

**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 2.1.5, 2.1.8, 2.1.11, Risk Factors mentioned in clause 2.4, Taxation Policies mentioned in Clause 7.4 and Warnings in Clause 9 before making any investment decision.**

**OFFERING DOCUMENT OF**

**Mahaana Islamic Cash Fund**

**(An open-ended Shariah Compliant Money Market Fund)  
(Wakalat al-Istithmar based fund)**

**Risk Profile: Very Low**

**Risk of Principal Erosion: Principal at Very Low Risk**

**Duly vetted by the Shari'ah Advisor namely Al-Hilal Shariah Advisors (Private) Limited  
having registration number SECP/IFD/SA/015**

**MANAGED BY**

**Mahaana Wealth Limited**

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**OFFERING DOCUMENT OF**

**Mahaana Islamic Cash Fund  
an open-ended Shariah Compliant, Money Market Scheme  
(Wakalat al-Istithmar based fund)**

**MANAGED BY**

**Mahaana Wealth Limited**

**[A Digital Asset Management Company Registered under the  
Regulatory Sandbox Guidelines, 2019 – Third Cohort]**

**Date of Publication of Offering Document Dated <date of publication>**

**First Dealing Day: <Date>**

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The **Mahaana Islamic Cash Fund** (the Fund/the Scheme/the Trust/the Unit Trust/MICF) has been established through a Trust Deed (the Deed) dated 20<sup>th</sup> February, 2023 under the The Sindh Trusts Act, 2020 (as amended) entered into and between the **Mahaana Wealth Limited**, the Management Company, and the **Central Depository Company of Pakistan Limited**, the Trustee.

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**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 under **Mahaana Islamic Cash Fund** and has registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) vide letter No SCD/AMCW/MWL/228/2022/MF-NE-103 dated February 23, 2023. The SECP has approved this Offering Document, under the Regulations vide letter No SCD/AMCW/MWL/248/2022 dated March 17, 2023.

**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 **Mahaana Islamic Cash Fund** (the “Fund”, the “Scheme”). Under this Fund the Management Company shall offer multiple Plans and each Plan have independent portfolio which are distinct to the other Plans offered under this fund. This document sets forth information about the Fund that a prospective investor should know before investing in any class of Unit in each Plan of the Fund. The provisions of the Trust Deed, the Rules, the Regulations (*and the Shari’ah guidelines*), circulars, directives etc. as specified hereafter govern this Offering Document.

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 advisers, legal advisers, bank managers, stockbrokers, or financial advisers **to seek independent professional advice.**

**Investors must recognize that the investments involve varying levels of risk. The portfolio of the Plan consists of investments, listed as well as unlisted (other than equity funds) that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Plan nor the dividend declared by the Plan is, or can be, assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.4 and Clause 9 respectively in this Offering Document.**

**(All Investments of the Plan shall be in adherence to the Islamic Shari'ah. It is possible that adherence to the Islamic Shari'ah will cause the Plan to perform differently from Funds with similar objectives, but that are not subject to the requirements of Islamic Shari'ah).**

### **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) Letter No. SECP/Sandbox-24/2022 dated September 22, 2022 and License No. AMCW/35/MWL/IAS/06/2022 dated April 28, 2022 issued / granted by SECP to **Mahaana Wealth Limited** to carry out Digital Asset Management Services and Investment Advisor respectively;
- (2) Trust Deed (the 'Deed') of the Fund;
- (3) SECP's Letter No. SCD/AMCW/MWL/228/2022/MF-NE-103 dated February 23, 2023, 2022 registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;
- (4) Letters No. AA-1402/22 dated November 17, 2022 from **BDO Ebrahim & Co., Chartered Accountants**, Auditors of the Fund, consenting to the issue of statements and reports;
- (5) Letters dated March 02, 2023 from **Al Hilal Shariah Advisors (Private) Limited**, Shari'ah Advisers of the Fund, consenting to act as Shari'ah advisers of the Mahaana Islamic Cash Fund and consenting on the contents of the offering document;
- (6) SECP's letter No. SCD/AMC/MWL/248/2022 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 **20<sup>th</sup> February 2023** between:

**Mahaana Wealth Limited**, a Non-Banking Finance Company incorporated under the Companies Act, 2017 and approved/licensed by SECP to undertake digital asset management services and investment advisory services, with its business place at **Office No. 203, 2nd Floor, The Forum, The Forum, G-20, Khayaban-e-Jami, Block 9, Clifton, Karachi**, as **the Management Company**; and

**Central Depository Company of Pakistan Limited (CDC)** incorporated in Pakistan under the Companies Act, 2017, and registered by SECP to act as a Trustee of the Collective Investment Scheme, having its registered office at CDC House 99- B, Block “B”, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, as **the Trustee**.

### 1.2 Trust Deed (the “Deed”)

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities Act 2015, Companies Act, 2017 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.

*(Furthermore, all Investments of the Fund Property shall be in accordance with the Islamic Shari’ah as advised by the Shari’ah 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.

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

### 1.4 Duration

- 1.4.1 The duration of the Fund is perpetual however the Management Company may notify plans with the approval of SECP with defined durations as notified in their supplemental offering documents. 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 document.
- 1.4.2 The first (1st) Plan under the Trust would be Mahaana Islamic Cash Plan ('MICP') with an objective to invest in low risk highly liquid short-tenor instruments to generate superior, risk-adjusted returns in accordance with Shariah practices.

## 1.5 Trust property

- 1.5.1 The aggregate proceeds of all Units issued from time to time by each of the Plans after deducting Duties and Charges, 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 Plan.
- 1.5.2 For the avoidance of any doubt the trust property comprises of assets of Mahaana Islamic Cash Plan and any other plans launched from time to time through supplemental offering document(s) under Mahaana Islamic Cash Fund.

## 1.6 Initial Offer and First Dealing Day

- 1.6.1 Initial Offer is made during the First Dealing Day and begins at the start of the banking hours on March 29, 2023 and shall end at the close of the banking hours. On the first Dealing Day, 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.
- 1.6.2 The Mahaana Islamic Cash Plan is initially offered under this offering document and this plan will be perpetual unless revoked in case of completion of regulatory sandbox testing.

## 1.7 Transaction in Units after Initial Offering Period

Subsequently the Public Offering will be made at the Offer Price and redeemed at the Redemption Price. The Management Company will fix the Offer (Purchase) and Redemption (Repurchase) Prices for every Dealing Day on the basis of the Net Asset Value (NAV). The NAV based price shall be fixed except for circumstances elaborated in **Clause 4.11 & 10.4** of this Offering Document, such prices shall be applicable to Purchase and Redemption requests, complete in all respects, received during the Business Hours on the Dealing Day.

- 1.7.1 For Mahaana Islamic Cash Plan ('MICP').
  - a) Since, the plan is Perpetual, the offer of Units of the Plan at the prevailing NAV shall continue. The Units of the Plan can then be redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each 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; where applicable.

- b) The Management Company may at some future time register the Units of Plan(s) 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 Plan(s) may be suspended or deferred by the Management Company under certain circumstances as detailed in Clause 4.11 of the OD of the Fund.

## **1.8 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.

## **1.9 Modification of Offering Document**

This Offering Document will be updated to take account of any relevant material changes relating to the Plan/Fund. Such changes shall be subject to prior consent of the Trustee 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 official website of the Management Company.

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

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

## **1.11 Structure of Scheme**

- a) Mahaana Islamic Cash Fund has been constituted in the form of a Trust, the Management Company shall offer multiple Plans under this Fund and each Plan have independent portfolio which are distinct to the other Plans. Each Plan shall invest in Shariah compliant 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.
- b) The following Plan shall be initially offered:
  - i.) Mahaana Islamic Cash Plan ('MICP')



- c) Subsequently additional plans may also be launched via Supplemental to this Offering Document with the consent of the Trustee and approval of the SECP.
- d) Each Plan will announce separate NAVs which will rank pari passu inter se according to the number of Units of the respective Plans.
- e) The NAVs of the Plans will be announced on Dealing Days.
- f) The Fund will work on previous day (Backward) pricing method.
- g) Investors of the Fund may hold different types of Plans and may invest in any one or more of the available Plans.
- h) Each Investor shall only be liable to pay the Offer Price of the Unit under the Plan(s) subscribed by him and no further liability shall be imposed on him in respect of Unit(s) held by him.
- i) The minimum size of the Fund shall be the amount defined under the Regulations or as specified by the Commission.

## 2. INVESTMENT OBJECTIVES, BENCHMARK, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER OF PLANS

The fund and the plans offered shall follow the same investment objectives and benchmark.

### 2.1 The following Plan is offered under this Offering Documents

#### a) Mahaana Islamic Cash Plan ('MICP')

The Management Company may provide additional and/or amend existing Plans with prior approval of the Commission, and shall announce the same by Supplemental Offering Documents.

#### 2.1.1 Investment Objectives of the fund are as follows:

The objectives of the fund are to focus on generating competitive return by investing in low risk and liquid Shariah Compliant instruments in accordance with Shariah Compliant Islamic Money Market Category.

#### 2.1.2 Benchmark for Plan is as follows:

Plan Name	Benchmark
Mahaana Islamic Cash Plan ('MICP')	The performance of the Scheme will be compared against the benchmark of three (3) months average deposit rates of three (3) – AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

#### 2.1.3 Addition, Removal or Changes to Plans:

The Management Company may remove or amend Plan(s) with prior consent of the Trustee, Shariah Advisor and approval of the Commission, and may announce the same by a Supplementary Offering Document(s), giving 30 days prior notice or any such notice period to the Unit Holders as specified in the Regulations. Management Company may add new plan(s) with prior consent of the Trustee and the Commission.

#### 2.1.4 Fund category, risk profile and applicable exposure limits:

The plans offered under the Trust are categorized as a Shariah Compliant Money Market 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.

Plan Name	Risk Profile	Risk of Principal Erosion
Mahaana Islamic Cash Plan ('MICP')	Very Low	Principal at very low risk

#### 2.1.5 Investment Policy: Mahaana Islamic Cash Plan ('MICP')]

- a) The plan will be actively allocated between Shariah compliant authorized investable avenues.
- b) The weighted average time to maturity (WAM) of net assets invested in the plan shall not exceed ninety (90) days; where securities issued by federal govt. shall be excluded from ascertaining WAM.
- c) Initially, the Management Company may seek to invest in the following authorized investable avenues mentioned below:

#### 2.1.6 Exposure limits for "Trust Property under Plan(s)":

S.No.	Authorized Investment	Minimum Rating		% of Net Assets	
		Entity	Instrument	Minimum	Maximum
1	Shariah Compliant Government Securities with maturity up to 6 months	N/A	N/A	0%	90%
2	Cash and Cash equivalents: Upto 90 days Shariah compliant Government Securities and Placement of riba free deposits with Islamic banks or Islamic financial institutions or with Islamic branches /windows of other banks or financial Institutions, excluding Term Deposits	AA	N/A	10%	100%
3	Shariah compliant money market instruments with Commercial banks and DFIs.	AA	N/A	0%	90%
4	Shariah compliant money market instruments such as TDR, Certificates of Musharaka (CoM), Certificates of Deposit (CoD), with all microfinance banks, non-banking finance companies and Modarabas (excluding commercial papers)	AAA for NBFC & Modaraba and AA for others	N/A	0%	25%

5	Any Islamic Commercial papers and short term Sukuks (fixed or variable) with a maturity of less than six month issued by private sector entities, licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks as per the guidelines of the Fund's Shariah Advisor.	AA	AA	0%	20%
6	Authorized Shariah Compliant Investments outside Pakistan including Islamic mutual funds shall be subject to prior approvals and guidelines (if any) of SECP, SBP and Shariah Advisor	AA, where rating applies	A, where rating applies	0%	30% (Subject to SECP and SBP limits)
7	Any other Shariah Compliant instruments/ securities that may be permitted or approved by the SECP and Shariah Advisor of the Scheme from time to time	AA	AA	0%	As notified by Commission

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

**Note:**

Investments shall be made as per the authorized investment limit given above and may include the following mode of Shariah Transaction such as; principles of Bai-Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.

**2.1.7 Basic features of Mahaana Islamic Cash Plan ('MICP')**

- a) Term / Duration of the Plan: The duration of the plan is perpetual The Units of the Plan can be purchased at the prevailing NAV and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of said Plan.
- b) The Plan primarily focuses on retail investors having short term liquidity needs.
- c) Minimum initial investment PKR 1,000/-, PKR 500/- for investments thereafter.
- d) The Management Company will announce yearly dividend in this plan. However, Management Company may change the dividend frequency at its own discretion for the benefit of the Unit Holder with prior intimation.

### **2.1.8 Risk Control in the Investment Process**

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

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

The Investment process would adapt a preemptive risk management framework to dilute risk levels and volatility during the portfolio construction process. The investment restrictions defined in section 2.3 will also contribute to the reduction in overall risk pertinent to the portfolio and result in diversification of exposure.

### **2.1.9 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 2.1.1 above, between the various types of investments if it is of the view that market conditions so warrant. The funds not invested in the foregoing avenues shall be placed as deposit with scheduled banks.

## **2.2 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 30 days prior notice to the Unit Holders as specified in the Regulation.

## **2.3 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 Shar'iah non-compliant instruments and against the guidelines of Shar'iah 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. participate in a joint account with others in any transaction
  - ix. take exposure of more than thirty-five per cent (35%) of its Net Assets in any single group.
  - x. take exposure of more than ten per cent (10%) of its Net Assets in the Management Company's listed group companies and such investment shall only be made through the secondary market
  - 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 a Stock Exchange, if once become listed, unless it has obtained prior written approval of the Commission,.

- xiii. 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;
- xiv. make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company.
- xv. invest in securities of the Management Company.
- xvi. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission
- xvii. 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.
- xviii. 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.
- xix. invest the subscription money until the closure of initial offering period.
- xx. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts.
- xxi. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company.
- xxii. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations.
- xxiii. accept deposits
- xxiv. make a loan or advance money to any person from the assets of the Scheme
- xxv. Invests more than thirty five percent of its Net Assets in securities of any one sector as per classification of the stock exchanges, if sector weight is more than 35%, then that limit applies for the relevant sector subject to 40% cap.
- xxvi. exposure in any single entity, other than government securities or securities issued by Federal Government, shall not exceed an amount equal to 15% of the total net assets of the scheme, subject to maximum exposure to any debt issue of a company shall not exceed 15% of that issue; provided that where the Exposure exceeds the limits because of corporate actions, including due to market price increase or decrease in Net Assets, the excess Exposure shall be regularized within three (3) months of the breach of limits or a further period of three (3) months if such extension is granted by the Commission on an application made by the Management Company.
- xxvii. rating of any security in the portfolio shall not be lower than **AA (Double A)**.

- xxviii. rating of any NBFC and Modaraba with which Funds are placed shall not be lower than AAA (Triple A).
  - xxix. rating of any bank and DFI with which Funds are placed shall not be lower than AA (Double A).
  - xxx. weighted average time to maturity of net assets excluding securities issued by the Federal Government shall not exceed ninety (90) days.
  - xxxi. time to maturity of any asset shall not exceed six months
- d) 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.
- e) The Management Company on behalf of the Plan(s) under the Fund shall maintain minimum cash and near cash instruments subject to applicable Regulations, Circulars or Directives issued by the Commission. The present limit for the fund is 10% of net assets.

#### **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.

#### **2.3.1 Financing Arrangements**

- a) Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange financing for account of the Scheme, with the approval of the Trustee, from Islamic Banks, Islamic 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 shall not exceed fifteen (15) percent of the net Assets or such other limit as specified by the Commission of the scheme 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 borrowing.

- b) Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such financings from banks, financial institutions and 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.



- c) For the purposes of securing any such Islamic borrowing, the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.
- d) Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.

### 2.3.2 Restriction of Transactions with Connected Persons

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

## 2.4 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 Plan(s) is subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

- 1) Equity Risk** – Companies issue equities, or stocks, to help finance their operations and future growth. The Company's performance outlook, market activity and the larger economic picture influence the price of a stock. Usually when the economy is expanding, the outlook for many companies is good and the stock prices may rise and vice versa.

- 2) **Government Regulation Risk** – Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- 3) **Credit Risk** – Credit Risk comprises Default Risk and Credit Spread Risk. Each can have negative impact on the value of the income and money market instruments including Sukuks 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 money market instruments;
- 4) **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.
- 5) **Liquidity Risk** – Liquidity risk is the possibility of deterioration in the price of a security in the Plan(s) when it is offered for sale in the secondary market.
- 6) **Settlement Risk** – At times, the Plan(s) may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.
- 7) **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 Plan(s) compared to return earned in the preceding quarters.
- 8) **Events Risk** – There may be adjustments to the performance of the Plan(s) due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
- 9) **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.
- 10) **Shariah non-compliance Risk:** The risk associated with employing funds in investments that are not consistent with the Maqasid e Shari'ah.

**Note:**

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

**2.5 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.

### 3. OPERATORS AND PRINCIPALS

#### 3.1 Management Company

Mahaana Wealth Limited is the Fund Manager of Mahaana Islamic Cash Fund and plan(s) under the Fund, having its -registered office as mentioned below:

**Mahaana Wealth Limited**

Office No. 203, 2<sup>nd</sup> Floor,  
The Forum, The Forum, G-20,  
Khayaban-e-Jami, Block 9,  
Clifton, Karachi  
URL: [www.mahaanawealth.com](http://www.mahaanawealth.com)

##### 3.1.1 Organization

Mahaana Wealth Limited ('MWL') was incorporated on March 22, 2022 is licensed/registered as an Investment Advisory and Digital Asset Management Company with the SECP.

**Principle Shareholder**

Dynasty Financial Advisors (Private) Limited is the holding company of the Management Company and currently holds 99.99% of the paid-up capital of the Management Company.

#### 3.2 Board of Directors of the Management Company

Name	Position	Other directorship and offices
Mr. Shibli Islam Rehan	Chairman / Director	<p><b>Partner:</b> Septentrio Global Consulting</p> <p><b>Directorship:</b> SIR Consultants (Private) Limited, Tracks (Private) Limited</p> <p><b>Sole Proprietor:</b> SIR &amp; Co.</p>
Mr. Muhammad Shamooun Tariq	Chief Executive Officer / Director	<p><b>Directorship:</b> Dynasty Financial Advisors (Private) Limited</p>
Mr. Mubashir Zuberi	Director	<p><b>Directorship:</b> Dynasty Financial Advisors (Private) Limited</p>
Mr. Khuram Hussain	Director	<p><b>Directorship / CEO</b> 20 Miles Inc.</p> <p><b>Directorship:</b> Hypothalamus Holding BV</p>

### 3.2.1 Profile of the Directors

**Mr. Shibli Islam Rehan - Chairman**

Shibli Islam Rehan is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and possess over 30 years of post-qualification experience, including four years in an industrial establishment.

Shibli Islam Rehan is also the founding CEO of SIR Consultants (Pvt.) Limited, formed in October 2015, which is the largest actuarial consulting company of Pakistan.

Previously, he was Partner – Audit and Assurance of ERNST & YOUNG Ford Rhodes Sidat Hyder & Co. (EY Pakistan, Islamabad office).

Mr. Shibli Rehan (as Senior Manager of Sidat Hyder & Co.,) established the Firm's Islamabad practice in the early 1990's; the Firm was representing Andersen Worldwide at that time.

Mr. Rehan's main areas of expertise are the conventional practice segments including statutory audits and assurance engagements, agreed upon procedures/reviews and special purpose certifications, full scope reviews and reporting on behalf of group auditors.

Under Business Advisory services, he possesses experience of providing advices and opinions on statutory provisions; dealing with regulatory authorities, viz., Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR), Provincial revenue authorities, Board of Investment (BOI), State Bank of Pakistan (SBP); rendering corporate/secretarial and tax compliance services and representation at statutory/appellate forums.

Other professional services include providing accounting services and support through staff secondment and performing outsourced services; carrying out business and system reviews, financial due diligence and controls evaluations; performing internal audits and enterprise risk management assessments; systems and software implementation support and assistance.

**Mr. Muhammad Shamooun Tariq – Chief Executive Officer**

As a founder and CEO of Mahaana Wealth, Shamooun brings in a career spanning 12 years across several companies in the financial sector, both locally and internationally.

He has been ranked as a top 3 global fund manager in Emerging Asia, Frontier Asia and MENA region, recognized by Citywire - by building a unique skillset that focuses on investment, asset, and equity management.

Currently, he is also engaged with Swedish Business Council in Pakistan as Vice President.

In the past, he has been a partner and Vice Chief Investment Officer at Tundra Fonder AB in Stockholm, Sweden. He is CFA charter holder and a certified financial data professional by CAIA Association.

**Mr. Mubashir Zuberi**

Mubashir is also the CIO of Mahaana Wealth. He is responsible for devising and implementing effective investment processes and strategies.

With a CFA charter and a bachelor's in financial management from SZABIST, he is a seasoned investment professional with a keen understanding of and experience in frontier and emerging markets. His areas of expertise include, but not limited to: Financial Modelling, Investment Portfolio Management, Private Equity Management; across varied industries and is well versed with ESG Compliance.

His recent assignment with Tundra Fonder AB, as Senior Analyst - Evaluating and executing investment opportunities and strategies and their performance, has acquired him skills crucial to the success of Mahaana.

**Mr. Khuram Hussain**

Khuram is the founder & CEO of 21 miles Inc and a certified Red Team Leader. He possesses extensive experience with startups, product management and business solutions. His specialties include; Executive Management, Internet Startups, Product development, Distribution strategies, User Acquisition, Social Media marketing strategies, lean startup philosophy, managing teams, user experience, sales 2.0.

**3.2.2 Profile of the Management**

**Mr. Muhammad Shamoan Tariq – Chief Executive Officer**

Please refer to Profile of Board of Directors of the Management Company.

**Mr. Mubashir Zuberi – Chief Investment Officer**

Please refer to Profile of Board of Directors of the Management Company.

**3.2.3 Profile of Advisors**

**Mattias Martinsson**

***Founder Tundra Fonder***

Frontier and Emerging Markets pioneer with 26 years of experience. Co-founded Frontier Markets specialist Tundra Fonder in 2011. Today Manages 5-star rated (Morningstar) Tundra Sustainable Frontier Fund, which focuses on Frontier and smaller Emerging Markets. AAA-rated by Citywire.

**Cecilia Seddigh**

***Board member Tundra Fonder***

Cecilia is a founder and chairwoman of Nouxtec AB and Board member in Styrelsekraft Alumni Stockholm. She has more than two decades of experience from international asset management and insurance groups including Skandia and Odin Fonder as well as Board member positions with Swesif and UpHigh AB.

**3.2.4 Performance of Listed Associated Companies**

Presently, Mahaana Wealth Limited does not have any listed associated company.

### **3.3 Existing Schemes under Management and their performance**

Presently, there is no collective investment scheme under the management of Mahaana Wealth Limited.

### **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 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 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) electronically 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 license \ registration from SECP as registered service providers.
- (b) The written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

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;
- (c) The Management Company or distributor shall take reasonable care to ensure suitability of the scheme to the investor.
- (d) 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; and
  - iii. 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 has 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, where applicable; 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 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 Back Office Accounting

The Management Company has delegated its Back Office Accounting Function to **IT Minds Limited** in line with SECP Circular No. 24/2013 dated December 06, 2013, as amended from time to time.

### 3.6 Maintenance of Unit Holders Register

- 3.6.1 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.
- 3.6.2 The office of the Transfer Agent is located at **CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan**, where Register of Unit Holder will maintain.
- 3.6.3 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.
- 3.6.4 **Disclaimer**

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

### 3.7 Role of the Trustee

- The Trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, the Deed and this Offering Document.
- The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under 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/Plan(s) 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.

#### **3.7.1 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.

#### **3.7.2 Custody of Assets**

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

#### **3.7.3 Investment of Fund Property at direction of 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.

#### **3.7.4 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.

#### **3.7.5 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.

### **3.7.6 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.

## **3.8 Shari'ah Advisor**

The Management Company has appointed Al-Hilal Shariah Advisors (Private) Limited as the Shariah Advisor for the Fund. The Profile of Shariah Advisor is attached as Annexure D in the Offering Document.

The Shariah Advisor has been appointed under intimation to the Trustee and shall continue to remain in force up to a period, unless terminated by either party. 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.

The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to ensure the Fund is Shariah Compliant.

The Shariah Advisor has certified that the Trust Deed 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 Trust Deed subject to Clause 2.2 of this Offering Document, permission for necessary amendments of the Deed may be sought from the Commission.

### **3.8.1 Duties and Responsibilities of Shari'ah Advisor**

The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with the 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. In case of any dispute between the Shariah Advisor and the Management Company, the matter may be referred to Shariah Advisory Committee ("SAC") of SECP for resolution.

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

The Shariah Advisor 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 Advisor 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 Advisor 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 years or past operations of the Fund in accordance with the Shariah guidelines issued by the Shariah advisor.

### 3.9 Transfer Agent

The Management Company has appointed **IT Minds Limited** having its registered office at **CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan**, as the Transfer Agents of the Fund. The **IT Minds Limited** will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements and dividend warrants/advice and providing related services to the Unit Holders.

### 3.10 Custodian

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

- (a) Segregating all property of the Fund from Custodian's own property and that of its

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

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

### **3.11 Distributors/Facilitators**

- 3.11.1 Parties detailed in Annexure C of this Offering Document have each been appointed as Distributors to perform the Distribution Functions electronically. The Management Company may, from time to time, appoint additional Distributors (if they fulfill the requirement of regulations) or terminate the arrangement with any Distributor and intimate the Trustee and Commission accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.
- 3.11.2 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, if any.
- 3.11.3 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 Sales Load, if any.

### **3.12 Auditors**

BDO Ebrahim & Co.,  
Chartered Accountants  
2nd Floor, Block C,  
Lakson Square Building No. 1,  
Sarwar Shaheed Road,  
Karachi – 74200

- 3.12.1 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, 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.

- 3.12.2 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.
- 3.12.3 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.
- 3.12.4 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.
- 3.12.5 The contents of the Auditors report shall be as mentioned in the Regulations.

### 3.13 Legal Advisors

**Niaz Brohi Law Chambers**

Street 35, F-11/3,  
Islamabad, Pakistan

### 3.14 Bankers

Bankers to the Scheme shall be any bank (must be Shariah compliant/ Islamic banks and Shariah compliant/ Islamic banking windows of banks) appointed by the Management Company. The Trustee shall maintain and operate the Bank Accounts of the Scheme at the said Bank(s).

#### 3.14.1 Bank Accounts

(a) The Trustee, at the request of the Management Company, shall open Bank Account(s):

- i. For Mahaana Islamic Cash Plan ('MICP') titled CDC – Trustee Mahaana Islamic Cash Plan

for the Unit Trust at designated Islamic Bank(s)/ Islamic window of conventional Bank(s) having a minimum rating as mentioned in investment policy of the fund inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds.

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/Plan(s) would be counter indemnified by the Management company to such extent.

- (b) 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.
- (c) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
- (d) All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) if any to the main Bank Account of the Trust.
- (e) The amounts received from the Investors before the Initial Period shall be deposited in a Bank Account of the Plan(s) and any income, profit etc. earned and/or accrued on the investments of that amount up to 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 Offering Period in additional Units in their respective selected plans in proportion of their investments.
- (f) 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 that are managed by the Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s) / plan(s). Such account(s) may also be used for temporary parking for the purpose of redemption. Provided however, in relation to the other unit trust(s) 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 Mahaana Funds.

### **3.15 Rating of the Scheme**

The Management Company will be obliged to obtain a rating of the Scheme, where applicable, 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.

### **3.16 Minimum Fund Size**

The minimum size of an open-end scheme shall not be lower than the minimum size of the fund, as defined under the Regulations or as specified by the Commission at all times during the life of the scheme. In case of after the initial public offering or subsequently at any time if the size of open end scheme falls below that minimum size 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 ISSUED UNDER EACH PLAN OF THE FUND**

##### **4.1 Units**

All Units and fractions (up to four decimal places) thereof represent an undivided share in each Plan under the Fund and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Plan proportionate to the Units held by such Unit Holder. 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.

##### **4.2 Classes of Units**

**Class "A" Units**, shall be issued to investors at the Offer Price, during the Dealing Days, at the discretion of the Management Company and as per the terms and conditions of this Offering Document.

The Management Company may introduce additional type/class of Units from time to time, subject to SECP's prior approval.

Subject to the terms of the Trust Deed and this Offering Document, all Units and fractions thereof represent an undivided share in the Plan(s) 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 Types of Units**

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

(a) **Growth Units:** The Unit value grows in line with the growth in NAV, and the Unit Holders shall receive additional units at prevailing price, after adjusting for taxes against Cash Dividend (if any) at the time of distribution unless specified otherwise by the investor on the form. The Management Company may also decide to distribute income in the form of bonus units which shall be growth units of the Fund.

(b) **Income Units:** The Unit value grows in line with the growth in NAV, and the Unit Holders shall receive distribution income in the form of cash which will be reinvested after deduction of applicable taxes, duties, and charges etc., unless specified otherwise by the investor on the form, if any distribution announced by the Fund. The Management Company may also decide to distribute income in the form of bonus units which shall be income units of the Fund.

#### 4.4 Administrative Plan

- 4.4.1 Investors of the Fund may opt for an Administrative Plan over the Fund at any time to attain a regular periodic income to support their liquidity requirements.
- 4.4.2 If investment amount falls below Rs.1,000 (Rupees One Thousand Only) at any time during the life of investment, features of Administrative Plan will seize for the investor and Units allocated to him will be considered Units of the Fund.
- 4.4.3 All Units issued under the Administrative Plan shall rank pari passu with units of the Plan.
- 4.4.4 The investor can opt either one of the following options:

- 4.4.4.1 **Fixed Periodic Payment:** Investors of the Plan may opt for this Administrative Plan to attain a regular periodic payment to support their liquidity requirements. The Fixed Periodic Payment Unit Holders shall, at the time of purchase or beginning of a Regular Interval (i.e. monthly, quarterly, semi-annually, or annually), specify a fixed cash amount required by them at Regular Intervals and authorize the Management Company to redeem (at the prevailing NAV) such number of units from their holding that in rupee terms is equivalent to the specified fixed amount required at the end of every Regular Interval. Such amount shall include investment appreciation, as well as principal amount.

**Warning: In Fixed Periodic Payment Plan, the principal amount may be reduced in case sufficient returns are not earned by the Fund to cover the amount required by the Unit Holder. Therefore, the resulting payment may lead to the erosion of principal.**

Minimum amount of investment for Fixed Periodic Payment Administrative Plan would be Rs. 1,000. The Management Company may alter the minimum amount at its discretion by giving a prior notice of at least 30 days. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

If investment amount falls below Rs. 1,000 at any time during the life of investment, features of Administrative Plan will seize for the investor and Units allocated to him will be considered Units of the Plan.

- 4.4.4.2 **% of Investment Appreciation:** The Unit Holders shall receive income in cash (through redemption of units) to the extent of certain percentage of investment appreciation as specified by him in the investment form at the end of every Regular Interval (i.e. monthly, quarterly, semi-annually or annually). However, the principal amount shall remain intact at year end until and unless the unit holder redeems the principal amount.

Note: Investment Appreciation means the increase in investment value during a given interval over the principal amount of investments.

Principal amount is the amount of investments as increased / reduced by investments / redemptions net off any Load and taxes thereon (if any).

**Warning: Administrative Plan options will be subject to relevant tax regulations, which may impact the principal in an adverse manner.**

Minimum amount of investment for% of Investment Appreciation under Administrative Plan would be Rs. 1,000. The Management Company may alter the minimum amount at its discretion by giving a prior notice of at least 30 days. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

If investment amount falls below Rs. 1,000 at any time during the life of investment, features of Administrative Plan will seize for the investor and Units allocated to him will be considered Units of the Fund.

- 4.4.5 The periodic payment shall be made by redeeming the required number of Units. The amount so redeemed shall be made through payment instruments or transferred to the designated bank account within six (6) working days of the redemption.
- 4.4.6 The payment shall be processed by the Management Company on the 25th of each month. Provided that if the 25th of the last month of a certain regular interval is not a Dealing Day the redemption arrangement of Units would be transferred to the next Dealing Day.
- 4.4.7 Unit Holders may switch over to any of the other options or withdraw funds from the option at any stage by submitting the prescribed form to the Distributor/ Management Company.
- 4.4.8 The Administrative Plans may be discontinued by the Management Company at any time after seeking approval of the Commission by giving a prior notice of 30 days to the Unit Holders. All units in issue shall be treated as Units of the Fund from there on.

#### **4.5 Purchase and Redemption of Units**

- (a) Units are purchased at the Offer Price and redeemed at the Redemption Price from the Management Company electronically or at any of the Authorized Distributor during Business Hours on any Dealing Day in accordance with the procedure set out in of this Offering Document.
- (b) Units are issued after realization of subscription money.
- (c) During the period the register is closed, the sale, redemption and conversion of Units will be suspended.
- (d) 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.

#### **4.6 Procedure for Purchase of Units**

##### **4.6.1 Who Can Apply?**

Any investor or any related group of investors qualified or authorized to purchase the Units may make online applications for the Purchase of Units in any Plan. Application may be made pursuant to the procedures described in paragraph 4.6.2 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) Retirement Funds constituted by the companies registered under the Companies Ordinance, 1984 / Companies Act, 2017, subject to conditions and investment limits as laid down in Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018, as amended from time to time, including by SROs.
- (e) Provident, Pension and Gratuity Funds constituted by organizations other than the companies under the applicable Federal or Provincial Trusts laws and regulations.
- (f) Insurance companies under the Insurance Ordinance, 2000.
- (g) Non-Profit Organization under Rule 213(i) of the Income Tax Rules, 2002.
- (h) Fund of Funds.

#### **How can Units be purchased?**

##### **4.6.2 Account Opening Procedure**

The procedure given below is designed for electronic transactions only. The Management Company at a later date after seeking approval of the Commission may introduce additional options or amend existing options for the transactions.

- (a) Before purchasing Units of the Fund an investor must open an account with Management Company.
- (b) In case of individuals, a copy 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 registration document / memorandum and articles of association / Charter/ Byelaws or rules and regulations;

- (ii) Duly certified copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officers to invest the Funds and/ or to realize the Investment and;
  - (iii) Duly certified copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.
- (d) In case of existing Unit Holders, if any of the documents (in a-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 the Management Company. However, the account number must be provided to facilitate linking.

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

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

#### 4.6.3 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 application digitally or verify through one time password / confirmation through registered email and submit a copy of Computerized National Identity Card, NICOP, Passport and other identification document.

- (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 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.

#### 4.6.4 Purchase of Units under Plans;

- (a) After opening an account an account holder may purchase Units of the Plan electronically. Payments for the Units must be either credited in the bank account of the respective Plans.

Application for Purchase of Units for each plan shall be made electronically using the Management Company's authorized digital platforms. The account holders for the purchase of units by completing the prescribed electronic Investment Application Form together with payment through online modes in favor of **CDC–Trustee Mahaana Islamic Cash Plan**.

- (b) The Management Company may also notify, from time to time, arrangements or other forms of payments within such limits and restrictions considered fit by it with the prior approval of Commission.
- (c) 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.
- (d) The applicant will be provided with an electronic acknowledgement on submission of the electronic application and payment in the designated bank account. Acknowledgement for applications and payment instruments can only be validly issued by Distributors.
- (e) 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).
- (f) 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.

#### 4.6.5 Minimum Amount of Investment

##### 4.6.5.1 For Mahaana Islamic Cash Plan ('MICP')

Initially Units shall be issued at Par Value of **Rs 100** with a minimum initial investment amount of Rs. 1,000 (Rupees One Thousand only) and thereafter the minimum amount for investment would be Rs. 500/- (Rupees Five Hundred only) per transaction, at applicable NAV or purchase price, other than reinvestment of Dividend and Bonus Units.

##### 4.6.5.2 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.

#### 4.6.6 Determination of Purchase (Public Offer) Price

- (a) Units offered during the Initial period will be as specified in clause 1.6.
- (b) After the Initial 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 Fund for Dealing Days during the period when the Fund is open for subscription.
- (c) The Purchase (Offer) Price shall be equal to the sum of:
  - (i) The Net Asset Value as of the close of the previous Business Day (Backward) pricing.
  - (ii) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
  - (iii) Such amount as the Management Company may consider an appropriate provision for Transaction Costs.
  - (iv) Such sum shall be rounded to the nearest paisa up to four decimal place.

If such price exceeds 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 and the purchase amount has been realized.
- (e) The Purchase (Offer) Price determined by the Management Company shall be published daily on the Management Company's and MUFAP's website, where applicable.

#### 4.6.7 Allocation/ Issue of Units under Plans

- a. The Purchase Price determined shall apply to all Investment Requests, complete in all respects, received by the Management Company at its digital platforms or registered address or by the Distributor 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 at the Purchase Price as determined in clause 4.6.6 above and issued 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 Plan, it may allow existing Unit Holder to continue acquiring Units out of any dividend declared on the Units held.

#### **4.6.8 Issuance of Units in Book Entry form in CDS**

When the Management Company may at some future time register the Units with a depository organization, such as the Central Depository Company of Pakistan; the Unit Holder(s) may obtain Units in Book Entry form in the Central Depository System ('CDS'). The Issuance of Units in CDS shall be in accordance with the procedure laid down in Central Depository Company of Pakistan Limited Regulations.

### **4.7 Procedure for Redemption of Units**

#### **4.7.1. Who Can Apply?**

All Unit Holders shall be eligible for redemption after the closure of the Initial Period.

#### **4.7.2. Redemption Application Procedure**

Request for Redemption of Units shall be made by completing the prescribed redemption process electronically to the Management Company or the Distributors and the same is received from time to time. The Distributor may retain the information of Redemption electronically and share it to the Registrar.

- a. In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be electronically signed by all the joint Holders as per their specimen signatures or using one time password ('OTP') at their registered mobile numbers provided at the time of opening of the account within the Unit Holder Register, through the investor account opening Form.
- b. The Distribution Company or the Registrar shall authenticate the identity of the Unit Holders through their User IDs and Passwords.
- c. The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office electronically.
- d. 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.

- e. The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.
- f. The amount payable on the redemption shall be paid to the Unit Holder or first named joint 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 electronically to the digital platforms of Distributor or the Management Company.
- g. A request for redemption of Units may 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.

The Unit Holders may redeem their investment up to 90% of market value of the available units or the limit assigned by the bankers of the Unit Holder on their ATM cards, whichever is lower. The redemption of units through this facility will be in accordance with the procedure available on Management Company's website.

- h. 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.
- i. Application for Redemption of Units will be received electronically by the Distributor on all Dealing Days. Where redemption requests on any one Dealing Day exceed ten (10) percent of either the total number of Units outstanding, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the **Clause 4.11.4**.
- j. On the occurrence of any circumstance specified in the Regulation or the Deed that may require the Fund should be suspended, the Management Company shall suspend the Sale and Redemption of Units and the intimation of suspension shall be made to the Unit Holders, the Trustee and the Commission according to the procedure laid down in the Regulation.

#### **4.7.3. Redemption of Units in Book Entry form in CDS**

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

### **4.8 Purchase (Public Offer) and Redemption (Repurchase) of Units outside Pakistan**

- 4.8.1** 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 or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

**4.8.2** 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

**4.8.3** 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.

#### **4.9 Determination of Redemption (Repurchase) Price**

**4.9.1** The Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of previous Business Day of the previous day (Backward pricing) less:

- (a) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc.; and
- (b) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
- (c) Such sum shall be adjusted downward to the nearest paisa up to four decimal place

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

**4.9.3** The Redemption Price determined by the Management Company shall be made available for every Dealing Day to the public at the office 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, where applicable.

#### **4.10 Procedure for Requesting Change in Unit Holder Particulars**

##### **4.10.1 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 Management Company's digital

platform(s) and/or by sending an email on the authorized email address as shown on the Management Company's website through customer's registered email address and/or by calling on Mahaana's helpline number of the Management Company as shown on its website from customer's registered number. 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.

#### **4.10.2 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. Joint Holder's details
- iv. Change in Bank Account details
- v. Account Operating instructions
- vi. Frequency of profit payments

Change will not be allowed in Title of account, Address and CNIC number of the Unit Holder (without any documentary evidence). Any addition or deletion in joint account holder is not allowed.

- (b) Change in particulars application in complete has to be submitted by both Individuals and/or Institutional Investor(s) electronically to the Management Company by using the digital platform(s) of Registrar or Distributor or the Management Company.
- (c) The applicant shall be provided the acknowledgment for change in particulars of the Unit Holder(s) by the Distributor or the Management Company.
- (d) The Distribution Company and /or Management Company will be entitled to verify the change in particulars application. 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 submit the changes in particulars requests electronically in a manner prescribed by the Management Company.
- (g) If the applicant is requesting the above changes via email or by calling on Mahaana helpline, a confirmation email for amendment in particulars would be sent as an acknowledgement of his/ her request.

**4.10.3 Transfer, Nomination, Transmission Procedure**

- i. Unit Holder may, subject to the law, transfer any Units held by them to any other person. The transfer shall be carried out after the Management Company/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.
- ii. Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the register. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value.
- iii. The Transfer Agent shall, with the prior approval of the Management Company or the Management Company itself be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered at any time after the expiration of twelve years from the date of registration thereof and all 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, 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 AMCs 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.
- iv. Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the 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 etc. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Transfer Agent.
- v. A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company by redeeming the Units of first Scheme and issuance of Units of later Scheme(s) at the relevant price applicable for the day. The Transfer Agent or Management Company itself shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.

#### **4.10.4 Partial Transfer**

Partial transfer of Units is permitted.

#### **4.11 Procedure for Pledge / Lien / Charge of Units**

##### **4.11.1 Who Can Apply?**

- (a) All Unit Holders are eligible to apply for pledge / lien / charge of Units if they so desire. Such Pledge / Lien / Charge can be made via the Management Company's digital platform(s). However, if Units are held in CDS account then request should be made to the CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.
- (b) Any Unit Holder either singly or with Joint Unit Holder(s) (where required) may request the Management Company or Transfer Agent to record a pledge / lien of all or any of his / her/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Management Company or Transfer Agent shall register a lien on any Unit in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Management Company or Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- (c) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.
- (d) Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien / charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address of Pledgee mentioned in the Pledge Form 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 the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within Business Hours on a Dealing Day electronically. The requests received after Business Hours will be counted for next working 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.

#### **4.12 Temporary Change in Method of Dealing, Suspension of Dealing and Queue System**

##### **4.12.1 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 thirty days' notice to the Unit Holders and with the approval of Trustee.

##### **4.12.2 Suspension of Fresh Issue of Units**

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

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

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

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

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

##### **4.12.3 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.

#### **4.12.4 Queue System**

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

#### **4.12.5 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 Plan 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 and determining the final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible. In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.

### **4.13 Takaful Coverage**

#### **4.13.1 Optional Benefits**

The Management Company has arranged, with a Takaful Operator, Optional Benefits for the investors for a minimum investment amount and charges, as defined in Annexure "E" and as amended from time to time, which shall be deducted in the form of units.



## **5. DISTRIBUTION POLICY**

### **5.1. Declaration of Dividend**

The Management Company shall decide as soon as possible but not later than forty-five 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/Plan(s) will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

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

For the purpose of this Clause the expression “accounting income” means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Act, 2017, 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.

The Management Company shall ensure that total distribution in an Accounting period accumulates to an amount that is required under the tax laws and other regulations in force to be distributed and that may be beneficial for its Unit Holders. The Fund/Plan(s) will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly after consent of Trustee and intimation to SECP.

Unless otherwise advised by the unit holders, all dividends to which a unit holder is entitled shall be reinvested by the AMCs in their respective Plans of the unit holder.

### **5.2. Determination of Distributable Income**

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

2. The total income earned on the Trust Property during such Accounting Period including all amounts received in respect of dividend, mark-up, profit etc.
3. Whole or part of the realized and/or unrealized appreciation of Investment Assets, at the option of the Management Company.
  - c) From the above distribution amounts following shall be deducted
    1. expenses as stated in the Clause 6.2 to 6.4 of this constitutive document, and
    2. Any other adjustment as the management company may determine in accordance with NBFC Regulations

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 Fund Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Fund Property.

#### **5.1. Payment of Dividend**

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

#### **5.2. Dispatch of Dividend Warrants/Advice**

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

#### **5.3. Reinvestment of Dividend**

Any cash dividend entitled to the unit holder shall be reinvested at the ex-dividend NAV after deduction of all applicable taxes and charges, if any. However, the Management Company may give the Unit Holders the option at the time of opening of Unit Holder Account within the Unit Holder Register to receive cash dividend instead of new Units. The Unit Holders shall be entitled to change such option.

#### **5.4. Bonus Units**

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

#### **5.5. Encashment of Bonus Units**

The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account 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 shall be credited in accordance with the normal procedure already detailed above for Redemption of Units.

**5.6. Closure of Register**

The Management Company may close the Register by giving at least seven (7) days' notice to the Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole forty-five (45) days in a Financial Year. During the closure period, the sale, redemption, conversion of Units or transfer of Units will be suspended. Notice for closure of register should be published in two newspapers (Urdu and English language) having circulated all over Pakistan.

## **6. FEE AND CHARGES**

### **6.1 Fees and Charges Payable by an Investor**

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

#### **6.1.1. Other Charges**

The processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

Units issued to an Account holder through conversion from another scheme run by the Management Company shall be issued at a price based on the Net Asset Value on that date.

#### **6.1.2. 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 be charged to the extent as allowed under the Regulations.

#### **6.1.3. 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 on terms to be agreed between the Management Company and the Distribution Company. The Investment Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources.

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

### **6.2 Fees and Charges Payable by the Fund**

The following expenses shall be borne by the 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 of Management Fee is disclosed in **Annexure "A"**. The actual Management Fee should also be disclosed in Financial Statements and Monthly FMR, where applicable. Any increase in the current level of Management Fee, provided it is within the maximum limit prescribed in the Regulations shall be subject to giving a 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 "B".

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, announcement describing the Scheme and all expenses incurred during and up to the Initial Offering Period subject to a maximum of 1.5 per cent of the net assets at the close of the initial public offering 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.

#### **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, Islamic borrowing 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 and central depository company.
- (xii) fees and expenses related to registrar services, accounting, operation and valuation services related to CIS on actual basis.
- (xiii) Selling and marketing expenses for the purpose of opening and maintenance of branches; payment of salaries/commission to sales team and distributors; advertising and publicity expense; development of alternate delivery/distribution channels for Scheme
- (xiv) Any amount which the Shari'ah Advisor may declared to be Haram and to be paid to Charity to approved charitable institution.
- (xv) Shariah Advisory Fee.
- (xvi) The expense ratio of the Fund (excluding Government taxes or such levies including SECP fees) shall not exceed the percentage specified by Commission, which currently is 2%.
- (xvii) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.

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

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

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

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

### **7.2. Withholding tax**

Under the provision of Clouse 47(B) of part (IV) of Second Schedule to the 2001 Ordinance, provision(s) of sections 150, 151, 233 and Part I, Division VII of the First Schedule relating to withholding tax shall not apply to any person making payment to, inter alia, collective investment scheme(s).

### **7.3. Zakat on Fund**

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

### **7.4. Taxation and Zakat on Unit Holders**

#### **7.4.1 Taxation on Income from the Fund/Plan(s) of the Unit Holder**

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of Unit Holders 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.

- a. Unit holders of the Plan(s) will be subject to Income Tax at the applicable rate on dividend income distributed by the Fund/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).
- b. 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.
- c. Capital gain arising from sale/redemption of Units of the Plan(s) will be subject to tax at the applicable tax rate as mentioned in the Income Tax Ordinance 2001. Unit Holders who are exempt from income tax may obtain exemption certificates 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.
- d. 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.

#### **7.4.2 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.

All information contained in Part 7 is based on current taxation status. The exemptions and rates of taxation are subject to change from time to time, as may be announced by the Government.



## **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 electronically account balance and/or account activities through electronic mode to Unit Holder.

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

### **8.2. Financial Reporting**

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

### **8.3. Trustee Report**

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

### **8.4. Shariah Review Report**

At the end of each Annual Accounting Period or such other interval as the Commission may require, the Shariah Advisor shall issue a Shariah compliance certificate, to the effect that all the business activities, investments and operations of the preceding year's or past operations of the Fund are in conformity with principles of Shariah. This report shall be included in the Annual reports or such other required reports of the Fund.

### **8.5. Fund Manager Report**

The Management Company shall prepare Fund Manager Report each month as per guideline issued by MUFAP, where applicable and transmit the same to the Unit Holders and also made available at their web site.

## **9. WARNING AND DISCLAIMER**

### **9.1. Warning**

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

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

### **9.2. Disclaimer**

**9.2.1.** The Units of the Fund/Plan(s) 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 Plan(s) is subject to market risks and risks inherent in all such investments.

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

**10. GENERAL INFORMATION****10.1. Accounting Period / Financial Year of the Fund**

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

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

**10.2. Inspection of Constitutive Documents**

The copies of constitutive documents, such as the Deed and the Offering Document, are available on the web site of the Management Company:

**10.3. Transfer of Management Rights of the Fund**

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

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

**10.4. Extinguishment/Revocation of the 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) the Fund has reached its maturity date as specified in the Deed;

- (ii) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be revoked;
- (iii) 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;
- (iv) in the opinion of the Management Company the scheme is not commercially viable or purpose of the scheme cannot be accomplished subject to the consent of Trustee;
- (v) The Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust be wound up.
- (vi) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and
- (vii) where the Commission deems it necessary to revoke the Fund so directs either Trustee or the Management Company in the interest of Unit Holders;

#### **10.5. Procedure and manner of Revocation of the 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 under each Plan.

## 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 Trust 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 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.

**“ACT”** means The Companies Act, 2017.

**“Administrative Plans”** means investment plans offered by the Management Company and approved by the Commission, where such plans allow investors a specific investment strategy in any one or a combination of Schemes managed by the Management Company in accordance with the conditions specified by SECP.

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

**“Digital Asset Management Company”** means an Asset Management Company which provides all the asset management services, from launching of allowed collective investment schemes (CIS), online account opening to issuance and redemption of units and inter-CIS conversions through digital means.

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

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

**“Authorized Investments”**

Authorized Investments are those as defined in the clause 2.1.1 of this Offering 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 Shariah Compliant Banks or Islamic windows of commercial 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 are open for business in Pakistan.

**“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.

**“Contingent Load”** means Load payable by the Unit Holder at actual basis to the extent of loss incurred by fund/Plan(s) due to disinvestments if Units are redeemed by any major Unit Holder in such period of time that the Management Company believes may adversely affect the interest of other Unit Holder(s). Any Contingent Load received will form part of the Trust Property.

**“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 from Monday to Friday of every week. 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 Limited, House Building Finance Corporation, Pak Brunei Investment Company Limited, PAIR Investment Company Limited, Pak-China Investment Company Limited, Pakistan Mortgage Refinance 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 by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund/Plan(s) from time to time, as part of the Trust Property for the benefit of the Unit Holder(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 electronically/digitally and who are registered with MUFAP, where applicable as Registered Service Providers. The Management Company may itself also performs the Distribution Function.

**“Distribution Function”** means the functions with regard to:

- a. receiving electronic applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- b. issuing electronic 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 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.
- e. the above functions will only be performed electronically.

**“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 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,

**“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 Karachi 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.

**“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”** will be of one day on March 29, 2023 means a period determined by the Management Company during which Units will be offered as mentioned in clause 1.7 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 electronic form prescribed by the Management Company to be duly filled by the investor to purchase Units.



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

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

**“Net Assets”**, in relation to the Trust, means, the excess of assets over liabilities of the Scheme as calculated in accordance with the Regulations.

**“Net Asset Value” or “NAV”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.

**“Offer Price or Purchase (Public Offer) Price”** means the sum to be paid by the investor for purchase of one Unit, 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 Repealed Companies Ordinance, 1984.

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

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

**“Pledge Form”** means a standardized electronic form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units.

**“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 electronic form prescribed by the Management Company to be duly filled by the investor to redeem Units.

**“Redemption Price or Repurchase Price”** means the amount to be paid to the relevant Holder 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. 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;
- d. 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;
- e. Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
- f. Maintaining record of lien/pledge/charge; and
- g. Keeping record of change of addresses/other particulars of the Holders.

**“Regular Interval”** means monthly, quarterly, half yearly or annual periods.

**“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.

**“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 electronic 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 Sukuk as defined in the explanation of sub-section (55) of section 2: Definitions of the Companies Act, 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 for determining the Offer Price of Units or to be deducted from the NAV 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 filled 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

**SALES LOAD AND MANAGEMENT FEE STRUCTURE OF THE FUND**

**Sales-load Structure**

Plan Name	Front End Load	Deferred Front End Load
Mahaana Islamic Cash Plan ('MICP')		

**\*Sales load may be charged in future after approval from SECP**

**Management Fee Structure**

Plan Name	Fee Charge
Mahaana Islamic Cash Plan ("MICP")	Up to 1% of average annual net assets of the Plan

**Annexure B****TARIFF STRUCTURE FOR TRUSTEE FEE OF THE FUND**

Trustee fee will be charged at 0.055 % per annum of net assets and subject to review by either party. However, any upward revision shall require prior approval of SECP. The trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the above-mentioned fee.

**BUSINESS HOURS AND CURRENT CUT OFF TIME**

<b>Business Hours</b>	<b>Cut off Time</b>
Monday to Friday 9:00am to 5.30 pm	<b>a) For regular transactions</b> Monday to Thursday 9:00am to 3:00 pm Friday 9:00am to 4:00 pm  <b>b) For same day redemptions</b> 9:00am to 9:30 am

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:**

- a) 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 after giving notice to unitholders in accordance with Regulation 44 of NBFC & NE Regulations, 2008.
- b) 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**

**Distributors of the Fund**

MWL has entered into digital distribution agreement with Dynasty Financial Advisors. Information of the Fund can be collected from the address of the [www.mahaana.com](http://www.mahaana.com)

## Annexure D



March 02, 2023

**Mr. Muhammad Shamoan Tariq**  
Chief Executive  
Mahanna Wealth Limited  
Emirates Tower, 2<sup>nd</sup> and 3<sup>rd</sup> Floor, M-13, F7 Markaz  
Islamabad

**Subject: CONSENT ON THE OFFERING DOCUMENT OF MAHAANA ISLAMIC CASH FUND**

Assalam-u-Alaikum,

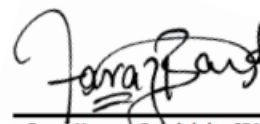
Dear Mr. Shamoan,

It is with reference to your letter dated March 2, 2023 regarding consent on the offering document of Mahaana Islamic Cash Fund. We have reviewed and examined the enclosed offering document and found it to be in accordance with the Shariah guidelines. We hereby give our consent on the offering document of Mahaana Islamic Cash Fund and we give you our no-objection for submission of the same to Trustee and SECP for further procedures.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

  
**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



  
**Faraz Younus Bahadur, CFA**  
Chief Executive

**Annexure E****1) Optional Benefits****a) Extended life Takaful**

MWL has agreed with a Takaful company to provide an optional life takaful subject to a cap of PKR10,000,000/- as detailed in table below for its clients subject to terms and condition of the takaful operator.

Age	Sum covered PKR 1 mn	Sum covered PKR 2.5 mn	Sum covered PKR 5 mn	Sum covered PKR 7.5 mn	Sum covered PKR 10 mn
Annual charges in PKR					
<20	800	2,000	4,000	6,000	8,000
20-29	1,100	2,700	5,400	8,000	10,700
30-39	2,200	5,400	10,700	16,000	21,400
40-49	5,300	13,100	26,100	39,100	52,100
50-60	16,800	41,900	83,700	125,600	167,400

**b) Accidental Takaful**

MWL has agreed with a Takaful company to provide optional takaful benefits as detailed in table below for its clients subject to terms and condition of the takaful operator.

Plan	A	B	C	D
Benefits	Accidental Death	Accidental Death	Accidental Death	Accidental Death
		Permanent Total Disability	Accidental Medical Expense Reimbursement	Accidental Medical Expense Reimbursement
				Permanent Total Disability
Sum covered (PKR)	Annual charges in PKR			
50,000	60	100	140	190
100,000	110	210	290	380
250,000	280	520	720	960
500,000	560	1,040	1,430	1,920
750,000	840	1,560	2,150	2,870
1,000,000	1,110	2,080	2,860	3,830