faysal Islamic Special Income Fund”**, or **“FISIF”**, or **“Scheme”**, or **“Trust”**, or **“Unit Trust”**.

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

“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.

“Initial Period” or **“Initial Offering Period”** means a period determined by the Management Company during which Units will be offered as mentioned in clause 1.10 of this Offering Document.

“Initial Price” or **“Initial Offer”** means the price per Unit on the first day of the Initial Period determined by the Management Company.

“Investment” means any Authorized Investment forming part of the Trust Property.

“Investment Facilitators/Advisors” 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 investment facilitator/advisor is not authorized to perform the Distribution Functions. The Management Company shall compensate the Investment Facilitators.

“Investment Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units and will be stated in this Offering Document.

“**Life of Plan**” means duration of the Plan. From the end day of the Subscription Period following realization of all investment proceeds raised till the close of Subscription Period, the Life of the Plan may start anytime within or no later than four (4) four business days from the close of Subscription Period.

“**Local Governments**” mean all the local / city governments in Pakistan.

“**Management Company**” is defined in the preamble hereto;

“**Net Assets of the Allocation Plan**” means the excess of assets over liabilities of the pertinent Allocation Plan being offered under the Fund, such excess being calculated in accordance with the Regulations.

“**Net Assets of the Scheme**” means, the excess of assets over liabilities of all Allocation Plans combined together, such excess being calculated in accordance with the Regulations.

“**Net Asset Value**” or “**NAV**” of the Allocation Plan(s) means per Unit value of the pertinent Allocation Plan(s) being offered under the Fund arrived at by dividing the Net Assets of the Allocation Plan(s) by the number of Units outstanding for such Allocation Plan(s). The NAV of each Allocation Plan shall be announced on each Dealing Day as per the directions of the Commission from time to time.

“**Net Realizable Value**” means the proceeds paid to the Unit Holder at completion of the duration of the allocation plan.

“**Offer Price or Purchase (Public Offer) Price**” means the sum to be paid by the investor for purchase of one Unit of an Allocation Plan, such price to be determined pursuant to this document.

“**Offering Document**” means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme.

“**Online**” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

“**Ordinance**” means the Companies Ordinance, 1984 and Companies Act, 2017.

“**Par Value**” means the face value of **Rs. 100** for a Unit of Allocation Plan under the Fund.

“**Personal Law**” means the law of inheritance and succession as applicable to the individual Unit Holder.

“**Pledge Form**” means a standardized form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units and will be stated in this Offering Document.

“**Profit Distribution Date**” means the date on which the Management Company decides to distribute the profits (if any).

“**Provincial Governments**” mean the Provincial Governments of all four provinces of Pakistan.

“Redemption Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to redeem Units and will be stated in this Offering Document.

“Redemption Price or Repurchase Price” means the amount to be paid to the relevant Holder of a Unit of an Allocation Plan upon redemption of that Unit, such amount to be determined pursuant to this document.

“Registrar Function” means the functions with regard to:

- (a) Maintaining the Register, including keeping a record of change of addresses/other particulars of the Holders;
- (b) Issuing account statements to the Holders;
- (c) Issuing Certificate, including Certificates in lieu of undistributed income to Holders;
- (d) Cancelling 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 Holders;
- (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; and
- (j) Keeping record of change of addresses/other particulars of the Holders.

“Rules” mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended from time to time.

“Regulations” mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it as amended/replaced from time to time.

“Sales Load” mean front end load deducted at the time of investment and back end load charged at the time of redemption from Scheme. However, the load charged upon redemption and which forms part of the Scheme property shall not classify as sales load. An Asset Management Company may charge sales load maximum upto 3% of the NAV per unit and may charge sales load maximum upto 1.5% of the NAV per unit where transactions are done online or through a website.

“SECP” or “Commission” means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.

“Special Instruction Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to change his/her particulars and will be stated in this Offering Document.

“Stock Exchange” means Stock Exchanges registered under the Securities and Exchange Ordinance, 1969.

“Sukuk” means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent (Privately Placed) Regulations 2017.

“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 of the Allocation Plans to which the costs may be applicable for determining the Purchase (Offer) Price of Units or to be deducted from the NAV of the said Allocation Plan to which the costs may be applicable in determining the (Redemption) Price.

“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.

“Transfer Form” means a standardized form prescribed by the Management Company to be duly filed by the investor to transfer Units and will be stated in this Offering Document.

“Trust Deed” or “Deed” means the Trust Deed of the Fund executed between the Management Company and the Trustee along with all the exhibits appended hereto.

“Trust” or “Unit Trust” or “Fund” or “Scheme” means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units

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

ANNEXURE 'A'

REMUNERATION OF TRUSTEE

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

| Tariff |
|-------------------------|
| 0.075% pa of Net Assets |

ANNEXURE ‘B’

Current Level of Classes of Units, Front End Load, Contingent Load, Backend Load and Management Fee

| Allocation Plan | Classes of Units | Front End Load (%) | Contingent Load (%) | Backend Load (%) | Management Fee (%) |
|--------------------------------------|-------------------------|---------------------------|----------------------------|-------------------------|---|
| Faysal Islamic Special Income Plan-I | Class “A” | Up to 2% | Nil | Nil | Accrued remuneration equal to an amount not more than 2% of Average Annual Net Assets, within allowed expense ratio limit |

Note:

1. AMC may charge sales load Maximum upto 3% of NAV if the Investor approaches directly for investment and may charge sales load maximum upto 1.5% of the NAV per unit where transactions are done online or through website.
2. Management shall disclose actual rate of management fee charged as percentage of net assets of collective investment scheme of each allocation plan in monthly Fund Manager Report.

Business Hours and Current Cut off Time For Faysal Islamic Special Income Plan -I

Business Hours: Monday to Friday 9:00 am to 5:00 pm

Cut off Timings

| Transactions | Cut off Time |
|--|--------------------------------------|
| Application for Same day redemption of units | Monday to Friday 9:00 am to 10:00 am |
| Application for Normal redemption of units | Monday to Friday 10:00 am to 5:00 pm |
| Application for issuance of units | Monday to Friday 9.00 am to 5:00 pm |

The Cut-Off Time may vary from time to time as may be determined by the Management Company, under intimation to the trustee and SECP and the same shall be communicated to the Unit Holders before such unit transactions shall be effectuated.

Note:

1. Any change in the load structure and/or management fee shall be notified after prior approval of the Commission through a supplemental to this annexure and by publication in a widely circulated newspaper and/or as and how the SECP may direct.
2. Any change in the Cut-off Timing including for the month of Ramadan shall be notified to Investors/ Unit holders via Company’s Website.

ANNEXURE "C"

Designated Distribution Outlets & Forms

Management Company of the Fund is Faysal Asset Management Limited and all relevant other information of the Fund can be collected from the address of the Management Company mentioned below and available on www.faysalfunds.com or from the branches of the Distribution Company.

Faysal Asset Management Limited

7th Floor, Faysal House, ST-02,

Main Shahrah-e-Faisal,

Karachi, Pakistan

UAN: (111-329-725)

URL: www.faysalfunds.com

ANNEXURE "D"

Mufti Abdul Zahid Farooqi License:
SECP/IFD/SA/012
(Shariah Advisor)

Mufti Abdul Zahid Farooqi is a recognized Islamic scholar and researcher having strong comprehension of all aspects of Islamic law and Fatwa Naveesi. He has been working for five years as a Shariah Advisor of Faysal Islamic Savings Growth Fund in Faysal Asset Management limited. He is Shariah Board Member of AlBaraka Bank Limited formerly name Burj Bank .He is also researcher in private institution Al-Madinat-ul-Ilmia where he has done many research works. He is also Lecturer in Mustafvi Shariah College; he has worked as Assistant Mufti under Mufti Muhammad Abubaker Siddiq in Assistant Mufti. Mr. Farooqi having strong education back ground. He has completed 10 years Religious Education from (Dar ul loom Muhammaddia Ghosia) Bhera Distt. Sargodha. He has specialized in Takassuhs-fil-Fiqh al-Islami from Tooba Islamic Centre Karachi, he also done Masters in Arabic literature from Karachi university, and also having Master Degree in Islamic banking and finance from Sheikh Zayed Karachi university, Post graduate diploma in Islamic Banking and Finance from Sheikh Zayed Karachi University and Advance Certificate in AAOIFI Shariah Standard from IBA CEIF and recently has completed his MS from Karachi university and indulged in his research work of M.Phil./PHD.