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Sub-Registrar
Saddar Town Karachi

TRUST DEED



NIT Islamic Equity Fund (NIT-IEF)
Open End Shariah Compliant Scheme

Between

NATIONAL INVESTMENT TRUST LIMITED

And

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Dated _____

[Handwritten signatures]

24 FEB 2015

1.	NAME OF THE SCHEME.....	3
2.	CATEGORY, TYPE AND BENCHMARK OF THE SCHEME.....	
3.	PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST.....	3
4.	GOVERNING LAW AND JURISDICTION.....	3
5.	DECLARATION OF TRUST.....	4
6.	EFFECT OF THIS DEED AND STATUS OF UNIT HOLDER(S).....	4
7.	ROLE OF THE MANAGEMENT COMPANY.....	5
8.	ROLE OF THE TRUSTEE.....	6
9.	TRUST PROPERTY.....	7
10.	VOTING RIGHTS ON TRUST PROPERTY.....	7
11.	INVESTMENT OF TRUST PROPERTY AND EXPOSURE LIMITS.....	8
12.	VALUATION OF PROPERTY AND PRICING.....	9
13.	DEALING IN UNITS, ISSUANCE OF CERTIFICATES, SUSPENSION AND DEFERRAL OF DEALING.....	9
14.	FEES AND CHARGES.....	11
15.	DETERMINATION OF DISTRIBUTABLE PROFITS.....	12
16.	CHANGE OF THE MANAGEMENT COMPANY.....	12
17.	CHANGE OF TRUSTEE.....	13
18.	TERMINATION, WINDING UP, REVOCATION AND LIQUIDATION OF THE SCHEME.....	13
19.	BASE CURRENCY.....	14
20.	MODIFICATION OF THE TRUST DEED.....	14
21.	AUDIT.....	14
22.	ARBITRATION.....	14
23.	CONFIDENTIALITY.....	14
24.	MISCELLANEOUS.....	15
25.	DEFINITIONS.....	15

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14

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TRUST DEED

101
Sub-Registrar-II

THIS TRUST DEED is made and entered into at Karachi, on this ___ day of ___ 2015.

1. Name of the Scheme

NIT Islamic Equity Fund (NIT-IEF)

2. Category, Type and Benchmark of the Scheme

The Fund shall be an Open End Shariah Compliant (Islamic) Scheme.

The benchmark of the Scheme shall be:

Daily return of KMI 30 Index.

3. Participating Parties and Constitution of the Trust

I. National Investment Trust Limited, a company registered under the Companies Act, 1913 and continuing under the Companies Ordinance 1984, having its registered address at National Bank of Pakistan Building, I.I Chundrigar Road, Karachi (hereinafter interchangeably called "NITL", or the "Management Company", which expression where the context so permits, shall include its successors in interest and assigns) of the One Part;

AND

II. CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED, a public limited company, incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block "B", S.M.C.H.S., main Shahrah-e-Faisal, Karachi (hereinafter interchangeably called "CDCPL", or the "Trustee" which expression, where the context so permits, shall include its successors in interest and assigns) of the Other Part.

WITNESSETH:

The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the "SECP") as an Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "Rules", which expression shall include any amendments thereto and substitutions thereof) for the purpose of undertaking asset management services under License No. NBFC-15/AMC/01/2003 dated May 14, 2003 as renewed on May 16, 2013 vide License No. AMCW/12/NITL/AMC/04/2013 attached hereto as Annexure "A".

- B. The Management Company has been authorized by the SECP vide its letter bearing reference No. SCD/AMCW/NIT/233/2014 dated February 03, 2015 attached herewith as Annexure "B" to constitute the Trust under the name and title of "NIT Islamic Equity Fund (NIT-IEF)" (hereinafter referred to as "the Scheme" or "the Trust" or "the Unit Trust" or "the Fund") and to register this Trust Deed ("the Deed"), pending registration of the Trust as a notified entity under Section 282CA of the Ordinance for the establishment and operation of the Trust in accordance with the provisions of the Rules and Regulations and this Trust Deed;
- C. The Management Company has nominated and appointed Central Depository Company of Pakistan Limited as Trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship as per Annexure "C" attached herewith;
- D. The SECP has also approved the appointment of the Trustee vide its letter bearing reference No. SCD/AMCW/NIT/234/2014 dated February 03, 2015 attached herewith as Annexure "D";
- E. The Management Company has appointed Mufti Zeeshan Abdul Aziz as Shariah Advisor.

4. Governing Law and Jurisdiction

- 4.1 This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, Rules and the Regulations, any directives or circulars issued by SECP and all applicable laws and regulations as amended or replaced from time to time in so far that this

101

does not conflict with the Shariah. Where any Rules or Regulations are amended, any directives are issued or any relaxation or exemption is allowed by SECP it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed pursuant to such amendments, directive, relaxation or exemption shall be deemed to have been incorporated in this Trust Deed without requiring any modification unless specifically required by the SECP, in the event of any conflict between this Trust Deed and the provisions of the Rules, Regulations, directives, circulars, the latter shall supersede and prevail over the provisions contained in this Trust Deed so far as this doesn't conflict with the Shariah.

- 4.2 All investments of the Trust property shall be in accordance with the Islamic Shariah as per the guidelines provided by the Shariah Advisor. The Fund shall be subject to the rules and regulations of the State Bank of Pakistan and the SECP with regard to the foreign investments made by the Fund and also with regard to investments that may be made in the Fund from outside Pakistan. The Investments made by the Fund in offshore countries and bank accounts and custodial services accounts that may be opened by the Trustee for the Fund in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries. Foreign investments made by the fund shall be in accordance with the guidelines of the Shariah Advisor.
- 4.3 Subject to the Clause 22 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holder(s), irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

5. Declaration of Trust

- 5.1 Subject to the amount received from Pre IPO Investors, which shall be possessed by the Trustee in the capacity of custodian, shall be the right of those investors invested such amount till the time of IPO.
- 5.2 It is hereby irrevocably and unconditionally declared that:



The Trustee shall hold and stand possessed the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking pari passu inter se, according to the number of Units held by each Unit Holder(s).

The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Documents, the Rules, the Regulations and the conditions (if any) which may be imposed by the SECP and Shariah Advisor from time to time; and

- c) The Management Company shall establish, manage, operate and administer the Fund in accordance with the Rules, Regulations, any directive or circular on the matter this Deed and the Offering Document as amended from time to time.

6. Effect of this Deed and Status of Unit Holder(s)

6.1 Deed Binding on Each Unit Holder

The terms and conditions of this Trust Deed as amended, as per the term of Clause 20 of this Deed, from time to time shall be binding on each Unit Holder as if the Unit Holder had been party to it and shall be bound by its provisions and shall be deemed to have authorized and required the Trustee and the Management Company to do as required of them by the terms of this Deed and the Regulations.

6.2 Unit Holder(s) Not Liable to Make Further Payments

No Unit Holder(s) shall be liable to make any further contributions to the Fund after he has paid the purchase price of the Units as specified in the Offering Document and no further liability shall be imposed on any Unit Holder(s), in respect of the Units held by him.

6.3 Units to Rank Pari Passu

All Units and fractions thereof represent an undivided share in the Scheme and shall rank pari passu according to the number of Units held by each Unit Holder, including as to the rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and

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101
Sub-Registrar-6

distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units and fractions held by such Unit Holder and shall have such rights as are set out in this Deed and the Offering Document.

6.4 Trustee Report to Unit Holders

The Trustee shall report to the Unit Holders in accordance with the Regulations, directives and circulars issued by the Commission.

7. Role of the Management Company

7.1 The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, Regulations directives, circulars and guidelines issued by SECP, Shariah Advisor and this Deed and the Offering Document.

7.2 The Management Company may from time to time, with the consent of the Trustee, frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that such procedures are not inconsistent with the provisions of the Rules and the Regulations any directives, circulars and guidelines issued by SECP, Shariah Advisor, and this Deed.

7.3 The Management Company shall be responsible to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.

7.4 The Management Company, shall from time to time under intimation to the Trustee appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s). Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions.



7.5 The Management Company may, at its own responsibility and costs (to be borne either from the front end load or management remuneration received), from time to time appoint Investment Facilitators to assist it in promoting sales of Units. An updated list of Distributors and Investment Facilitators appointed by AMC shall be made available at all times on the website of the AMC.

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

7.7 The Management Company shall nominate and notify to the Trustee one or more of its officer(s) to act as authorized persons for interacting with and giving instructions to the Trustee. Any instruction or notice given by such authorized persons shall be deemed to be the instruction or notice given by the Management Company. Any change in such authorized persons shall promptly be notified to the Trustee.

7.8 The Management Company shall, from time to time, advise the Trustee of any settlement instructions relating to any transactions entered into by it on behalf of the Trust. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement

7.9 The Management Company shall provide the Trustee with regular reports indicating profit and other forms of income or inflows, relating to the investments that are due to be received.

7.10 The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof at the cost of the Fund.

7.11 The Management Company shall designate and disclose the location of its official points for

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101
Sub-Registrar's
Office

acceptance of applications for issuance, redemption, conversion, etc of Units in the Offering Document of the Scheme and on its website.

- 7.12 The Management Company shall ensure that all the designated points for acceptance of applications for issuance, redemption, conversion, etc of units of the Scheme have appropriate date and time stamping mechanism for timely acknowledgement of the said applications.
- 7.13 The Management Company shall announce the Net Asset Value (NAV) of the Scheme within such time period and at such frequency as prescribed by SECP from time to time and shall disclose such time period and frequency in the Offering Document.

8. Role of the Trustee

- 8.1 The Trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, this Deed and the Offering Document.
- 8.2 The Trustee shall nominate one or more of its officers to act as authorized persons for performing the Trustee's functions and for interacting with the Management Company. Any change in such authorized persons shall be promptly notified to the Management Company.
- 8.3 The Trustee shall under prior intimation to the Management Company appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be entered into between the Trustee and the Custodian(s), except where the Trustee itself is acting as a Custodian.

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



8.5 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under this Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of this Trust Deed or the Rules and Regulations. Whenever pursuant to any provision of this Trust Deed, any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:

- a) a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and
- b) any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s).

8.6 The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.

8.7 In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

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8.8 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.

8.9 The Trustee shall, if requested by Management Company or if it considers necessary for the

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101

protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized director(s) and officer(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Rules and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided) all such losses, claims, damages and other liabilities shall be borne by the Trust.

8.10 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and this Trust Deed nor shall the Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or gross negligence or that of its agents in relation to any custody of the Trust Property forming part of the Deposited Property. 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 thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

8.11 The Trustee shall promptly forward to the Management Company within one Business Day 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 exchange or any other exchange.



9. Trust Property

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

9.2 The income earned on the investments of pre IPO Investors up to the start of IPO will be paid to such investors either in cash or in the form of additional units for an amount equal to the income earned, as selected by such investors.

9.3 Bank accounts for the Fund shall always be in the name of the Trustee.

9.4 The Trust Property shall initially be constituted out of the proceeds received from investors till the time of Public Offering (PO) after deducting any applicable Duties and Charges, Transactions Costs and Front-end Loads there from.

9.5 All expenses incurred by the Trustee in effecting the registrable Investments in its name shall be payable out of the Trust Property.

9.6 Except as specifically provided in this Trust Deed, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrance whatsoever to secure any Islamic financing, guarantee or any other obligation actual or contingent incurred assumed or undertaken by the Trustee or the Custodian or any other person.

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10. Voting Rights on Trust Property

10.1 All rights of voting attached to any Trust Property shall be exercisable by the

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101
Sub-Registrar of
Land Revenue

Management Company on behalf of the Trustee, and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.

- 10.2 The Trustee shall upon written request by the Management Company and on account of the Trust Property, from time to time execute and deliver or cause to be executed or delivered to the Management Company 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 favor of such persons as the Management Company may require in writing.
- 10.3 The phrase "rights of voting" or the word "vote" used in this 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. The Management Company shall keep record stating the reasons for casting the vote in favor or against any resolution for a period of six years.

11. Investment of Trust Property and Exposure Limits

11.1 Investment Objective

The core objective of the Fund is to maximize Shariah compliant returns for Unit holders, provide a regular stream of current income through dividends, while long term growth is achieved by the management of diversified portfolio and investments into growth and high yield Shariah Compliant equity securities.

11.2 Investment Policy

The Investment Policy of the Fund shall be in accordance with the Rules, Regulations and directives issued by SECP subject to the condition of Shariah and shall be specified in the Offering Document.



11.3 Investment and Exposure Limits

The Trust Property shall be invested by the Trustee from time to time as directed by the Management Company subject to the provisions of Rules, Regulations and directives issued thereunder and the Offering Documents.

11.4 Financing Arrangements

- 11.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange financing for account of the Scheme, with the approval of the Trustee, from Banks, financial institutions, non-banking finance companies or such other companies as specified by the Commission from time to time. The financing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days and such financing shall not exceed fifteen per cent of the Net Asset of the Scheme at the time of financing or such other limit as specified by the Commission. Financing arrangement will exclusively be made under the Islamic modes of finance and with the approval of the Shariah Advisor of the fund.
- 11.4.2 The charges payable to any bank, non-banking finance companies or financial institution against financings on account of the Scheme as permissible under Clause 11.4.1 above, shall not be higher than the normal prevailing bank charges or normal market rates.
- 11.4.3 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing financings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for payment of financing liabilities.
- 11.4.4 For the purposes of securing any financing the Trustee may, subject to clause 11.4.1 above, on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property.

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- A signature at the bottom left of the 11.4.3 section.
- A signature at the bottom left of the 11.4.4 section.