

02nd April, 2004

CONSTITUTIVE DOCUMENT

TRUST DEED

PICIC INVESTMENT FUND

Name of the Closed End Scheme: "PICIC Investment Fund"

This Trust Deed is made and entered into at Karachi, on this 02nd day of April, 2004 by and between:

Participating Parties

Pakistan Industrial Credit and Investment Corporation, a company incorporated under the Companies Ordinance 1984 with its registered office at State Life Building No. 1, I.I Chundrigar Road, Karachi (hereinafter called the "Investment Adviser", which expression where the context so permits shall include its successors in interest and assigns) of the one part; and

Central Depository Company of Pakistan Limited, a company incorporated under the Companies Ordinance 1984 and registered with the Securities and Exchange Commission of Pakistan as a Central Depository Company, with its registered office at 8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi (hereinafter called the "Trustee" which expression where the context so permits shall include its successors in interest and assigns) of the other part.

WHEREAS:

- A. The Investment Adviser has been incorporated and is inter alia licensed as an Investment Adviser under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, to engage in investment advisory services;
- B. The Investment Adviser has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Investment Adviser under the repealed Investment Companies and Investment Advisers Rules 1971. SECP has granted license (No. SC/MF-JD(R)/326/2003 dated June 23, 2003) to Pakistan Industrial Credit and Investment Corporation Limited (PICIC) under rule 5 (2) of the Non- Banking Finance Companies (Establishment and regulation) Rules , 2003 to undertake investment advisory services
- C. Investment Corporation of Pakistan (ICP) , a body corporate established pursuant to section 3 of Investment Corporation of Pakistan Ordinance, 1966 (ICP Ordinance), which has constituted and issued for public subscription, through separate prospectuses, twenty six closed-end mutual funds , (collectively referred to as ICP Mutual Funds) under the ICP Ordinance.
- D. ICP Ordinance Section 23(14)(f) added by the Finance Act 1999- 2000 , has authorized ICP to "assign, transfer to or enter into any contractual arrangements with any person or entity regarding rights and obligations pertaining to management , trusteeship or custodial of ICP Mutual Funds".
- E. ICP resolved to transfer the management rights of the ICP Mutual Funds pursuant to which, the Privatization Commission, a body corporate established pursuant to the Privatization Commission Ordinance 2000 , having its principal office located at Islamabad, on behalf of ICP initiated a process for the transfer of the management rights of 2nd , 5th, 6th, 7th, 9th, 10th,, 13th, 14th,16th,17th,18th, 22nd and 24th ICP Mutual Funds (hereinafter collectively referred to as "ICP Mutual Funds – Lot "B" / "ICP Lot B Mutual funds.").
- F. The Investment Adviser submitted the bid for the acquisition of the management rights of ICP Mutual Funds – Lot "B", which ICP accepted and the Privatization Commission issued a Letter of Acceptance (LOA) No. 2 (9) BKg/PC/97 dated November 02, 2002 in favor of the Investment Adviser and ICP, the Investment Adviser and the Privatization Commission executed among them a Management Rights Transfer Agreement (MRTA) , dated December 13, 2002, a copy of which is annexed hereto as Annexure "A".
- G. Section 3.2 of the MRTA provides that the Investment Adviser, within a period of six months from the date of execution of the MRTA shall reorganize the corporate structure of ICP Mutual Funds – Lot "B", including by way of merger, to comply with the Investment Companies and Investment Advisers Rules, 1971 (hereinafter referred as IC& IA) Rules), as amended or modified or replaced from time to time and shall obtain all necessary permissions and licenses for

reorganization. IC& IA Rules have since been replaced by the Rules. The period of reorganization can be extended by SECP at its sole discretion. At the request of Investment Adviser, SECP extended the period of reorganization up to December 31, 2003 vide its letter number NBFC JD/454/2003 dated September 05, 2003, which has now been further extended by SECP, at the request of the Investment Adviser, to April 30th, 2004 vide its letter No. NBFC- 2 /JD(R) / PICIC – Lot 'B' / 236 dated March 15, 2004 .

- H. The Investment Adviser had appointed Central Depository Company of Pakistan Limited (CDC) , as the custodian of ICP Mutual Funds – Lot "B" , with the approval of SECP to take delivery of the share certificates and securities together with verified transfer deeds and to obtain confirmation of transfer in case of securities held in CDC, as mentioned in section 2.3 (b) of the MRTA and the Investment Adviser has simultaneously taken over the management of ICP mutual Funds Lot "B" from ICP.
- I. Pursuant to section 3.2 of the MRTA and the schedule to MRTA , the Board of Directors of the Investment Adviser in its meeting held on February 22nd 2003 has resolved that through the Scheme of Arrangement for Amalgamation (a copy attached as Annexure "B" hereto), ICP Mutual Funds Lot "B" be merged into PICIC Investment Fund. The certificate holders of ICP Mutual Fund Lot "B" (2nd, 5th, 6th, 7th, 9th, 10th, 13th, 14th, 16th, 17th, 18th, 22nd & 24th ICP Mutual Funds) have approved the Scheme of Arrangement for Amalgamation. The assets and liabilities of these Funds shall be taken over by PICIC Investment Fund, constituted under a Trust Deed, with PICIC Limited as the Investment Adviser and CDC as the Trustee with the approval of SECP. CDC has consented vide its letter No. CDC/FIN/T/1450/2003 dated December 29, 2003 and SECP has approved appointment of CDC as Trustee of PICIC Investment Fund vide its letter No NBFC-II-JD/19/2004 dated January 09, 2004 (a copy attached as Annexure "C" hereto). After registration of Trust Deed SECP shall be requested to authorize the closed end scheme with the name of PICIC Investment Fund under Rule 41 of the Rules. The certificate holders of those ICP Lot "B" Mutual Funds whose certificate holders approve the Scheme of Arrangement for Amalgamation shall be allotted the certificates of PICIC Investment Fund in accordance with the Swap Ratio, determined on the basis of Net Assets Value of the respective Funds as on December 31, 2003 as adjusted by the rights issue and provided in the scheme of arrangement for amalgamation of ICP Mutual Funds Lot "B".
- J. Pursuant to aforesaid facts i.e. clause 3.2 of the MRTA , the schedule to MRTA , resolution passed by the Board of Directors of the Investment Adviser , "No Objection" conveyed by SECP vide its letter No NBFC-II/JD-(R)/PICIC Lot 'B'/180/2004 dated February 26, 2004 (a copy attached as Annexure "D" hereto), approval granted by certificate holders of 2nd, 5th, 6th, 7th, 9th, 10th, 13th, 14th, 16th, 17th, 18th, 22nd & 24th ICP Mutual Funds" in the Special Meeting held on March 31st 2004 to the Scheme of Arrangement of Amalgamation, assets and liabilities of 2nd, 5th, 6th, 7th, 9th, 10th, 13th, 14th, 16th, 17th, 18th, 22nd & 24th ICP Mutual Funds , have been taken over by proposed PICIC Investment Fund, constituted under a Trust Deed , dated April 02, 2004 with PICIC Limited as the Investment Adviser and Central Depository Company of Pakistan Limited as the Trustee.

DECLARATION OF TRUST

It is hereby declared, that a Closed End Scheme in the form of a trust in the name and title of PICIC Investment Fund is hereby created and the Investment Adviser is hereby appointed to establish, manage, operate and administer the Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Trust. The Investment Adviser and the Trustee hereby agree to such appointment and further declare that:

- a) The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Holders ranking pari passu inter se according to the face value of the Certificates held by each Holder;
- b) The Deposited Property shall be invested from time to time by the Trustee at the sole discretion of the Investment Adviser strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Rules and the conditions (if any) which may be imposed by the Commission from time to time;
- c) The Investment Adviser shall manage, operate and administer the PICIC Investment Fund in accordance with the Rules.

- d) A certificate holder shall not be liable to make any payment after allotment of certificate of PICIC Investment Fund in lieu of his holding in any of the ICP Mutual Funds LOT "B"

NOW THIS TRUST DEED WITNESSES AND IT IS HEREBY DECLARED AS FOLLOWS:

1. DEFINITIONS

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

- 1.1 **"Accounting Date"** means the [thirtieth day of June] in each year provided that the Investment Adviser with the written consent of the Trustee, change such date to any other date and such change shall be intimated to the Commission and certificate holders.
- 1.2 **"Accounting Period"** means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 1.3 **"Audit Date"** means the date on which the Auditor issues its report in respect of the Scheme's balance sheet and income and expenditure account for the corresponding Accounting Period.
- 1.4 **"Auditor"** means the Auditors of the Trust appointed by the Investment Adviser as per the Rules.
- 1.5 **"Authorized Investment"** means
- i. Listed Equities
 - ii. Listed Debt Instruments
 - iii. Listed Convertible Instruments
 - iv. Government Securities &
 - v. All other financial instruments as permissible under the Rules.
- but does not include Restricted Investments.
- 1.6 **"Bank"** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force.
- 1.7 **"Bank Accounts"** means those accounts the beneficial ownership of which rests in the Holder and for which Trustee has been appointed as the trustee.
- 1.8 **"Broker"** means any person engaged in the business of effecting transactions in securities for the account of others.
- 1.9 **"Business Day"** means a day on which Banks are open for business in Pakistan.
- 1.10 **"Carry Over Transaction (COT)"** means a form of financing through the Stock Exchange consisting of two simultaneous transactions, the first for purchase of an underlying security (shares) on the following scheduled settlement date for the security and the second for selling back the security for a subsequent settlement date.
- 1.11 **"Certificate"** means the definitive certificate acknowledging the number of and face value of the certificates registered in the name of the Holder issued to the holder pursuant to the provisions of the Scheme of Arrangement, representing undivided share in the Trust.
- 1.12 **"Certificate Holder(s)" or "Holder"** shall mean the person(s) for the time being entered as the holder(s)/owner of Certificates(s) in the Register and if inducted in the Central Depository System of Central Depository Company of

Pakistan Limited, shown as such holders in the records of the CDS who shall be the beneficiaries of the PICIC Investment Fund under the Trust Deed.

- 1.13 **“Closed End Scheme”** means the closed end scheme as defined under Rule 2 (x) of the Rules.
- 1.14 **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.
- 1.15 **“Commission”** means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.
- 1.16 **“Connected Person”** shall have the same meaning as in the Rules.
- 1.17 **“Constitutive Document”** means the Trust Deed that is the principal document governing the formation, management or operation of the Trust, and all material agreements in relation to the Trust.
- 1.18 **“Custodian”** means a banking company within the meaning of the Banking Companies Ordinance, 1962 or a central depository company approved by the Commission, that may subject to the Rules be appointed by the Trustee with the approval of the Investment Adviser to hold and protect the Deposited Property or any part thereof as custodian on behalf of the Trustee and the said appointment will be intimated to the Commission.
- 1.19 **“Deposited Property”** means the aggregate of (a) all the assets that stand transferred to the Trustee pursuant to the Scheme of Arrangement and includes the Investment and all income, profit and other benefits arising there from and all cash and other assets movable or immovable and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed but does not include any amount standing to the credit of the Distribution Account; and (b) all cash and assets received in future from time to time by the Trustee either through rights issue or otherwise.
- 1.20 **“Distribution Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank, approved by the Investment Adviser in which the amount required for the distribution of income to the Holders shall be transferred. Income of this account, if any, will accrue to the benefit of the Trust.
- 1.21 **“Dividends”** means the dividends/ income of the PICIC Investment Fund distributed and/or which the PICIC Investment Fund Manager is under an obligation to distribute to the Certificate Holders in terms of the Rules and the Trust Deed.
- 1.22 **“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the creation, issue, transfer of Certificates or the sale of purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable.
- 1.23 **“Formation Cost”** means all preliminary expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Trust Deed.
- 1.24 **“Government Securities”** means securities and other instruments issued and to be issued by any Federal or Provincial Government of the Islamic Republic of Pakistan and/or State Bank of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds and any securities/ instruments replacing or substituting the foregoing from time to time.
- 1.25 **“Investment”** means any Authorized Investment forming part of the Deposited Property.
- 1.26 **“ICP”** means the Investment Corporation of Pakistan as constituted under the Investment Corporation of Pakistan Ordinance 1966.

- 1.27 **"ICP Lot B Mutual Funds"** means 2ND ICP MUTUAL FUND, 5th ICP MUTUAL FUND, 6th ICP MUTUAL FUND, 7th ICP MUTUAL FUND, 9th ICP MUTUAL FUND, 10th ICP MUTUAL FUND, 13th ICP MUTUAL FUND, 14th ICP MUTUAL FUND, 16th ICP MUTUAL FUND, 17th ICP MUTUAL FUND, 18th ICP MUTUAL FUND, 22nd ICP MUTUAL FUND, and 24th ICP MUTUAL FUND. All being closed end mutual funds issued by THE INVESTMENT CORPORATION OF PAKISTAN, hereinafter referred to as the "ICP Mutual Fund (s) - Lot 'B'" and collectively referred to as the "ICP Lot B Mutual Funds"
- 1.28 **"Net Assets"** shall have the same meaning as in the Rules.
- 1.29 **"Net Asset Value"** or **"NAV"** means per Certificate value of the Trust arrived at by dividing the Net Assets by the number of Certificates issued.
- 1.30 **"Permitted Amendments"** is defined in clause 9 below.
- 1.31 **"Personal Law"** means the law of inheritance and succession as applicable to the individual Certificate Holder.
- 1.32 **"Person"** shall have the same meaning as defined in the Companies Ordinance.
- 1.33 **"Register"** means the Register of the Holders kept pursuant to the Rules and this Deed.
- 1.34 **"Registrar Functions"** means the functions with regard to:
- (a) Maintaining the Register;
 - (b) Receiving application for transfer/ transmission of the Certificates directly from Holder or legal representatives;
 - (c) Processing requests for , transfer and transmission of Certificates and requests for recording of pledge or for recording of changes in information/ particulars/ data with regard to the Holders;
 - (d) Issuing Certificates;
 - (e) Dispatching income distribution warrants;
 - (f) Canceling old Certificates on replacement;
 - (g) Maintaining record of lien/ pledge/ charge; and
 - (h) Keeping record of change of addresses/ other particulars of the Holders.
- 1.35 **"Restricted Investments"** means the following:
- (a) Securities on margin;
 - (b) Commodities or commodity contracts;
 - (c) Real estate or interest in real estate save and except in securities which are secured by real estate or interests therein or issued by companies that invest in real estate or interest therein and are approved by the Investment Adviser;
 - (d) Bearer Securities; and
 - (e) Securities which result in assumption of unlimited liability (actual or contingent);
- 1.36 **"Rules"** means the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 as amended or replaced from time to time.

- 1.37 **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under Section 5 of the Securities & Exchange Ordinance 1969.
- 1.38 **“Transfer Agent”** means a company including a Bank that the Investment Adviser may appoint for performing the Registrar Function.
- 1.39 **“Trust” or “Scheme”** means the Trust constituted by this Trust Deed being a Closed End Scheme.
- 1.40 **“Trustee”** shall mean Central Depository Company of Pakistan Limited (CDC) or such other replacement trustee as may be appointed in accordance with the provisions of this Trust Deed and the Rules.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural words, “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

2 TRUST DEED

- 2.01 This Deed shall be subject to and be governed by the Companies Ordinance, the Rules and all applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions of the Rules, the latter shall supercede and prevail over the provisions contained in this Deed and the Trustee shall be authorized to execute and the Investment Adviser and the Trustee shall execute supplementary trust deed(s) for the purpose of ensuring that the provisions of the Trust Deed do not conflict with the Rules or any applicable law and are in line with Rules.
- 2.02 The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Holder as if he had been a party to this Deed and so to be bound by Deed’s provisions and each Holder authorizes and requires the Trustee and the Investment Adviser to do as required of them by the terms of this Deed.
- 2.03 All the Certificates issued shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Rules. A certificate holder is not liable to make any further payments in respect of the Certificates to be issued by the PICIC Investment Fund pursuant to the Scheme of Arrangement for Amalgamation.
- 2.04 The Trustee shall report on all matters provided in the Rules including issue to the Holders a report on all the matters in which it is required to issue a report under this Deed and the Rules to the Holders including a report to be included in the annual report whether in its opinion, the Investment Adviser has in all material respects managed the Deposited Property in accordance with the provisions of the Rules and the Trust Deed and if the Investment Adviser has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 2.05 The Trustee shall be entitled with the approval of the Commission to retire from his office on appointment of new trustee and the retirement shall take effect from the date of assumption of the assets of the PICIC Investment Fund by the newly appointed Trustee. In the event of the Trustee desiring to retire the Investment Adviser within a period of six months (or in default the Trustee) with the prior written approval of the Commission may by a deed supplemental hereto under the seal of the Investment Adviser or the Trustee (as the case may be) appoint a new Trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new Trustee.

3 DUTIES AND POWERS OF INVESTMENT ADVISER

- 3.01 The Investment Adviser shall comply with the provisions of the Rules and the Trust Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Investment Adviser

by any officer or responsible official of the Investment Adviser or by any nominee or agent appointed by the Investment Adviser and any act or matter so performed shall be deemed for all purposes of this Deed to be the act of the Investment Adviser. The Investment Adviser shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.

- 3.02 The Investment Adviser shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in the Trust Deed and the Rules. Any purchase or sale of investment made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Investment Adviser in this respect, if such instructions are not in conflict with the provisions of the Trust Deed or the Rules. The Investment Adviser shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control. The Investment Adviser shall ensure that all PICIC Investment Fund is managed in accordance with the terms of this Deed and the Rules and all the investments are in accordance with the terms of the investment policy of the PICIC Investment Fund.
- 3.03 The Investment Adviser may from time to time appoint, remove or replace the Transfer Agent.
- 3.04 The Investment Adviser shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 3.05 The Investment Adviser shall not be under any liability except such liability as may be expressly assumed by it under the Rules and the Trust Deed nor shall the Investment Adviser (save as herein otherwise provided) be liable neither for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Investment Adviser 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 in good faith hereunder.
- 3.06 The Investment Adviser shall if it considers necessary request the Trustee, for the protection of Deposited Property or safeguarding the interest of the Certificate Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof. The cost of all such actions shall be charged to PICIC Investment Fund.
- 3.07 The Investment Adviser has the primary responsibility for all record keeping and for producing financial reports from time to time as provided in the Rules and this Deed.
- 3.08 The Investment Adviser shall maintain at its principal office, proper accounts and records, to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the PICIC Investment Fund, all transactions for the account of the PICIC Investment Fund and amounts received and distributed by the PICIC Investment Fund.
- 3.09 The Investment Adviser shall prepare and transmit the annual report, together with a copy of the balance sheet, income and expenditure account and the auditor's report of the PICIC Investment Fund within four months of closing of the Accounting Period or such extended period permissible under the Rules, to the Certificate Holders, and the balance sheet and income and expenditure account shall comply with requirements set out in the Rules.
- 3.10 The Investment Adviser shall within one month of the close of first, second and third quarter of year of account of the PICIC Investment Fund or such extended period permissible under the Rules, prepare and transmit to the Certificate Holders, the Commission and stock exchanges, on which the certificates of the PICIC Investment Fund are listed, balance sheet as at the end of that quarter, an income and expenditure account a cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise.

- 3.11 The Investment Adviser shall maintain a register of the Certificate Holders and inform the Commission of the address where the register is kept.
- 3.12 The Investment Adviser shall appoint, at the establishment of the PICIC Investment Fund and upon any vacancy, an auditor who shall be a chartered accountant and independent of the auditor of the Investment Adviser and the Trustees. Contents of the auditor's report shall be in accordance with the Rules.
- 3.13 The Investment Adviser shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure account and the auditor's report of the PICIC Investment Fund to the Commission within four months of the close of the Accounting Period or such extended period permissible under the Rules, together with a statement containing the following information, namely:-
- (i) total number of Certificate Holders; and
 - (ii) Particulars of the personnel (executive, research and other) managing the PICIC Investment Fund.
- 3.14 The Investment Adviser shall cause to be published, in the Bulletin or other such publication of the stock exchange on which its securities are listed, the names and the value of the portfolio securities of the PICIC Investment Fund as at the end of each quarter.
- 3.15 The Investment Adviser shall maintain such books of accounts and other records as shall depict a true and fair picture of the state of affairs of the PICIC Investment Fund, including;
- (a) Journals, cash book and other records of original entry forming the basis of entry in any ledger;
 - (b) Ledgers (or other comparable record) reflecting asset, liability, income and expense;
 - (c) Ledgers (or other comparable record) showing at any time securities which are receivable or deliverable;
 - (d) Record of transactions with the bank;
 - (e) Register of transaction in securities; and
 - (f) Record of the meetings of the board of directors.

The books of account and other records to be maintained under this clause shall be preserved for a period of not less than ten years.

- 3.16 The Investment Adviser shall transmit to the Certificate Holders,
- (a) an annual report, together with a copy of the balance sheet and income and expenditure account and the auditor's report, in accordance with the Rules and
 - (b) a quarterly report, as of the close of first, second and third quarter of the year of account of the PICIC Investment Fund in accordance with the Rules.

Such report, so far as may be applicable, shall be in accordance with requirements laid down in clauses 3.9, 3.10 and 3.12 above and shall contain a statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at cost and at market), and the percentage in relation to its own assets and the fund capital of the PICIC Investment Fund whose securities are owned.

- 3.17 The statement of income and expenditure of the Trust shall include a statement of income and expenditure of the Investment Adviser in relation to the PICIC Investment Fund.

- 3.18 A copy of the annual report referred to in clause 3.16 shall, within the time specified therein, be furnished to the Commission together with a statement containing inter alia the following information in respect of the PICIC Investment Fund as at the end of the year, as per the requirements of the Rules, namely:-
- (a) Total number of Certificate holders;
 - (b) Particulars of persons holding five per cent or more of the securities of the PICIC Investment Fund at any time during the year;
 - (c) Names and number of securities held by directors and officers of the PICIC Investment Fund;
 - (d) Particulars of the personnel (executive, research and other) of the PICIC Investment Fund;
 - (e) Remuneration paid to the Investment Adviser;
 - (f) Fee paid to the Auditors; and
 - (g) The date, names of persons attending and minutes of each meeting of the board of directors.
- 3.19 The Investment Adviser shall furnish to the stock exchange, where the securities of the PICIC Investment Fund are listed, the Commission and any association of self-regulatory organization, or as directed by the Commission, within fourteen days of the last day of the preceding month, information, as on last date of the preceding month, about the Net Asset Value of securities issued by it, and the net assets have been computed in the manner prescribed in clause (xxxiv) of sub-rule (1) of rule 2 of the Rules.
- 3.20 The Trustee and the Investment Adviser acting together shall be entitled by deed supplemental hereto to modify, amend, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission, if so required. Provided that, the Trustee and the Investment Adviser shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Ordinance or the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more conveniently or economically managed or to enable the Certificates to be dealt in or quoted on the Stock Exchange or other wise for the benefit of the Holders and that it does not prejudice the interest of the Holders, or any other matter that does not alter the fundamental objects of the Trust or any of them or operate to release the Trustee or the Investment Adviser from any responsibility to the Holders (together the ("**Permitted Amendments**")). Any alteration, amendment or modification or additions to the provisions of this Deed other than those related to Permitted Amendments and those mentioned in clause 9.1 below, shall not be made without the (i) approval of the Commission and (ii) sanction of resolution of the Holders at a duly convened meeting and held in accordance with the provisions set forth below:
- (i) The Trustee shall give 21 days prior notice of the meeting to the Certificates Holders, containing the details of the venue, time and details of the resolution to be proposed at the meeting for the purpose of amending the Trust Deed and such notice shall be served in terms of the provisions provided under clause 25 below.
 - (ii) An Extraordinary Resolution passed at a meeting of the Certificate Holders duly convened and held in accordance with the Trust Deed shall be binding on all the Certificates Holders, whether or not present at the meeting. The Trustee and the Investment Adviser shall be bound to give effect to it accordingly.
 - (iii) The expression "Extraordinary Resolution" means a resolution passed by the Certificate Holders representing in the aggregate seventy five per cent of the total face value of the Certificates held by the Certificate Holders present and voting at a meeting of Certificates Holders duly convened and held in accordance with these provisions.
 - (iv) At any meeting at which the Certificate Holders holding or representing in the aggregate one third of the total Certificates shall form a quorum for the meeting and no business shall be transacted at any meeting unless the requisite quorum is present.

(vi) A person nominated in writing by the Trustee shall preside as chairman at every meeting of the Certificate Holders.

(vi) Vote may be given either personally or by proxy.

(vii) The instrument appointing a proxy shall be in the usual common form or such other form as the Trustee may approve and shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorized and that instrument shall be deemed to confer authority to demand or join in demanding a poll.

(vii) A person appointed to act as a proxy should be a Certificate Holder.

3.21 Where this Deed has been altered or supplemented the Investment Adviser shall notify the Holders immediately. The Investment Adviser may from time to time frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of the Trust Deed and the Rules

Investment Restrictions

The Investment Adviser in managing the PICIC Investment Fund shall abide by all the provisions of the Rules.

Prohibitions. The fund shall not:

- (a) merge with, acquire or takeover any other closed-end fund, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
- (b) pledge any of the securities held or beneficially owned by it;
- (c) make a loan or advance of money to any person except in connection with the normal business of the closed-end fund;
- (d) effect a short sale in any security;
- (e) purchase any security in a forward contract;
- (f) purchase any security on margin;
- (g) participate in a joint account with others in any transaction;
- (h) apply any part of its assets to real estate, commodities or commodity contracts
- (i) acquire any security of which another closed-end fund is the issuer but this clause shall not apply in case of floatation of a closed-end fund established with a specific investment objective of investing in other collective investment schemes;
- (j) make an investment in a company which has the effect of vesting the management, or control over the affairs, of such company in the closed-end scheme;
- (k) employ as a broker, directly or indirectly, any director, officer or employee of the closed-end fund or its Investment Adviser or any connected person or member of family of such person and enter into transactions with any connected broker, which shall equal or exceed ten per cent or more of the transactions of the fund in any one accounting year of that fund:

Provided that the Commission may, in each case on merits, permit the ten per cent to be exceeded if the connected broker offers advantages to the fund not available elsewhere:

Explanation: For the purposes of this clause the term "family" includes spouse, lineal ascendants and descendants and brothers and sisters;

- (l) issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- (m) apply for de-listing from stock exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing.
- (n) invest in any security of a company if any director or officer of the Investment Adviser owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Investment Adviser own more than ten per cent of those securities collectively; and

The exposure limit mentioned in the Rules and mentioned in clauses 12.6 and 12.7 below, shall not apply to frozen shares. These represent the holdings of the PICIC Investment Fund in Pakistan State Oil Co. Limited, National Refinery Limited, and Sui Northern Gas Pipelines Limited ("Frozen Shares"), which the Management Company has agreed to sell in terms of the Management Rights Transfer Agreement dated December 13, 2002 executed between Investment Corporation of Pakistan and the Investment Adviser to strategic buyers through Government of Pakistan and till such time, the PICIC Investment Fund is required to hold them as strategic holdings of Government of Pakistan. The exposure limits, as provided in the Rules and as outlined as above shall not apply to Frozen Shares and any bonus or rights shares, subsequently received in respect of the Frozen Shares.

Following are the details of the Frozen Shares:

ICP Mutual Funds	Frozen Shares	Pakistan State Oil Ltd.		National Refinery Ltd.		Sui Northern Gas Pipelines Ltd.		Value on December 31, 2003 (Rs.)	% of Net Assets
		No. of Shares	Value (Rs.)	No. of Shares	Value (Rs.)	No. of Shares	Value (Rs.)		
2nd ICP		186,284	53,752,248	40,000	5,940,000	-	-	59,692,248	47.86%
5th ICP		255,076	73,602,180	29,100	4,321,350	-	-	77,923,530	51.92%
6th ICP		463,344	133,697,911	40,000	5,940,000	230,343	9,490,132	149,128,043	56.26%
7th ICP		128,236	37,002,498	40,000	5,940,000	200,000	8,240,000	51,182,498	32.30%
9th ICP		86,640	24,999,972	72,000	10,692,000	-	-	35,691,972	18.43%
10th ICP		51,676	14,911,110	115,000	17,077,500	285,511	11,763,053	43,751,663	23.12%
13th ICP		827,617	238,808,885	-	-	201,135	8,286,762	247,095,647	61.97%
14th ICP		241,833	69,780,912	-	-	40,000	1,648,000	71,428,912	51.21%
16th ICP		199,276	57,501,090	-	-	73,741	3,038,129	60,539,219	52.96%
17th ICP		188,236	54,315,498	61,000	9,058,500	-	-	63,373,998	40.17%
18th ICP		181,200	52,285,260	-	-	-	-	52,285,260	47.71%
22nd ICP		274,452	79,193,125	165,000	24,502,500	499,158	20,565,310	124,260,934	30.39%
24th ICP		654,861	188,960,142	215,700	32,031,450	428,416	17,650,739	238,642,331	53.94%

† The frozen status of SNGPL shares is under consideration and is yet to be decided.

Exceptions to investment restrictions:

If and so long as the value of the holding in a particular company or sector shall have reached the limit as per the Rules, the Investment Adviser shall not purchase any further investment in such company or sector. This restriction on purchase shall not apply to any offer of rights and bonuses.. However, the Investment Adviser shall bring the investments within prescribed limits within six months of the receipt of such shares / certificates.

4. Valuation of Property, Method of Determining the value of Assets and Liabilities, etc.

- 4.1 A security listed on a stock exchange shall be valued at its last sale price on such exchange on the date as of which it is valued, or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date, the security shall be valued at an amount not higher than the closing asked price nor lower than the closing bid price.

- 4.2 An Investment purchased and awaiting payment against delivery shall be included for valuation purposes as security held, and the cash account of the company shall be adjusted to reflect the purchase price; including brokers' commission and other expenses incurred in the purchase thereof but not disbursed as of the valuation date.
- 4.3 An Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price.
- 4.4 The value of any dividends, bonus-shares or rights which may have been declared on securities in the portfolio and book closure date passed as of the close of business on the valuation date shall be included as assets of the company, if the security upon which such dividends, bonuses or rights were declared is included in the assets and is valued ex-dividend, ex-bonus or ex-rights as the case may be.
- 4.5 A security not listed or quoted on a stock exchange shall be valued at investment price or its break-up value as per last audited accounts, whichever is lower.
- 4.6 Interest/mark-up accrued on any interest/mark-up bearing security in the portfolio shall be included as an asset of the Fund if such accrued interest/mark-up is not otherwise included in the valuation of the security.
- 4.7 Any other income accrued up to the date on which computation was made shall also be included in the assets.
- 4.8 All liabilities, expenses, taxes and other charges due or accrued up to the date of computation which are chargeable under this Trust Deed shall be deducted from the value of the assets.
- 4.9 For any asset class where no specific method of valuation is prescribed in the Rules the guidance from the SECP shall be obtained and valuation shall be done accordingly.

5. REMUNERATION OF INVESTMENT ADVISER AND ITS AGENTS

- 5.1 As per Rules, the Investment Adviser shall be entitled to receive an annual remuneration, not exceeding two percent of the average annual Net Assets of the Fund. Such remuneration shall be paid after the accounts of the PICIC Investment Fund have been audited and for the purposes of this clause, the word average means average of net assets value calculated on weekly basis during the year.
- 5.2 In consideration of the foregoing and save as aforesaid the Investment Adviser shall be responsible for the payment of all expenses incurred by the Investment Adviser from time to time in connection with their responsibilities as Investment Adviser to the Trust, including the remuneration and expenses of the Transfer Agent. The Investment Adviser shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Rules and this Deed to be payable out of the Deposited Property.
- 5.3 The Investment Adviser shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.

6. REMUNERATION OF TRUSTEE AND ITS AGENTS.

- 6.1 The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based as per Annexure "F".
- 6.2 Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.
- 6.3 In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust including any remuneration and expenses of the Custodian. The Trustee shall not make any charge against the Holders or against the

Deposited Property or against the Distribution Account for its service or for its expenses, except such expenses as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and the Trust Deed.

- 6.4 The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.

Remuneration of the Investment Adviser and the Trustee, brokerage and transaction costs relating to investing and disinvesting of the Deposited Property, all expenses incurred by the Trustee effecting the registration of all registerable property in the Trustee's name, legal and related costs as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; Bank charges; financial costs; audit fees; listing fee payable to a Stock Exchange; Formation Cost, fees payable to the Commission under the Rules, Duties and Charges and taxes if any applicable to the Trust shall be payable out of the Deposited Property

All cash forming part of the Deposited Property shall be deposited by the Trustee in one or more separate account (s), in the name of the Trustee with a scheduled Bank approved by the Investment Adviser, having at least minimum investment grade rating, as per criteria laid down by a credit rating agency approved by the Commission. The Bank shall allow profit thereon in accordance with the rules prescribed by the Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Investment Adviser.

Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Investment Adviser or any of their Connected Person shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust. Any transaction between the Trustee and the Investment Adviser or any of the Connected Person as principal, shall only be made, if permissible under the Rules.

7. DETERMINATION OF DISTRIBUTABLE INCOME/ DIVIDENDS

- 7.1 The Investment Adviser shall distribute by way of dividend to the Certificate Holders not less than ninety per cent of income of the PICIC Investment Fund earned or derived from sources other than capital gains as reduced by such expenses as are chargeable to the PICIC Investment Fund under the Rules, including the remuneration payable to the Investment Adviser and such distribution shall be made within forty five days of the Accounting Date. The Investment Adviser shall decide as soon as possible but not later than forty-five days after the Accounting Date the amount of profits, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Certificate, which shall be subject to the provisions of this Deed and in terms of the Rules.
- 7.2 The amount for payment of the Dividends in respect of any Accounting Period shall be determined by the Investment Adviser.
- 7.3 Out of the amount determined for the purpose of distributable Dividends in respect of each Holder withholding tax, zakat or statutory levies as may be applicable to the relevant Holder shall be deducted before computing the distributable income for the relevant Holder.

8 DISTRIBUTION OF INCOME

- 8.1 In respect of each Accounting Period, the Investment Adviser shall instruct the Trustee to transfer such amount of cash as required to effect such distribution of the Dividends to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purpose of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 8.2 After the fixation of the rate of Dividend, distribution payment shall be made by cheque or warrant by the Trustee and sent through the registered post or through such arrangement as the Investment Adviser may consider appropriate to the

registered address of such Holder, or in the case of joint Holders to the Registered address of the joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Investment Adviser shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge thereof.

- 8.3 Before making any payment in respect of the Certificate, the Trustee or the Investment Adviser may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Holder the certificate in respect of such deduction in the prescribed form or in a form approved or required by the concerned authorities.
- 8.4 Where the Certificates are placed under pledge/lien the payment of dividends will be made in accordance with clause 14 of this Deed.

The Annual Accounting Period for PICIC Investment Fund is from July 01 to June 30.

9. MODIFICATION OF THE TRUST DEED

- 9.1 The Trustee and the Investment Adviser acting together shall be entitled by deed supplemental hereto to modify, amend, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission, if so required. Provided that, the Trustee and the Investment Adviser shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Ordinance or the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more conveniently or economically managed or to enable the Certificates to be dealt in or quoted on the Stock Exchange or other wise for the benefit of the Holders and that it does not prejudice the interest of the Holders, or any other matter that does not alter the fundamental objects of the Trust or any of them or operate to release the Trustee or the Investment Adviser from any responsibility to the Holders (together the ("**Permitted Amendments**"). Any alteration, amendment or modification or additions to the provisions of this Deed other than those related to Permitted Amendments shall not be made without the (i) approval of the Commission and (ii) sanction of resolution of the Holders at a duly convened meeting and held in accordance with the provisions set forth below:

(i) The Trustee shall give 21 days prior notice of the meeting to the Certificates Holders, containing the details of the venue, time and details of the resolution to be proposed at the meeting for the purpose of amending the Trust Deed and such notice shall be served in terms of the provisions provided under clause 25 below.

(ii) An Extraordinary Resolution passed at a meeting of the Certificate Holders duly convened and held in accordance with the Trust Deed shall be binding on all the Certificates Holders, whether or not present at the meeting. The Trustee and the Investment Adviser shall be bound to give effect to it accordingly.

(iii) The expression "Extraordinary Resolution" means a resolution passed by the Certificate Holders representing in the aggregate seventy five per cent of the total face value of the Certificates held by the Certificate Holders present and voting at a meeting of Certificates Holders duly convened and held in accordance with these provisions.

(iv) At any meeting at which the Certificate Holders holding or representing in the aggregate one third of the total Certificates shall form a quorum for the meeting and no business shall be transacted at any meeting unless the requisite quorum is present.

(v) A person nominated in writing by the Trustee shall preside as chairman at every meeting of the Certificate Holders.

(vi) Vote may be given either personally or by proxy.

(vii) The instrument appointing a proxy shall be in the usual common form or such other form as the Trustee may approve and shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorized and that instrument shall be deemed to confer authority to demand or join in demanding a poll.

(viii) A person appointed to act as a proxy should be a Certificate Holder.

Where this Deed has been altered or supplemented the Investment Advisor shall notify the Certificate Holders immediately as per clause 25 of this deed.

The Investment Adviser may from time to time frame rules or regulations for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of the Trust Deed and the Rules

10. TERMINATION AND LIQUIDATION OF TRUST

10.1 The Investment Adviser shall give at least three month's notice to the Certificate Holders if the Investment Adviser intends not to maintain authorization of the Trust and to terminate the Trust and shall specifically disclose the grounds for its decision.

10.2 The Trust may also be terminated by the Commission on the grounds given in the Rules.

11. DEPOSITED PROPERTY

11.1 All the assets of whatsoever nature transferred to the Trustee pursuant to the Scheme of Arrangement shall constitute part of the Deposited Property.

11.2 The Trustee shall take the Deposited Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders in accordance with the provisions of the Rules and this Deed. The Deposited Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust and except as permitted under the Rules. All registerable Investment shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by Trustee in effecting such registration shall be payable out of the Deposited Property.

11.3 Save, as herein expressly provided, the Deposited Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person.

11.4 The Trustee shall have the sole responsibility for the safekeeping of the Deposited Property. Subject to the provision of Clause 14.2 below, in the event of any loss arising as a result of an act/ omission of the Trustee, in violation of the terms of this Deed, 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 any such loss.

12. INVESTMENT OF THE DEPOSITED PROPERTY

- 12.1 All cash forming part of the Deposited Property, except in so far as such cash may in the opinion of the Investment Adviser be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject always to the provisions of this Deed) be directed by the Investment Adviser.
- 12.2 Any Investment may at any time be realized at the discretion of the Investment Adviser either in order to invest the proceeds of sale in other Authorised Investments or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorised Investment shall be realized and the net proceeds of realization shall be applied in accordance with this clause; Provided that the Trust may postpone the realization of such Investment for such period as the Investment Adviser may determine to be in the interest of Holders.
- 12.3 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a Broker who must be a member of the Stock Exchange, unless the Investment Adviser is satisfied that it is possible (subject to the applicable laws) to make such purchase or sale more advantageously in some other manner.
- The Investment Adviser shall not appoint directly or indirectly as a broker, any of its directors, executives, officers or employees or their family members (which term shall include its spouse, parents, children, brothers or sisters).
- 12.4 The Deposited Property shall be subject to such exposure limits as are provided in the Rules; Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment such limit may be exceeded, subsequent to the acquisition of such Investment.
- 12.5 As regards investment in equity securities, the Investment Adviser shall not enter into any transaction in any security other than a security which is listed on a stock exchange or for the listing of which an application has been made to a stock exchange:
- Provided that the PICIC Investment Fund may invest up to twenty per cent of its total investment portfolio or such limit as may be prescribed under the Rules in the unlisted Government Securities and secured debt securities having minimum investment grade rating subject to the limits prescribed in clause 12.6 and to such other conditions as the Commission may from time to time notify in the official Gazette.
- 12.6 The investment of the PICIC Investment Fund in any other company or security shall not, at any time, exceed an amount equal to ten per cent of net assets of the PICIC Investment Fund or an amount sufficient to acquire ten per cent of issued capital of that other company or issue, whichever is lower: or such limit as may be prescribed under the Rules
- The Investment Adviser shall bring investments of the PICIC Investment Fund in line with the terms provided in this Trust Deed and the Rules within such time as the Commission may allow at the time of registration or authorization of the PICIC Investment Fund.
- 12.7 The Trust shall not invest more than twenty five per cent of its Net Asset Value or such limit as may be prescribed under the Rules in securities of any one sector as per classification of the stock exchange, or such limit as may be prescribed under the Rules
- 12.8 The Deposited Property shall not be invested in any security of a company if any director or officer of the Investment Adviser owns more than five percent (5%) of the total amount of the securities issued of such company or collectively the directors and officers of the Investment Adviser owns more than ten percent (10%) of the securities issued of the said company, or such limit as may be prescribed under the Rules
- 12.9 The PICIC Investment Fund shall not without the prior approval of the Commission in writing, purchase from, or sell to, any Connected Person or employee of the Investment Adviser or a person who beneficially owns ten per cent or more of the equity of the Investment Adviser, or such limit as may be prescribed under the Rules
- 12.10 In case cash forming part of the Deposited Property is deposited with the Trustee or the Custodian, which is a banking company or a NBFC (as defined under the Rules), return shall be paid on the deposit by such Trustee or

Custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.

- 12.11 The Trust will not at any time;
- (a) invest or deal in Restricted Investments; or
 - (b) make short sales of any security or maintain a short position.
- 12.12 Subject to the Rules, any other applicable law or a separate specific approval of SECP the Investment Adviser may, on behalf of the Scheme, write call options on any of the securities held in the portfolio, if there is a market based exit mechanism from options so written. The Investment Adviser may also, on behalf of the Scheme, buy put options equivalent to any securities held in the portfolio. Under no circumstances shall the Investment Adviser buy or sell options on behalf of the Scheme that result in an exposure beyond the number of underlying securities held in the portfolio of the Scheme. The Investment Adviser may, however, buy call options or put options on one or more item (financial or otherwise) that in its opinion would act as a hedge/ defensive proxy for the overall market risk.
- 12.13 The Investment Adviser may from time to time, for the account of the Trust, direct the Trustee to enter into underwriting, sub-underwriting contracts in relation to the subscription or purchase of Authorised Investments upon such terms in all respects as the Investment Adviser shall think fit but subject always to the provisions of the Rules and the Constitutive Documents and so that no such contract shall relate to an Authorised Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. The underwriting and sub-underwriting commission and all Authorised Investments acquired pursuant to any such contract shall form part of the Deposited Property and any subscription or purchase moneys payable there under shall be paid out of the Deposited Property.

12.14 Investment objective and policy:

The investment objective of the PICIC Investment Fund is wealth maximization of the Certificate Holders for which investments would be made in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

Determination of required returns for the Certificate Holders' wealth maximization, along with other factors, is dependant upon certain key macro-economic indicators and comparable investment returns available in the market.

Determination of risk parameters involves qualitative as well as quantitative analyses including comparison among various capital market instruments, volatility of the available returns on these instruments and macro-economic indicators, as per the judgment of Investment Adviser.

In line with the investment objectives, the investment policy of the PICIC Investment Fund is to maintain an investment mix which optimizes the returns through active fund management. In order to achieve the parameters set by aforementioned policy, the Investment Adviser shall determine/alter the investment mix of the portfolio from time to time keeping in view particular sector or company developments.

Consistent with this policy, the Investment Adviser will invest the Deposited Property in one or more than one of the following:

- (i) Listed Equities;
- (ii) Listed Debt Instruments;
- (iii) Listed Convertible Instruments;
- (iv) Government Securities; and

- (v) All other financial instruments as permissible under the Rules as and when amended.

For the implementation of abovementioned policy, the selection of financial instrument would be undertaken after taking into account the financial, investment, and operational expectation with respect to that particular instrument. Some of the key criteria to be considered for investments / dis-investments decisions are dividend yield, market price / earning ratio, growth, liquidity, market price / book value, trading opportunities and market timing besides maintaining a diversified portfolio.

The unutilized cash balance at any point in time will be placed in the name of the Trustee of the Fund in a scheduled bank(s) on Profit & Loss (PLS) basis and any other investment(s) which is/are in line with the abovementioned investment objectives and applicable regulations.

Furthermore, as closed end funds are available at a discount to net asset value, the Investment Adviser may, subject to specific separate approval from the SECP, invest in closed-end funds, which have consistent good performance record. The Investment Adviser may, subject to separate approval from the SECP, also invest in units of any unit trust schemes, with good performance record.

13. VOTING RIGHTS ON DEPOSITED PROPERTY

- 13.1 All rights of voting attached to any Deposited Property shall be exercisable by the Investment Adviser on behalf of the Trustee and the Investment Adviser shall be entitled to exercise the said rights in what it may consider to be the best interests of the Holders, and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Holders shall not have any right to interfere. .
- 13.2 The Trustee shall upon written request by the Investment Adviser and at their expense, from time to time execute and deliver or cause to be executed or delivered to the Investment Adviser or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favour of such persons as the Investment Adviser may require in writing.

The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

- 13.3 The Trustee shall forward to the Investment Adviser in a timely manner all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.
- 13.4 The Investment Adviser shall keep record of significant / material decisions in meetings in relation to investee companies, where Investment Adviser has actively participated. Such record to be maintained for seven (7) years.

14. DUTIES AND POWERS OF TRUSTEE

- 14.1 The Trustee shall comply with the provisions of the Rules and this Trust Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee with the written approval of the Investment Adviser:

Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.

- 14.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Certificate Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Investment Adviser provided they are not in conflict with the provisions of this Deed or the Rules. Whenever pursuant to any provisions of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Investment Adviser to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Investment Adviser by any person whose signature the Trustee is for the time being authorized in writing by the Investment Adviser to accept.
- 14.3 The Trustee shall carry out the instructions of the Investment Adviser in all matters including investment and disposition of the Deposited Property, if such instructions are not in conflict with the provisions of this Trust Deed or the Rules or any applicable law and regulations.
- 14.4 The Trustee shall, with the approval of the Investment Adviser, from time to time appoint, remove or replace one or more custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Investment Adviser.
- 14.5 The Trustee shall make available or ensure that there is made available to the Investment Adviser such information as the Investment Adviser may reasonably require from time to time in respect of the Deposited Property and all other matters relating to the Scheme.
- 14.6 The Trustee shall report on all matters provided in the Rules including issue to the Holders a report on all the matters in which it is required to issue a report under this Deed and the Rules to the Holders including a report to be included in the annual report whether in its opinion, the Investment Adviser has in all material respects managed the Deposited Property in accordance with the provisions of the Rules and the Trust Deed and if the Investment Adviser has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 14.7 The Trustee shall, if requested by the Investment Adviser, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be on account of the Deposited Property and the Trustee shall (out of the Deposited Property) be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules. The Trustee and the Investment Adviser shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.
- 14.8 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Investment Adviser or any of their Connected Person shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust.
- 14.9 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Investment Adviser nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder. Notwithstanding removal / resignation of Trustee, the Trustee shall remain entitled to the benefit of this clause.
- 14.10 The Trustee shall promptly forward to the Investment Adviser any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any

court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Investment Adviser in all such matters relating to recovery of the Deposited Property.

- 14.11 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Investment Adviser with regard to any voting rights attaching to any investment.
- 14.12 Any transaction between the Trustee and the Investment Adviser or any of the Connected Person(s) as principal, shall only be made, if permissible under the Rules.
- 14.13 The Trustee shall take into its custody or under its control all the Deposited Property and hold it in trust for the certificate holders in accordance with the law and the provision of the Trust Deed and the cash and registerable assets shall be registered in the name of, or to the order of, the Trustee;
- 14.14 The Trustee shall be liable for any act or omission of any agent with whom any investments are deposited as if they were the act or omission of any nominee in relation to any investment forming part of the property of the closed-end scheme.
- 14.15 The Trustee shall ensure that the sale, purchase, issue, and transfer of certificates affected by the PICIC Investment Fund are carried out in accordance with the provisions of the Trust Deed and the Rules.
- 14.16 The Trustee shall carry out the instructions of the Investment Adviser in respect of investments unless they are in conflict with the provisions of this Trust Deed or the Rules or relevant law for the time being in force.
- 14.17 The Trustee shall ensure that the investment limits set out in the Rules and this Trust Deed and the conditions under which the PICIC Investment Fund has been authorized are complied with by the Investment Adviser.

15. CHANGE OF TRUSTEE

- 15.1 The Trustee shall be entitled with the approval of the Commission to retire from his office on appointment of new trustee and the retirement shall take effect from the date of assumption of the assets of the PICIC Investment Fund by the newly appointed Trustee. In the event of the Trustee desiring to retire the Investment Adviser within a period of six months (or in default the Trustee) with the prior written approval of the Commission may by a deed supplemental hereto under the seal of the Investment Adviser or the Trustee (as the case may be) appoint a new Trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new Trustee.
- 15.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed with the Investment Adviser for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Rules, the Investment Adviser shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and the Deed as the new trustee.
- 15.3 The Investment Adviser may remove the Trustee, with the prior approval of the Commission, after giving twenty-one days notice in writing to the Trustee on grounds of any material default or non-compliance with the provisions of the Trustee or the Rules, and appoint another trustee
- 15.4 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sums due from the Trustee.
- 15.5 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

16. CERTIFICATES

- 16.1 All the Certificates represent an undivided share in the Deposited Property and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the Dividends. Each Holder has a beneficial interest in the Trust proportionate to the face value of the Certificates held by such Holder.
- 16.2 All the Certificates issued shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Rules. The liability of the Holders shall be limited to the unpaid amount (if any) on the Certificates.
- 16.3 By a deed supplemental to this deed the Investment Adviser may at any time with the approval of the Trustee on giving not less than twenty-one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the face value of the Certificate(s) and the Holder shall be bound accordingly. The Investment Adviser shall require in such notice that each Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the face value of the Certificates to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such division or consolidation. Such information shall be published in at least one English and one Urdu newspaper widely circulated in Pakistan.
- 16.4 The Investment Adviser may from time to time offer additional certificates for increasing the capital of the PICIC Investment Fund subject to the provisions of the Rules.

17. TRANSFER OF CERTIFICATES

- 17.1 Every Holder shall be entitled to transfer the Certificates held by him by an instrument in such form as the Investment Adviser may prescribe from time to time with the approval of the Trustee.
- 17.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Certificates transferred until the name of the transferee is entered in the Register in respect thereof.
- 17.3 A Certificate must be transferable only in its entirety.
- 17.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value and send to the Transfer Agent. The Certificates inducted in the Central Depository System ("CDS") will be transferred as per the procedure for transfer provided in terms of the Central Depositories Act, 1997 and the regulations and rules promulgated under the Central Depositories Act, 1997.
- 17.5 Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in clause 16 of this Deed.
- 17.6 The Transfer Agent with the prior approval of the Investment Adviser shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years, from termination of the Trust. The Trustee or the Investment Adviser or the Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favour of the Trustee or the Investment Adviser or the Transfer Agent that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Investment Adviser or the Transfer Agent and that every Certificate so destroyed was valid Certificate duly and properly cancelled. Provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- (ii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

18. PLEDGE / LIEN OF CERTIFICATES

- 18.1 Any Certificate Holder may pledge / lien all or any of his Certificates as security for any debt to any third party. The Transfer Agent shall take a note of the pledge / lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Investment Adviser, Trustee and the Transfer Agent along with a joint request from the Certificate Holder and the pledgee has submitted a written application. None of these parties, the Trustee, the Investment Adviser, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan against the constitution of such pledge/lien/charge shall be at the entire discretion of the lender and neither the Trustee nor the Investment Adviser and the Transfer Agent take any responsibility in this matter.
- 18.2 Save any legal bar or court order requiring otherwise, any Dividends that are declared on the pledged Certificates shall be made to the order of the Certificate Holder, however, any bonus certificates that the pledged certificates are entitled to automatically be marked under the lien of the lien holder and in the event the pledged certificates are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.
- 18.3 The lien on the pledged Certificates shall continue till such time it is released by the lien holder in writing.

19. REGISTRATION OF HOLDERS

- 19.1 The Register shall be maintained by the Investment Adviser or if appointed, by the Transfer Agent at such a place as is agreed by the Investment Adviser. The Investment Adviser shall ensure that the Transfer Agent shall comply with all relevant provisions of the Trust Deed and the Rules.
- 19.2 The Investment Adviser shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of this Deed, the Register shall during business hours (subject to a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder of his record without charge.
- 19.3 The Register shall contain the following information in respect of the Certificates:
 - (a) Full names, father's/ husband's names and addresses of each Holder and joint Holders;
 - (b) The distinctive number of the Certificates held and the Certificate number, if any;
 - (c) The date on which the name of every Holder was entered in respect of the Certificates standing in his name;
 - (d) The date on which any transfer is registered;
 - (e) Information about lien / pledge / charge on the Certificates;
 - (f) Tax / Zakat status of the Holder;
 - (g) Record of signature of Holder;

- (h) Nominee; and
- (i) Such other information as the Investment Adviser may require.

- 19.4 The Register shall be conclusive evidence as to the Certificates held by each Holder.
- 19.5 Any change of name or address of any Holder shall forthwith be notified in writing to the Transfer Agent, and such application for change shall be forwarded to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.
- 19.6 The Transfer Agent shall not register more than four joint Holders for a Certificate. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Certificates held by the joint Holder.
- 19.7 A body corporate may be registered a Holder or as one of joint Holders.
- 19.8 The Register may be closed in consultation with the Trustee for such period as the Investment Adviser may from time to time determine and after giving at least seven (7) days notice to Holders, provided that it is not closed for more than forty-five days in any calendar year.
- 19.9 The Holder shall be the only person to be recognized by the Trustee and the Investment Adviser as having any right, title or interest in or to such Certificates and the Trustee and the Investment Adviser may recognize the Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Investment Adviser may authorize the Transfer Agent to record a pledge on any or all Certificates held by a Holder in favor of a third party at the request of such Holder or joint Holders as the case may be in accordance with clause 18 of this Deed.
- 19.10 The executors or administrators or succession certificate holder or deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Investment Adviser as having title to the Certificates represented thereby.
- 19.11 Any person becoming entitled to a Certificate in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject to as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Certificate upon giving the Investment Adviser / Trustee / such notice in writing of his desire or transfer such Certificate to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Holder.
- 19.12 The Trustee shall retain any moneys payable in respect of any Certificate of which any person is under the provisions as to the transmission of the Certificates herein before contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Certificate or shall duly transfer the same.

20. REPLACEMENT OF CERTIFICATES

- 20.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Investment Adviser and subject to any regulations from time to time made by the Trustee with the approval of the Investment Adviser every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate face value of the Certificates.

- 20.2 In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Investment Adviser may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (I) returned the mutilated or defaced Certificate or furnished the Transfer Agent evidence satisfactory to the Investment Adviser of the loss, theft or destruction of the original Certificate;
 - (II) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in the newspaper inviting any claim (if any) against the lost Certificate to be notified to the Investment Adviser, Trustee or Transfer Agent;
 - (III) in the case of joint Holders, obtained the written consent of the joint Holders for issuance of such new Certificates; and
 - (IV) furnished such indemnity as the Investment Adviser and the Trustee may require. Neither the Investment Adviser nor the Trustee nor the Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.
- 20.3 Before the issuing of any Certificate under the provisions of this sub-clause the Transfer Agent may require from the applicant for the Certificate the payment of a fee of Rs. [25/- (Rupees Twenty Five Rupees) for each Certificate, subject to revisions of fee from time to time by the Investment Adviser together with a sum sufficient in the opinion of the Investment Adviser to cover any Duties and Charges payable in connection with the issue of such Certificate.

21. AUDIT

- 21.1 The Investment Adviser shall appoint in terms of the Rules an Auditor who shall be independent of the auditor of the Investment Adviser and the Trustee, The Investment Adviser may at any time remove the Auditor and appoint another Auditor in its place.
- 21.2 The first joint Auditors shall be Ms. M. Yousuf Adil Saleem & Co.- Chartered Accountants & Ms. Taseer Hadi Kahlid & Co.- Chartered Accountants.
- 21.3 The persons not qualified to be the auditor of a public company under the Companies Ordinance will not be qualified to be the Auditor.
- 21.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 21.5 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Investment Adviser, Trustee, Custodian, Transfer Agent, or elsewhere and shall be entitled to require from the Investment Adviser, Trustee, Custodian, Transfer Agent, and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 21.6 The Auditor shall prepare a written report to the Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended hereto.
- 21.7 The contents of the Auditors report shall be as required in the Rules.

22 DISTRIBUTION OF LIQUIDATION PROCEEDS

- 22.1 In case of de-authorization of the PICIC Investment Fund, the Investment Adviser shall be required to wind up the PICIC Investment Fund and refund the net proceeds after deducting all expenses to the Certificate Holders in such manner and within such time as may be specified by the Commission.
- 22.2 The Trustee on the instructions of the Investment Adviser shall from time to time distribute the net proceeds after deducting all expenses of the PICIC Investment Fund from the realization of the Deposited Property in terms and manner as specified by the Commission.

23 ARBITRATION

In the event of any disputes arising out of this Trust Deed or the Rules between the Investment Adviser on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and the conditions of this Trust Deed (including any supplementary trust deed) relating to the Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Investment Adviser and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before the commencement of the reference. The unanimous decision of both the arbitrators or the decision of the umpire, as the case maybe, shall be final and binding upon both the parties. The arbitrators and the umpires shall be selected from amongst, senior partners of renowned firms of chartered accountants, of senior partners or renowned law firms, or senior bankers or senior business men or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

24 CONFIDENTIALITY

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

25. NOTICES

- 25.1 (a) Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in providing such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- (b) The Trustee or the Investment Adviser shall advertise any such notice in two national dailies (one each in English and Urdu language) having nationwide circulation, as provided in this Deed.
- (c) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- (d) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustee or the Investment Adviser have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Certificates concerned.

25.2

A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Investment Adviser at all times during usual business hours and shall be supplied by the Investment Adviser to any person on application at a charge of fifty (50) Rupees per copy or at such rate as determined from time to time by the Investment Adviser.

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

The Common Seal of PAKISTAN INDUSTRIAL CREDIT AND INVESTMENT CORPORATION was hereunto affixed in the presence of :-

Seal

Name: Muhammad Ali Khoja

Signature

NIC

The Common Seal of Central Depository Company of Pakistan Limited (the Trustee) was hereunto affixed in the presence of :-

Seal

(1)

Name: Mohammad Hanif Jakhura

Signature

NIC

(2)

Name: Muhammad Younus H. Ali Dangra

Signature

NIC

Witness:

Name
Signature
NIC

Name
Signature
NIC

Annexure "A"

Copy of the Management Rights Transfer Agreement dated December 13, 2002

Annexure B

Copy of the Scheme of Arrangement for Amalgamation

Annexure C

Authorization of the Commission in respect of appointment of the Trustee

Annexure D

NOC for the Scheme of Arrangement for Amalgamation

Annexure E

Authorization for the registration of PICIC Investment Fund (Conditional)

Annexure F

[Tariff Structure of the Trustee](#)

Annexure "F"TARIFF STRUCTURE

<u>NET ASSETS</u>	<u>TARIFF</u>
UP TO RS. 250 MILLION	0.20% P.A.
ON AMOUNT EXCEEDING RS. 250 MILLION UP TO RS. 500 MILLION	RS. 500,000 PLUS 0.15% P.A. ON AMOUNT EXCEEDING RS. 250 MILLION
ON AMOUNT EXCEEDING RS. 500 MILLION UP TO RS. 2,000 MILLION	RS. 875,000 PLUS 0.08% P.A. ON AMOUNT EXCEEDING RS. 500 MILLION
ON AMOUNT EXCEEDING RS. 2,000 MILLION UP TO RS. 5,000 MILLION	RS. 2,075,000 PLUS 0.06% P.A. ON AMOUNT EXCEEDING RS. 2,000 MILLION
ON AMOUNT EXCEEDING RS. 5,000	RS. 3,875,000 PLUS 0.05% P.A. ON AMOUNT EXCEEDING RS. 5,000 MILLION