

**Risk Disclaimer: All Investments in mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in clause 2.2, Risk Factors mentioned in clause 2.6, Taxation Policies mentioned in Clause 7 and Warnings in Clause 9 before making any investment decision.**

## **OFFERING DOCUMENT OF**

### **ALFALAH GHP INCOME FUND**

*(Formerly IGI Income Fund)*

### **An Open Ended Income Scheme**

<b>Fund Category</b>	<b>Risk Profile as per Circular 2 of 2020</b>	<b>Risk of Principal Erosion</b>
Income Scheme	Medium	Principal at medium risk

**MANAGED BY**

**ALFALAH GHP INVESTMENT  
MANAGEMENT LIMITED**

Investors are advised in their own interest to carefully read the contents of the Offering Document in particular the risk factors mentioned in Clause 2.9, Disclaimer in Clause 2.10 and Warnings in Clause 11.3 before making any decisions.



# Offering Document

## IGI Income Fund

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**OFFERING DOCUMENT**

**IGI INCOME FUND**

MANAGED BY

IGI FUNDS LIMITED

[formerly First International Capital Management Limited]

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

Date of Publication of this Offering Document: April 5, 2007

Public Offering: April 13, 2007 to April 14, 2007 (both days inclusive)

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The IGI Income Fund (the Fund/the Trust/the Unit Trust/the Scheme) has been established through a Trust Deed entered into between IGI Funds Limited (formerly First International Capital Management Limited), the “**Management Company**” and Central Depository Company of Pakistan Limited, the “**Trustee**” and is authorized under the Non-Banking Finance Companies (Establishment and Regulation Rules), 2003 (“Rules”).

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**Regulatory Approval and Consent**

**Approval of the Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (herein after referred to as “SECP” or the “Commission”) has authorized the offer of Units of the IGI Income Fund (the “Scheme”) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (herein after referred to as the “Rules”). The Commission has approved this Offering Document under the Rules.

Please note that in giving this approval, the Commission does not take any responsibility for the financial soundness of the Scheme nor for the accuracy of any statement made or opinion expressed in this Offering Document.

**If you have any doubt about the contents of this Offering Document, you should consult one or more from amongst your legal adviser, stock broker, bank manager, or other financial/ tax adviser. Investors must recognize that all investments involve varying levels of risk. The portfolio of IGI Income Fund consists of market based investments and is subject to market fluctuations and risks inherent in all such investments. The value of Units in IGI Income Fund may appreciate as well as depreciate, and consequently the level of dividend declared by IGI Income Fund may get affected to that extent. Investors are requested to read the Risk Disclosure and Disclaimer statement contained in Clauses 2.9 and 2.10 of this Offering Document.**

### **Filing of the Offering Document**

The Management Company has filed a copy of this Offering Document signed by the Chief Executive Officer along with the Trust Deed with the Commission. Certified copies of the documents mentioned below can be inspected at the head offices of the Management Company or the Trustee:

1. The Commission's letter No.SEC/NBFC-AD/FICML/344/2006 dated May 24, 2006 granting license to the Management Company for the purposes of carrying out investment advisory and asset management services together with a copy of the license.
2. Letter No. KA-ZS-574 dated November 1, 2006 from KPMG Taseer Hadi & Co, Chartered Accountants, Auditors of the IGI Income Fund, consenting to the issue of the statements and reports.
3. The Commission's letter No.SEC/NBFC-II/AD-Jam/IGIIF/875/2006 dated December 7, 2006 approving the appointment of Central Depository Company of Pakistan Limited as the Trustee of the IGI Income Fund.
4. Trust Deed of IGI Income Fund dated December 18, 2006 and executed between IGI Funds Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee.
5. The Commission's letter No. NBFC-II/AD/IGIIF/204/2007 dated March 16, 2007 authorizing the IGI Income Fund.
6. The Commission's letter No. SEC/NBFC-II/AD/IGIIF/233/2007 dated April 3, 2007 approving this Offering Document.

## 1. CONSTITUTION OF THE SCHEME

### 1.1 Constitution

IGI Income Fund is an open-end scheme that has been constituted by a Trust Deed entered into at Karachi on December 18, 2006, under the Trusts Act 1882, executed between:

**IGI Funds Limited**, a Non-Banking Finance Company incorporated under the Companies Ordinance, 1984 having its registered office at 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore, and licensed by the Commission to undertake investment advisory and asset management services;

**AND**

**Central Depository Company of Pakistan Limited**, a company incorporated under the Companies Ordinance, 1984 with its registered office at CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan as the Trustee.

### 1.2 Trust Deed

1.2.1 The Trust Deed shall be subject to and governed by the laws of the Islamic Republic of Pakistan, including the 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 the Trust Deed as a part and parcel thereof and in the event of any conflict between the Trust Deed and the provisions required to be contained in a trust deed by the Rules, the latter shall supersede and prevail over the provisions contained in the Trust Deed.

1.2.2 Subject to the Arbitration Clause 30 of the Trust Deed, 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.

### 1.3 Modification of the Trust Deed

1.3.1 The Trustee and the Management Company, acting together and with the prior written approval of the Commission, shall be entitled, by supplemental deed, to modify, alter, or add to the provisions of the Trust Deed on any of the following grounds:

- (a) To such extent as may be required to ensure compliance with any applicable laws and regulations or any amendments of such laws and regulations;
- (b) To enable the provisions of the Trust Deed to be more conveniently and efficiently implemented;
- (c) To enable the Units to be listed on the Stock Exchange or any other Exchange; or
- (d) Otherwise to the benefit of the Unit Holders.

Provided that in the case of (b), (c), and (d) above, such alteration or addition shall not prejudice the interests of the Unit Holders; and in any event, it shall not release the Trustee or the Management Company of their responsibilities.

1.3.2 Where the Trust Deed has been altered or supplemented the Management Company shall notify the Unit Holder(s) immediately at their respective registered addresses and the dispatch of such notices to the Unit Holders shall be announced in two (2) daily newspapers having their primary circulation in Pakistan.

1.3.3 The Management Company may, from time to time, with the consent and comfort of the Trustee frame regulations for conducting the business of the Scheme or in respect of any other matter incidental thereto; provided such rules or regulations are consistent with the provisions of the Rules, the Trust Deed and this Offering Document.

1.3.4 If the Commission modifies the Rules or allows any relaxations or exemptions, in respect thereof, these shall be deemed to have been included in the Trust Deed without requiring any modification as such.

#### 1.4 Duration

The duration of the Scheme is perpetual. However, the Commission or the Management Company may, on the occurrence of certain events, wind it up as stated in Clause 13 of this Offering Document under the heading of “**Termination of the IGI Income Fund**”.

#### 1.5 Units

The Scheme is divided into Units having an Initial Price of Rs.100/- (Rupees One Hundred) each. This price is applicable to such Units that are issued before close of the Initial Period. Thereafter, the Units shall be issued on the basis of the Net Asset Value (NAV) of the IGI Income Fund, which shall form the base for determining the Offer Price and the Redemption Price.

All Units and fractions thereof represent an undivided share in the Scheme and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Scheme proportionate to the Units held by such Unit Holder. The Units issued with differing arrangements may have differing respective applicable quantum of the Front-end Load added to the NAV for determining the Offer Price thereof and differing respective applicable quantum of the Back-end Load deducted from the NAV for determining the Redemption Price.

#### 1.6 Open-end Scheme

The Scheme shall offer and redeem Units on a continuing basis subject to the terms contained herein and the Rules. The Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investor accounts. Fractional Units shall be issued to enhance economical and efficient handling. Units are also transferable and shall be issued in registered, un-certificated form and shall be confirmed to investors by means of an account statement issued by the Transfer Agent. However, investors have the option to request their Unit Certificates subject to the conditions stated in sub-clause 9.7 of this Offering Document.

#### 1.7 Initial Offer

The Initial Offer shall be made during the Initial Period, which shall be for two (2) Business Days and commence at the start of banking hours on April 13, 2007 and shall end at the close of banking hours on April 14, 2007. During the Initial Period, Units shall be offered at the Initial Price of Rs. 100/- (Rupees One Hundred) per Unit and shall not include any Sales Load. During the Initial Period, Units shall not be redeemed.

#### 1.8 Transaction in Units after Initial Period

Subsequent to the Initial Offer, the public sale of Units at the Initial Price shall be discontinued. The Units shall be offered at the applicable Offer Price and redeemed at the applicable Redemption Price. The Management Company shall determine the Offer Price and Redemption Price on the basis of the Net Asset Value (NAV). The Offer and Redemption Prices shall be calculated and Units shall be available for purchase and redemption on each Subscription Day. Please see Clause 4 for details.

The Management Company may at some future time register the Units with a depository organization, such as the Central Depository Company of Pakistan Limited. Any issue, redemption, transfer or transmittal of de-materialized Units registered with the depository shall take place according to the rules and regulations of the depository organization and the Management Company may frame its own rules and regulations to deal with such situations.

The Issue and Redemption of Units may be suspended or deferred by the Management Company under certain circumstances as detailed in Clause 4.



## **2. INVESTMENT OBJECTIVE, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER**

### **2.1 Investment Objective**

The investment objective of the Scheme is to minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the Unit Holder(s). The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

### **2.2 Investment Policy**

The investment policy of the Scheme is constructed to ensure the overall compliance with the above mentioned investment objective. As such, the investment policy shall focus on selecting instruments, executing transactions and constructing a portfolio to match the investment objective.

The investment policy of the Scheme shall select instruments from within the specified Authorized Investments as stated below (a) through (p):

- (a) bonds, debentures, debenture stock, redeemable preference shares, participation term certificates, modaraba certificates, certificate of musharika (CoM), Global Depository Receipts (GDRs), commercial papers, convertible bonds, convertible debt securities, asset backed or mortgage backed securities (for ready settlement or for future settlement) money market and fixed income securities traded or to be traded in Over The Counter (OTC) Markets; rated corporate debt, credit linked notes, treasury bills and other Government Securities;
- (b) money market instruments, certificates of deposit, certificates of investment (including all variations), term deposits receipts and bankers' acceptances;
- (c) deposits with commercial Banks or term deposits with Financial Institutions under the regulatory ambit of main land regulatory authority including deposits in currencies other than the Pakistani Rupee as permitted by the State Bank of Pakistan;
- (d) units in any other money market / fixed income scheme. The purchase and acquisition of units of one (1) money market / fixed income scheme shall not exceed ten percent (10%) of the Net Assets of the Scheme at the time of purchase, except as may otherwise be permitted under the Rules;
- (e) any other debt security, listed or for the listing of which application has been approved by one (1) or more Stock Exchange(s) but does not include bearer security or any other security that would involve assumption of unlimited liability;
- (f) repurchase transactions (REPOs) against money market instruments only as per the Rules and reverse REPOs against eligible Securities;
- (g) any other debt security in respect of which permission to deal on a stock Exchange is effective subject to any appropriate investment grading or as per the criteria that may be laid down by the Commission;
- (h) Continuous Funding System (CFS) and its successors. Investment in CFS shall be restricted up to a maximum of fifty percent (50%) of Net Assets of the Scheme, with not more than twenty percent (20%) of the CFS amount in any one (1) scrip at the time of Investment; or any other system/financing mechanism replacing CFS subject to the approval of the Commission;
- (i) spread transactions subject to the Rules;
- (j) derivative instruments including options, interest rate swaps, forward rate agreements and any other derivative instruments permitted by the Commission. The Investment in this asset class shall be for hedging purposes only and subject to such other terms and conditions as may be notified by the Commission;

- (k) secured privately placed instruments, listed Term Finance Certificates (TFCs) issued by corporates and Financial Institutions. If the entity issuing the TFCs is not rated then the instrument should have been rated by a credit rating agency registered with the Commission;
- (l) convertible TFCs issued by corporates / Financial Institutions. In case the Scheme is required to convert TFCs into shares, it shall offload the shares within a period of three (3) months of the shares being issued;
- (m) convertible and non-convertible preference shares. In case the Scheme is required to convert the preference shares into ordinary shares, it shall offload the shares within a period of three (3) months of the shares being issued;
- (n) subject to the Commission or other regulatory approvals the Scheme may seek to invest in debt instruments issued, listed and traded outside Pakistan on such terms, guidelines and direction as may be issued by the Commission and the State Bank of Pakistan from time to time;
- (o) warrants, options and other derivatives subject to the prior approval of the Commission, or applicable rules and regulations. Investment in this class shall be for hedging purposes only and subject to such terms and conditions as approved by the Commission from time to time; and
- (p) any other investments as the Management Company may deem appropriate from time to time with the prior approval of the Commission.

The Scheme's investment process is based on fundamental credit analysis of the investments that may be deemed suitable to be held either in their own right or integrated with various strategies and hence acquire a priority and place in the investment structure. Specifically, the investment process shall consider the following key broad parameters:

- i. The Scheme shall seek to invest in those debt, fixed income instruments and securities that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay. For Continuous Funding System (CFS) investments, the Scheme shall seek to identify the CFS eligible stock / scrips that offer attractive returns, and invest with only those brokerage houses which have strong sponsors and financials.
- ii. Cash forming part of the Trust Property may be placed as deposits with the Trustee or an institution licensed to accept deposits.

### 2.3 Principle Risk Factors and Risk Control in the Investment Process

- (a) The return of the Scheme is subject to fluctuations in interest rates. As a result, there is a risk that a decline in short-term interest rates may lower the Scheme's return and consequently affect the overall return on investment.
- (b) Factors affecting the health of financial services companies may have significant impact on the overall performance of the Scheme.
- (c) Although the Scheme seeks to preserve the value of your investment, it is possible to lose money by investing in the Scheme.
- (d) As with any money market / income fund, there is risk that the issuers or guarantors of securities owned by the Scheme, including securities issued by Government agencies not backed by the full faith and credit of the Government of Pakistan, will default on the payment of the principal or interest amount or the obligation to repurchase securities from the Scheme.

The Management Company shall incorporate adequate safeguards for controlling the risks in the portfolio construction process. The risk control process would include reducing risks through portfolio diversification and altering the various types of investments depending on market conditions. In order to counter the judgment risk, the Management Company has employed qualified personnel with professional experience in the investments department.

## 2.4 Investment in Securities Listed or Traded Outside Pakistan

The Management Company may with the prior written regulatory permission from the Commission and State Bank of Pakistan and subject to exchange controls invest in instruments issued, traded and listed outside Pakistan.

## 2.5 Investment Restrictions

2.5.1 Investments of the Trust Property shall be subject to such exposure limits as are provided in the Rules (subject to any exemptions that may be specifically given to the Scheme by the Commission). Provided further, that it shall not be necessary for the Trustee to sell any Investment because of appreciation or depreciation of any Investment or disposal of any Investment such limit shall be exceeded. The Management Company shall have three (3) months to comply with the exposure limits in case such limits are exceeded.

2.5.2 The Scheme shall not invest more than twenty five percent (25%) of its Net Assets in securities of any one (1) sector as per classification of Stock Exchange(s).

2.5.3 The purchase or acquisition of units in other open end unit trusts shall not exceed in the aggregate ten percent (10%) of the Net Assets immediately after such Investment has been made.

2.5.4 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company or any of their Connected Persons own more than five (5%) per cent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company or any of their Connected Persons own more than ten (10%) per cent of those securities.

2.5.5 The Scheme shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company or the Trustee, save in the case of such party acting as an intermediary.

2.5.6 The Scheme shall not at any time:

(a) Purchase or sell:

- ▶ Bearer securities;
- ▶ Securities on margin;
- ▶ Securities which result in assumption of unlimited liability (actual or contingent);
- ▶ Anything other than Authorized Investments;
- ▶ Commodities and Commodities Contract;
- ▶ Real estate

(b) Participate in a joint account with others in any transaction;

(c) Make short sales of any security or maintain a short position in securities.

2.5.7 Under no circumstances shall the Management Company buy or sell such 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 Management Company may, however, buy call options or put options, on one or more items (financial or otherwise) which in its opinion shall act as a hedge/defensive proxy for the overall market risk.

2.5.8 Investment of the Scheme in any company shall not, at any time, exceed an amount equal to ten percent (10%) of the total Net Assets of the Scheme at the time of investment or ten percent (10%) of the issued capital of the investee company whichever is lower.

## 2.6 Exceptions to the Investment Restrictions

In the event that the weightages of securities exceed the limits laid down in this Offering Document or the Rules as a result of the relative movement in the market prices of Investments or through any dis-Investment, the Management Company shall bring the exposure within the prescribed limits within three (3) months of the event. The Management Company shall not invest further in such securities while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares and bonus shares.

## 2.7 Borrowing and Borrowing Restrictions

- 2.7.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may, subject to written approval of the Management Company make varying arrangements with Banks or other Financial Institutions for borrowing for the account(s) of the Scheme provided that the borrowing shall not be resorted to, except for meeting the redemption requests.
- 2.7.2 The charges payable to any Bank or Financial Institution against the borrowings on account of the Scheme as permissible under sub-clause 2.7.1 above shall not be higher than the normal prevailing Bank charges or normal market rates.
- 2.7.3 The maximum borrowing for the account of the Scheme shall not exceed fifteen percent (15%) of the total Net Assets of the Scheme or such other limit as may be provided in the Rules and shall be repayable within a period of ninety (90) days. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 2.7.4 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 2.7.5 For the purposes of securing any such borrowings the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules and / or any law for the time being in force.
- 2.7.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Scheme or any loss that Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

## 2.8 Restrictions on Transactions with Connected Persons

- 2.8.1 The Trust Property shall not be invested in any security of a company if any Director or Officer of the Management Company individually owns more than five percent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company own more than ten percent (10%) of those securities.
- 2.8.2 The Scheme shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten percent (10%) or more of the equity of the Management Company or the Trustee, or the major shareholders of the Management Company, save in the case of such party acting as an intermediary.
- 2.8.3 For the purposes of sub-clauses 2.8.1 and 2.8.2 above, the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 2.8.4 Cash forming part of the Trust Property may be placed as term deposits with the Trustee or an institution licensed to accept deposits.
- 2.8.5 Money can be borrowed from the Trustee or any other institution provided that the charges are not higher than the normal Bank charges.
- 2.8.6 All transactions carried out by or on behalf of the Scheme shall be made as provided in the Trust Deed and this Offering Document and shall be disclosed in the Scheme's annual accounts.
- 2.8.7 Subject to the Rules, any transaction between the Scheme and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.

## 2.9 Risk Disclosure

Investors in the IGI Income Fund are advised that all investments in mutual funds and securities are subject to market risks. Risks include but are not limited to:

2.9.1 Credit Risk - Credit risk is comprised of default risk, credit spread risk and downgrade risk. Each can have a negative impact on the value of a fixed income security, including money market instruments.

- (a) Default Risk - is the risk that the issuer shall not be able to pay the obligation, either on time or at all.
- (b) Credit Spread Risk - is the risk that there shall be an increase in the difference between the return/mark-up rate of an issuer's bond and the return/markup rate of a bond that is considered to have little associated risk. The difference between this return/mark up rate is called 'credit spread'. An increase in the credit spread would decrease the value of fixed income securities including money market instruments.
- (c) Downgrade Risk - is the risk that a credit rating agency such as PACRA or JCR-VIS or any other reputed international credit rating agency, shall reduce the credit rating of an issuer's securities. Downgrades in credit rating shall decrease the value of those fixed income securities including money market instruments.

2.9.2 Currency Risk - The Scheme may be affected favorably or unfavorably by changes in currencies and exchange control regulations. The income earned by the IGI Income Fund may also be affected by foreign exchange rates.

2.9.3 Interest Rate Risk - debt securities including money market instruments pay a fixed rate of coupon / mark-up. The value of the Scheme due to its holdings in debt securities including money market instruments shall rise and fall as mark up rates change. For example, when interest rate falls, the value of an existing bond will rise because the coupon rate on bond is greater than prevailing return/mark-up rates and vice versa.

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

2.9.5 Derivative Risk - Derivatives may be used to limit or hedge potential fund losses associated with capital markets and return/mark-up/coupon rates. This process is called "hedging". Derivatives may also be used for non-hedging purposes to reduce transaction costs, achieve greater liquidity, create effective exposure to financial markets or increase speed and flexibility in making portfolio changes. Any use of derivatives has risks, including;

- (a) The hedging strategy may not be effective;
- (b) There is no guarantee that a market shall exist when the Scheme wants to buy or sell the derivative contract;
- (c) A large percentage of the assets of the Scheme may be placed in deposit with one (1) or more counter parties;
- (d) There is no guarantee that an acceptable counterpart shall be willing to enter into a derivative contract;
- (e) The counter party to the derivative contract may not be able to meet its obligations;
- (f) The Stock Exchange(s) on which the derivative contracts are traded may set daily trading limits, preventing the Scheme from closing out a particular contract;
- (g) If a Stock Exchange(s) halts trading in any particular derivative contract, the Scheme may not be able to close out its position in that contract;
- (h) The price of the derivative may not accurately reflect the value of the underlying security or index.

- 2.9.6 Voluminous Purchase / Redemption of the Scheme Units Risk - Any significant transaction made by an investor could significantly impact the Scheme's cash flow. If the investor(s) buys a large number of Units of the Scheme, the Scheme may temporarily have a high cash balance. Conversely, if the Unit Holder(s) redeems a large number of Units, the Scheme may be required to fund the redemption by selling securities at an inopportune price. This unexpected sale may have a negative impact on the performance of the Scheme.
- 2.9.7 Counterparty Risk - The risks with REPO/reverse REPO/money market placement transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Scheme maybe left holding the security and may not be able to sell it at the same price it paid for it, plus return/mark-up, if the market value of the security has dropped. In case of a repurchase transaction, the Scheme may incur a loss if the value of the security sold has increased more than the value of the cash or collateral held.
- 2.9.8 Other Risks Involved:
- (a) Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made;
  - (b) Breakdown of law and order, war, terrorist activity, natural disasters etc.;
  - (c) Senior rights of some creditors over other creditors in the event of winding up.

## 2.10 Disclaimer

**Units of the Scheme are not Bank deposits and are neither issued by, nor insured by, nor obligations of, nor otherwise supported by the Commission, any Government agency, the Trustee (except to the extent specified herein or in the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other Bank or Financial Institution.**

### **3. OPERATORS AND PRINCIPALS**

#### **3.1 Management Company**

IGI Funds Limited's strength lies in its team of professionals and is reflected in the profile of its management team. A brief narrative of the qualifications and professional experience of key staff is provided below:

##### **3.1.1 Ali Azam Shirazee – CEO**

Mr. Shirazee has over 20 years of experience in banking and capital markets. Prior to joining IGI Funds Limited, he was the CEO and Sponsor Director of Finex Securities Limited, where he established and managed the financial brokerage firm since 1991. Mr. Shirazee started his career at ANZ Grindlays Bank and subsequently worked for American Express Bank and Bank of America, in their Treasury Divisions.

Mr. Shirazee holds a Bachelors and Masters degree in Business Administration from the Institute of Business Administration (IBA), and professional certifications including the Canadian Securities Course from the Canadian Securities Institute, Toronto and a Banking Diploma from the Institute of Bankers in Pakistan, Karachi.

##### **3.1.2 Syed Zulfiqar Ali – CIO**

Mr. Ali has 12 years of experience in the domestic and international asset management industry. Prior to joining IGI Funds, Mr. Ali was Associate Director at BMA Capital. From 1994 to 2002 he was a portfolio manager at Prudential Financial, USA managing a portfolio of over USD 2.0 billion in emerging markets.

Mr. Ali holds an MBA from Oxford University's Said Business School and a BA in Economics, International Relations, and Political Science from Brown University, USA.

##### **3.1.3 Syed Mohammed Ali Raza – SVP & Group Head**

Mr. Raza has 9 years of experience in the domestic and international mutual funds industry. Prior to joining IGI Funds he was Senior Vice President and Head of Marketing at BMA Asset Management. At BMA, Mr. Raza structured and secured the regulatory approvals for Pakistan's first principal guaranteed fund. Mr. Raza also worked for Al Meezan Investment Management, where he was responsible for the successful launch of the Rs. 1.2 billion Meezan Balanced Fund. He was also a Senior Analyst for The Hartford Mutual Funds, USA, where he was responsible for the distribution channels of over 40 open-end mutual funds. He helped launch the Hartford Mutual Funds 529 Tax-exempt Educational Plan and was instrumental in coordinating the merger between The Hartford Mutual Funds and Fortis Mutual Funds.

Mr. Raza holds a BA in Economics from the University of Massachusetts, Amherst.

##### **3.1.4 Mirza Mahmood - CFO & Company Secretary**

Mr. Mahmood has over 3 years of experience with the National Investment Trust (NIT), where he was heading a section comprising of the treasury, operations and fund accounts. In addition, he was a director for various companies, including Pakistan Cement, Hashimi Can, Premium Textile, Paramount Spinning, Asian Leasing and English Leasing. Mr. Mahmood has also served at KPMG's Karachi office for more than 6 years conducting audits of various financial institutions, mutual funds and multinational corporations including Standard Chartered, Emirates Bank, Habib Bank Limited, United Bank Limited, NIT, Unilever, Pakistan International Airlines (PIA) and Organon Pakistan.

Mr. Mahmood is a qualified Chartered Accountant from Institute of Chartered Accountants of Pakistan (ICAP).

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

Particulars and details of other directorships held are provided in **Annexure 'D'**.

##### **3.2.1 Bazi A. Khan - Chairman**

Mr. Khan has over 48 years of professional experience across multiple industries, including 15 years of service in the Pakistan Navy. Mr. Khan worked for ICI Pakistan for 24 years and served in various roles of the company's core areas of business, his most notable assignments at ICI Pakistan included holding

the positions of Director and General Manager of Paint, Soda Ash and Polyester business. Mr. Khan's professional assignments also include serving as the Director and General Manager of Arbor Acres and Sunshine Dairies, Project Director for BRR Fertilizer and Business Advisor for Bahria Foundation. Mr. Khan was also the Chairman of the Polyester Manufacturers Group and was a member of the Executive Committee of the Pakistan Industrial Employers Federation. Mr. Khan was an Honorary Consul for the United Kingdom for 8 years and is currently the Honorary Consul for Australia in Karachi.

Mr. Khan has a post graduate diploma in Business Administration and has attended courses from ICI (UK) and PIM, including Senior Managers Strategic Course, Marketing, Quality and Behavioral Courses.

### 3.2.2 **Khalid Yacob – Director**

Mr. Yacob has over 30 years of experience in accounting and finance, and is the Finance Manager for Packages Limited since 1988. He successfully implemented and introduced accounting best practices and control mechanisms for Packages Limited, and was also responsible for the implementation of key inventory and accounting controls software. Mr. Yacob has also worked in Whinney Murray & Co. (Saudi Arabia) and with A.F. Ferguson & Co. Mr. Yacob is a director for several companies including, Tetra Pak Pakistan Limited, Tri-Pack Films Limited, Packages Lanka (Pvt) Limited and IGI Investment Bank Limited (formerly First International Investment Bank Limited).

Mr. Yacob is a Fellow Member of the Institute of Chartered Accountants of Pakistan (F.C.A), and qualified Chartered Accountant from England and Wales, and attended the Program for Management Development at the Harvard Business School.

### 3.2.3 **Ahmad Alman Aslam – Director**

Mr. Aslam has over 30 years of professional experience in investment banking, corporate finance and advisory services. He is currently a managing partner of Ahmad Alman Aslam and Associates, an enterprise engaged in investment banking services. Mr. Aslam started his career with Citibank in 1975 and continued with Citibank for 28 years, serving in various capacities including in Investment Banking and Corporate Finance for the Central & Eastern Europe, Middle East and Africa (CEEMEA) region, Chief of Staff to Global Markets Organization, Debt Portfolio Manager for Cross Border Finance Group (CBFG), directly managing the project finance transaction of the Hub River Power Project, headed the Investment Banking arm of Citibank Pakistan, Corporate Bank Head for Citibank, Zambia. Mr. Aslam has also served as an Advisor to EMP Washington.

Mr. Aslam has a Masters in Business Administration from Punjab University and attended the program for Management Development at Harvard University, Cambridge.

### 3.2.4 **Abid Naqvi – Director**

Mr. Naqvi is presently the Chief Executive Officer of ACL Capital Private Limited, a privately owned business development company and has almost 25 years of professional experience in the financial services industry. Mr. Naqvi started his career with Citibank, Pakistan in 1982 and his subsequent assignments include, Head of Economics for the National Development Finance Corporation (NDFC) where he was in close liaison with government economic, planning and finance ministries as well as a permanent representative of the CDWP, 5 Year Plan Expert Working Groups. He was also the Managing Director, Deputy Managing Director and Head of Research for Taurus Securities from 1997 to 2004. He was a member of various committees of the Karachi Stock Exchange and played an active role in promoting the cause of capital markets.

Mr. Naqvi holds a Bachelors degree in Economics from University College, London, United Kingdom.

### 3.2.5 **Syed Javed Hassan - Director**

Mr. Hassan has over 20 years of experience in asset management and capital markets, and is currently the CEO of International General Insurance Company of Pakistan Limited. Prior to joining IGI Insurance, Mr. Hassan's assignments included Chief Executive of UBL Asset Management Company, Senior Vice President and Head of Asian Insurance Research at Fox-Pitt Kelton (Asia), Assistant Director at PriceWaterhouseCoopers in London, Vice President Emerging Markets at ING Baring Securities Limited and also helped set up ING Barings Pakistan Office. Mr. Hassan was also the Head of Research at Credit Lyonnais Securities (Asia) Limited and was ranked among the top analysts covering South Asia by AsiaMoney Broker Survey. He worked in the Middle East and Africa on a number of civil engineering construction projects for Scott Wilson KirkPatrick & Partners.



Mr. Hassan holds a Bachelors of Science in Civil Engineering and Masters in Transportation Engineering from the Imperial College of Science and Technology, and is a Masters in Business Administration from the London Business School.

### 3.2.6 **Adi J. Cawasji - Director**

Mr. Cawasji has over 30 years of professional experience in the field of accounting, auditing, finance, management consultancy and corporate affairs, and is the Company Secretary for Packages Limited. Prior to joining Packages Limited, Mr. Cawasji worked for Riaz Ahmad and Associates Private Limited and Whinney Murray & Company (Saudi Arabia).

Mr. Cawasji holds a Bachelors degree from Hailey College of Commerce, Punjab University and is a finalist from the Institute of Chartered Accountants of Pakistan (ICAP).

### 3.2.7 **Ali A. Shirazee - CEO, IGI Funds Limited**

See details as stated in Clause 3.1.1.

## 3.3 Duties and Responsibilities of the Management Company

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, the Trust Deed and this Offering Document.

### 3.3.1 Primary Functions of the Management Company

#### A. Fund Management

The Management Company has the responsibility to make all Investment decisions within the framework of the Rules, the Trust Deed and this Offering Document.

#### B. Investor Services

The Management Company has the responsibility to facilitate Unit Holder transactions in the Scheme and to make adequate arrangements for receiving and processing all applications in this regard.

#### C. Investor Records

- (i) The Management Company has the responsibility to maintain Unit Holder records and for this purpose it may appoint a Transfer Agent, who is responsible for performing Registrar Functions, i.e. maintaining Unit Holder(s) records and providing related services. The Management Company or Transfer Agent (as the case may be) shall carry out the responsibility of maintaining Unit Holder(s) records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.
- (ii) The Management Company shall maintain a Register of Unit Holder(s) of the Scheme (either in physical or electronic form) and inform the Trustee and the Commission of the address where the Register is kept.
- (iii) The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the Commission and the Trustee.

#### D. Distribution

The Management Company, shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) and /or Sub-Distributor(s) for carrying on Distribution Function(s) at one (1) or more location(s) on terms and conditions to be incorporated in distribution and /or sub-distribution agreement(s) to be entered into between the Distributor(s) and /or Sub-Distributor(s) and the Management Company. Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions and in such case also subcontract the Distribution Functions to a Sub-Distributor(s). The Distributor(s) and/or Sub-Distributor(s) shall act as the interface between the investors, the Management Company, the Transfer Agent and the Trustee and perform all other Distribution Function(s), as defined in sub-clause 14.24 hereafter.

E. Investment Facilitators

The Management Company may from time to time appoint Investment Facilitators to assist in the promotion of sales of the Units on terms and conditions agreed between the Management Company and Investment Facilitators in the investment facilitation agreement.

F. Record Keeping

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

3.3.2 Other Functions and Responsibilities of the Management Company

- A. The Management Company shall manage the Scheme in the best interest of the Unit Holder(s), in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons or its officers, and subject to the restrictions and limitations as provided in the Trust Deed and the Rules and subject to any special exemptions granted by the Commission. Any purchase or sale of Investments made under any of the provisions of the Trust Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Trust Deed, Offering Document or the Rules.
- B. The Management Company 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 Management Company by authorized officer(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of the Trust Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its gross negligence or reckless or willful act and / or omission, or of its officers, officials or agents.
- C. The Management Company may from time to time appoint, remove or replace the Transfer Agent.
- D. The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of specific matters concerning the Scheme.
- E. The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Trust Deed and this Offering Document, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed and this Offering Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- F. The Management Company 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 Scheme, all transactions for the account of the Scheme and amounts received by the Scheme in respect of issue of Units and paid out by the Scheme on redemption of the Units and by way of distributions.
- G. The Management Company shall prepare and transmit physically an annual report, together with a copy of the balance sheet, income and expenditure account and the Auditors report of the Scheme to the Trustee and the Unit Holder(s) within four (4) months of the closing of the Accounting Date and balance sheet and income and expenditure accounts shall comply with the requirements set out in the Rules.
- H. The Management Company shall within one (1) month of the closing of the first quarter (3 months) and third quarter (9 months) and within two (2) months of the closing of first half (6 months) of each Accounting Date, prepare and transmit (physically or through electronic means or on its website subject to the approval of the Commission) to the Unit Holder(s) and the Commission, balance sheet as at the end of that quarter, profit and loss account, cash flow statement and statement of changes in equity for that quarter, whether audited or otherwise.

- I. The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, the Auditor who shall be a chartered accountant and independent of the auditor of the Management Company and the Trustee and such Auditor shall not be appointed for more than three (3) consecutive years.
- J. The Management Company shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure accounts and the Auditor's report of the Scheme to the Commission within four (4) months of the close of the Accounting Period, together with a statement containing the following information, namely:
- (i) Total number of Unit Holder(s); and
  - (ii) Particulars of the pertinent personnel (senior executives) of the Management Company.
- K. The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any Investment/ dis-Investment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction.
- L. The Management Company shall not:
- (a) merge with, acquire or take over any other asset management company or a scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or take over;
  - (b) pledge any of the securities held or beneficially owned by the Scheme except for the benefit of the Scheme;
  - (c) make a loan or advance money to any person except in connection with the normal business of the Scheme;
  - (d) participate in a joint account with others in any transaction;
  - (e) subject to any relaxation provided by the Commission, employ as a broker, directly or indirectly any of its director, officer or employee or a member of the family of such person or its management company and enter into transactions with any connected broker, which shall equal or exceed ten percent (10%) or more of the transactions of the Scheme in any one (1) accounting year of the Scheme;
  - (f) accept deposits from the Scheme.

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

### 3.4 Trustee

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

#### 3.4.1 Role of the Trustee

- A. The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Trust Deed and this Offering Document, the Rules and the conditions (if any) which may be imposed by the Commission from time to time.
- B. The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Scheme on behalf of the beneficial owners (the Unit Holder(s)), within the framework of the Rules, the Trust Deed and this Offering Document.

- C. The Trustee shall have all the obligations entrusted to it under the Rules, the Trusts Act 1882, and the Trust Deed and this Offering Document.
- D. The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company. Names of the authorized officers and any changes thereto shall be intimated to the Management Company.
- E. The Trustee shall in consultation with the Management Company appoint and may also remove and replace from time to time one or more Bank(s) and/or other depository company, to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Scheme with the approval of the Management Company at competitive terms as part of its normal line of business.
- F. The Trustee shall comply with the provisions of the Trust Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee with the approval of the Management Company. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Scheme for any loss in value of the Trust Property where such loss has been caused by gross negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- G. 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 Scheme, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Trust Deed or the Rules. Whenever pursuant to any provision of the Trust Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:
  - (i) A document signed or purporting to be signed on behalf of the Management Company by any person(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept;
  - (ii) Any instruction received online through the software solution adopted by the Management Company for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee. The Management Company shall advise the Trustee of software solution adopted by the Management Company for the purposes hereof;
  - (iii) Third party evidence where required.
- H. The Trustee shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- I. The Trustee shall carry out the instructions of the Management Company in all matters including Investment and dis-Investment of the Trust Property unless such instructions are in conflict with the provisions of the Trust Deed and this Offering Document and/or the Rules and/or any other applicable law.
- J. 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 Scheme.
- K. The Trustee shall issue a report to the Unit Holder(s) included in the annual report whether in its opinion, the Management Company has in all material respects managed the Trust Property in accordance with the provisions of the Rules, the Trust Deed and this Offering Document and if the Management Company has not done so, the steps the Trustee has taken in respect thereof.
- L. The Trustee shall be entitled to require the Auditor to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

- M. The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or Unit Holder 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 directors and officers. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Scheme 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 Scheme under the Trust Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Trust Deed and/or this Offering Document, 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 Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or Unit Holder action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Scheme.
- N. Neither the Trustee nor the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Scheme save in the capacity of an intermediary.
- O. Subject to the Rules, any transaction between the Scheme and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- P. The Trustee 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 Trustee be liable for any act or omission of the Management Company, 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 Trust Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder.
- Q. The Trustee shall provide the Management Company with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received.

### 3.5 Core Investors

Name of Core Investor	Rupees
International General Insurance Company of Pakistan Limited	200,000,000
Packages Limited Employees' Gratuity Fund	50,000,000
	<b>250,000,000</b>

The above Core Investors have subscribed an aggregate sum of Rs. 250,000,000 (two hundred and fifty million rupees) towards the purchase of 2,500,000 Core Units of Rs. 100/- each. These Core Units are not redeemable for a period of the first two years from the date of closure of the Initial Offer. These Units are however transferable with the condition that the Units are not redeemable before the expiry of the period of the first two (2) years mentioned herein above. The Transfer Agent shall mark the Units as such in the Register. Any transfer of these Core Units during the first two (2) years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.

### 3.6 Pre-IPO Investors

Names of all the Pre- IPO investors are provided in **Annexure E**.

The Management Company shall issue additional Units to the Core Investors and Pre-IPO Investors at the Initial Price for an amount equivalent to the income etc. earned on their investments up to the close of the Initial Period. The purpose of this is to ensure that all Unit Holders (Core Investors, Pre-IPO investors and the IPO investors) are treated at par as far as their investment into the Scheme is concerned.

### 3.7 Transfer Agent

The Management Company shall perform duties as the Transfer Agent of the Scheme until any further notice and intimation to the Trustee. The Management Company shall be responsible for maintaining the Unit Holders Register, preparing and issuing account statements, Unit Certificates and dividend warrants / advice and providing related services to the Unit Holders. The Management Company may outsource the Transfer Agent function at a later stage, provided the best interests of the Unit Holders are protected.

### 3.8 Distributors / Sub-Distributors / Investment Facilitators

3.8.1 The parties detailed in **Annexure B** hereof have each been appointed as Distributors / Sub-Distributors / Investment Facilitators to perform the Distribution Functions and together constitute the network of Authorized Transaction Locations (ATLs). The Management Company may from time to time appoint additional ATLs or terminate the arrangement with an ATL and intimate the Trustee accordingly. In addition to the appointment of external service providers as ATLs, the Management Company may itself perform the Distribution Function.

3.8.2 The ATLs shall be responsible for receiving applications for purchase, redemption and transfer of Units. They shall be interfacing with and providing services to the Unit Holders, including receiving applications for change of address and other particulars or application for issuance of duplicate certificates, requests for income tax exemption / Zakat exemption etc. for immediate transmission to the Management Company or Transfer Agent as appropriate for further action.

3.8.3 The Management Company may from time to time appoint Investment Facilitators. The Investment Facilitators function is to identify, solicit and assist investors in investing in the Scheme.

### 3.9 Auditors

The first Auditors are:

**KPMG Taseer Hadi & Company**

Chartered Accountants  
1<sup>st</sup> Floor, Sheikh Sultan Trust Building No. 2,  
Beaumont Road,  
Karachi

Appointment of a partnership firm to be the Auditors is deemed to be the appointment of all persons who are partners in the firm for the time being. The Auditors shall hold office until transmission of the annual report and accounts but may be reappointed, however auditors shall not be appointed for more than three consecutive years. The Management Company may at any time remove the Auditors and appoint another Auditors in its place.

The Auditors shall have access to the books, papers, accounts and vouchers of the Scheme, whether kept at the office of the Management Company, Trustee, Transfer Agent, ATLs or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.

The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Scheme and the balance sheet and income and expenditure account, including notes, statements or schedules appended thereto. The contents of the Auditors report shall be as required in the Rules.

### 3.10 Legal Advisors

**Aly Shah & Co.**

Office 1-A, 1<sup>st</sup> Floor, 15-C,  
Main Zamzama Boulevard,  
Zamzama Commercial Lane – 1, Phase V,  
Defence Housing Authority,  
Karachi.

### 3.11 Bankers

Bankers to the Scheme are Bank Alfalah and Allied Bank Limited and any other Bank appointed by the Management Company. The Trustee shall operate the Bank Accounts of the Scheme on instruction from the Management Company.

### 3.12 Bank Accounts

3.12.1 The Trustee shall open Bank Account(s) for the Scheme, at such Bank branch (es) as may be required from time to time by the Management Company.

3.12.2 The Trustee shall open Bank Account(s) for the Scheme titled “**CDC Trustee – IGI INCOME FUND**” at various branches of such Bank(s) (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority(ies) in Pakistan) as required by the Management Company. These Bank Account(s) shall facilitate Investments on account of the Scheme and the receipt, tracking and reconciliation of income or other receipts relating to the Investments. Such accounts shall also be used as collection and redemption accounts, and for other Scheme related transactions. There shall be instructions for all such collection and redemption accounts to promptly transfer the funds collected therein to the main Bank Account and/or transfer the funds to the relevant bank accounts of the Unit Holder for redemption purposes.

3.12.3 The Management Company may also require the Trustee to open a separate Bank Account for dividend distribution out of the Scheme. Notwithstanding anything in the Trust Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holder(s).

3.12.4 All Bank charges for opening and maintaining Bank Account(s) for the Scheme shall be charged to the Scheme.

3.12.5 All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holder(s) and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Scheme.

3.12.6 The amounts received from the Core Investors (seed capital) (as per sub-clause 4.5) have been deposited in a separate Bank Account titled “**CDC Trustee – IGI INCOME FUND**” and transferred to the main Bank Account of the Scheme upon the close of the Initial Period. The Management Company shall issue additional Units to the Core Investors and Pre-IPO Investors at the Initial Price for an amount equivalent to the income etc. earned on their investments up to the close of the Initial Period.

## **4 CHARACTERISTICS OF UNITS**

### **4.1 Classes of Units**

- (a) Class 'A' Units (Core Units), issued to the Core Investors with no Sales Load. These Units cannot be redeemed for a period of two (2) years from the date of closure of the Initial Offer. However, such Units are transferable with this condition.
- (b) Class 'A' Units, being offered and issued during the period of the Initial Offer [with no Sales Load].
- (c) Class 'B' Units, shall be offered after the period of the Initial Offer. These Units may carry a Front-end Sales Load.
- (d) Class 'C' Units, may be offered after the period of Initial Offer to institutional and retail clients. These Units may carry a Back-end Load.
- (e) Class 'D' Units, may be offered after the period of Initial Offer to institutional and retail clients. These Units may carry a contingent Back-end Load, the details of which shall be made available by the Management Company from time to time.

An investor at the time of opening an account shall select the class of Unit(s) in which the investor wishes to invest.

The Management Company may with the approval of the Commission suspend issue of certain class (es) of Units. Unit Holders may convert their investment from class 'C' Units to class 'D' Units, subject to the approval of the Management Company and such conversion shall not attract any Transaction Cost.

### **4.2 Types of Units**

The Management Company may offer different types of Units, within the above detailed Unit classes, as per the provisions of the Trust Deed and with the consent of the Trustee and prior approval of the Commission.

### **4.3 Minimum / Maximum Investment**

- 4.3.1 The minimum amount of investment to open and maintain an account shall be Rs. 5,000/-, with no applicable maximum amount.
- 4.3.2 Subsequent investment into the Scheme shall be for a minimum of Rs. 1,000/- per transaction, with no applicable maximum amount.
- 4.3.3 The Management Company may alter the minimum and/or maximum amount required for opening, maintaining or adding to the account. Provided that an upward revision for maintaining the account or adding funds shall require the Management Company to give seven (7) calendar days notice to Unit Holders.
- 4.3.4 In the event the investment in any Unit Holder's account falls below the minimum level as a result of the revised limits, changes in valuation, redemption, transfer or transmission, the Management Company may instruct the Transfer Agent to inform the concerned Unit Holder(s) in writing and allowing twenty one (21) Business Days, from the date of written intimation, to meet the minimum account balance requirements. If however, the Unit Holder(s) fails to meet the required minimum account balance then the Management Company may instruct the Transfer Agent to proceed with redeeming the Units in such accounts at the close of any Accounting Period at the price applicable to redemptions on such date.

### **4.4 Legal Status**

All Units and fractions thereof issued from time to time represent an undivided share in the Scheme and shall rank *pari passu* inter se as to their rights in the Net Assets, all distributions and earnings. Each Unit Holder has a beneficial interest in the Scheme proportionate to the Units held by such Unit Holder. Notwithstanding that four (4) or more classes of Units or different types may be issued, it is clarified that IGI Income Fund is one Scheme.



#### 4.5 Core Units

- 4.5.1 The Core Units subscribed by the Core Investors shall be issued at Par Value, and shall not be redeemable for a period of two (2) years from the date of closure of initial period. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two (2) years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee. Such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.
- 4.5.2 In the event of winding up of the IGI Income Fund, the Core Units standing to the credit of the Core Investors shall be dealt with the same manner as the rest of the Units in the IGI Income Fund.

#### 4.6 Determination of Net Asset Value (NAV)

The method of determining the value of the assets and liabilities of the Trust Property and the Net Assets shall be in compliance with the Rules and is stated herein below:

- (a) a security listed on a Stock Exchange shall be valued at its last sale price on such exchange on the date on 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 neither higher than the closing asked price nor lower than the closing bid price;
- (b) an Investment purchased and awaiting payment against delivery shall be included for valuation purposes as a security held and the cash account of the Scheme 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;
- (c) an Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (d) the value of any dividends, bonus shares or rights which may have been declared on securities in the portfolio but not received by the Scheme as of the close of business on the valuation date shall be included as assets of the Scheme 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;
- (e) mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (f) any other income accrued upto the date on which computation was made shall also be included in the assets;
- (g) all liabilities, expenses, taxes and other charges due or accrued up to the date of computation which are chargeable under the Rules shall be deducted from the value of the assets;
- (h) the remuneration accrued upto the date of computation payable to the Management Company, Trustee, Commission and Auditors of the fund shall be included as an expense; and
- (i) 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.

Net Asset Value (NAV) of the Scheme is arrived at by dividing the Net Assets of the Scheme by the number of Units outstanding.

#### 4.7 Determination of Offer Price

- 4.7.1 During the Initial Period, the Units shall be offered at the Initial Price of Rs. 100/- per Unit. The offer and issuance of Units during the Initial Offer shall be conducted during the period specified in this Offering Document. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the Rules.

4.7.2 The Offer Price shall be equal to the sum of:

- (a) the Net Asset Value as of the close of Business Day;
- (b) any Front-end Load;
- (c) such amount as the Management Company may consider being an appropriate provision for Duties and Charges;
- (d) such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum shall be adjusted upwards to the nearest Paisa.

4.7.3 The Offer Price shall be calculated on each Subscription Day.

4.7.4 The Offer Price so determined shall apply to purchase requests, complete in all respects made and received by the authorized personnel of an ATL or the Management Company during the subscription hours (as announced by the Management Company from time to time) on any Business Day. Provided that if a Business Day is not a Subscription Day the Offer Price calculated on the next Subscription Day shall apply to the purchase request.

4.7.5 The Management Company shall make arrangements for receiving purchase requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors / Sub-Distributors / Investment Facilitators and agents outside Pakistan, if and when the Management Company decides to undertake such arrangements. In general, the Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments from international investors provided it is a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply. This information shall be disclosed to the investors before receiving purchase requests.

4.7.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.7.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).

4.7.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.7.2 (c) exceeds the relevant amount of Duties and Charges, the Transfer Agent shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application.

4.7.8 The Offer Price determined by the Management Company shall be made available to the public at the office, website i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk) and branches of the Management Company and at the discretion of the Management Company may also be published in at least two (2) daily newspaper widely circulated in Pakistan.

4.8 Procedure for purchase of Units:

4.8.1 Investor Eligibility

Any investor or related group of investors qualified or authorized to purchase Units may make applications for the purchase of Units in the Scheme. The onus for being qualified lies with the investor and neither the Management Company, nor the Trustee, nor the Transfer Agent nor the ATL accept any responsibility in this regard. Application may be made pursuant to the procedures described in sub-clause 4.8.2 below, including but not limited to:

- Citizens of Pakistan resident in Pakistan: in respect of minors below 18 years of age, applications may only be made by their guardians.
- Companies, corporate bodies, Financial Institutions, Banks, partnerships, and societies incorporated / formed in Pakistan; provided such investment is permitted under their respective memorandum and articles of association/bye-laws. In respect of trusts the trustees of such trust may make an application to buy the Units.

- Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to relevant taxation and exchange regulations /laws. Any person making an application for the purchase of Units in the Scheme shall warrant that he is duly authorized to purchase such Units.
- Provident Funds constituted by companies registered under the Companies Ordinance, 1984 subject to conditions and investment limits as laid down by applicable rules and regulations.
- Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act, 1882.
- Insurance companies under the Insurance Ordinance, 2000.
- Non-profit organization under Section 213 (i) of the Income Tax Rules, 2002.

#### 4.8.2 Procedure for Purchase of Units

The procedure herein below is designed for paper based transactions. The Management Company may at a later date introduce electronic / internet based options for the transactions. The Management Company may also offer Automated Teller Machines (ATMs) based transactions through which a Unit Holder may also purchase Units of the Scheme to such extent as the Management Company may decide from time to time through ATMs supported by one or more Banks or service provider(s) authorized by governing regulatory authority(ies) to provide such services. Such arrangements shall be announced by the Management Company at such terms and conditions as it may deem fit. Such facility shall be available subject to the Unit Holder signing a special form and agreement prescribed by the Management Company.

Investors are required to submit the completed and relevant application form(s) for purchase of Units, accompanied with the full amount for the investment and copies of all required documents mentioned in the subparagraphs below should be delivered to any of the ATL during subscription hours on any Subscription Day, as announced by the Management Company from time to time and mentioned in **Annexure A**. Currently only the ATLs as mentioned in **Annexure B** of this Offering Document are authorized to collect the relevant application forms and payment for the issue of Units as stated in this Offering Document.

- (a) Relevant forms can be obtained from the Management Company or any ATL or downloaded from the website of the Management Company i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk) or requested from the Management Company directly by mail.
- (b) The Account Opening Form and the Investment Form can only be lodged with an ATL, or directly lodged with the Management Company. No other person is authorized to accept the forms or payment.
- (c) In case of individuals, a photocopy of the Computerized National Identity Card (CNIC) of the investor or any other form of identification acceptable to the Management Company needs to be furnished. Other documents as per the options marked in the Account Opening Form and Investment Form shall be required.
- (d) In case of a body corporate or a registered society, institution, corporate, trust, attested copies of the following documents may be submitted:
  - (i) Copy of the Memorandum and Articles / Charter / Bye-laws or rules and regulations.
  - (ii) Copy of Power of Attorney and / or relevant resolution(s) of the board of directors delegating any of its officers to invest the funds and / or to realize the investment.
  - (iii) Copy of the CNIC of the officer to whom the above stated authority has been delegated.
  - (iv) Any other relevant document(s) as may be required by the Transfer Agent.

- (e) In case of existing Unit Holders, if any of the documents have previously been submitted with the Management Company and / or the Transfer Agent, fresh submission of these documents shall not be required, provided that the previously submitted documents were accepted by the Management Company and there have been no material changes in the status.
- (f) Application for issuance of Units shall be made by an investor by completing the Investment Form and submitting it with the payment by cheque, pay order, or demand draft or through electronic means as may be introduced by the Management Company from time to time etc. in the name of “**CDC Trustee – IGI Income Fund**” and crossed “Account Payee Only” at an ATL. The application for issuance of the Units and the specimen signature of each investor shall be supplied to the Transfer Agent, if so required by the Management Company and a copy of the completed Investment Form may be retained by the relevant ATL.
- (g) The authorized personnel of the ATL shall verify the particulars given in the application and the documents submitted therewith and ensure that the signature of any investor or joint investor on any document required to be signed by the investor or joint investor under or in connection with the application for issue of Units is verified by the responsible person or otherwise authenticated.
- (h) The investor must obtain an acknowledgment of the application signed and stamped by the authorized personnel of the ATL acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be. Cash can only be deposited in a Bank Account titled “**CDC Trustee – IGI Income Fund**” maintained with designated Banks and the investor must obtain a deposit pay-in slip for the amount being deposited. Acknowledgment for applications and payment instruments (other than cash) can only be validly issued by authorized personnel of the ATL.
- (i) Units shall be issued based on the Offer Price announced by the Management Company on the Subscription Day on which the investor submits a complete and correctly filled Investment Form to the ATL within the subscription hours (as announced by the Management Company via the company website from time to time). If the day on which the Investment Form was submitted is not a Subscription Day, then the Offer Price applicable on the next Subscription Day shall be applied to such application(s).
- (j) If the application submitted by the investor is incomplete in any aspect, the investor shall have a maximum of fifteen (15) calendar days to ensure submission of all required documents and overall completion of the application.
- (k) An investor shall be provided a confirmation statement within seven (7) Business Days after the Offer Price paid by the investor for Units has been credited to the Bank Account(s) of the Scheme and the application has been completed in all aspects and the Transfer Agent is in comfort with such.
- (l) Till such time as the Offer Price has not been actually realized in the Bank Account(s) of the Scheme, the investor shall not be a Holder of such Unit(s).
- (m) In the event a cheque is returned unpaid, the Management Company shall treat the application for subscription to be regarded as void and the Units allotted shall be cancelled and the investor informed accordingly. The investor shall be asked to submit fresh payment for the Units which shall then be allotted based on the Offer Price announced by the Management Company on the Subscription Day a new Investment Form together with the payment is received by the authorized personnel of ATL within the subscription hours as may be prescribed by the Management Company from time to time.
- (n) Investors must indicate their account number in the Investment Form, except in instances of initial investments only.
- (o) The Management Company shall make arrangements for receiving Account Opening Forms and / or Investment Forms from outside Pakistan and shall disclose these arrangements through its website and its Distributors / Sub-Distributors / Investment Facilitators and agents outside Pakistan, if and when the Management Company decides to undertake such arrangements. This information shall be disclosed to the investors before receiving purchase requests. In general, the Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments from overseas investors provided it is a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply.

#### 4.8.3 Joint Application

- (i) Joint application can be made by up to four investors, including the principal Holder. Such persons shall be deemed to hold Units on first Holder basis; however, each person must sign the Account Opening Form and submit a copy of their CNIC or any other form of identification document acceptable to the Management Company.
- (ii) The first named (principal) Holder shall receive all notices and correspondence with respect to the account.
- (iii) In the event of death of the first (principal) Holder, the person first in the order of survivor(s) as stated in the Account Opening Form shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts.

4.8.4 The Management Company may frame additional rules and regulations regarding issue of Units in dematerialized form registered with a depository organization.

#### 4.9 Determination of Redemption Price

4.9.1 During the Initial Period, the Units shall not be redeemed.

4.9.2 After the Initial Period, the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day less:

- (a) any Back-end Load; and
- (b) such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- (c) such amount as the Management Company may consider an appropriate provision for Transaction Costs;

Such amount to be adjusted downwards to the nearest Paisa.

4.9.3 The Redemption Price shall be calculated on each Subscription Day.

4.9.4 The Redemption Price so determined shall apply to redemption requests, complete in all respects made and received by the authorized personnel of the ATL and / or the Management Company during the subscription hours (as announced by the Management Company from time to time) on that Business Day. Provided that if the Business Day is not a Subscription Day the Redemption Price calculated on the next Subscription Day shall apply.

4.9.5 The Management Company shall make arrangements for receiving redemption requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors / Sub-Distributors / Investment Facilitators and agents outside Pakistan, if and when the Management Company decides to undertake such arrangements.

4.9.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.9.2(b) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).

4.9.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.9.2(b) above exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.

4.9.8 The Redemption Price determined by the Management Company shall be made available to the public at the office, website [www.igifunds.com.pk](http://www.igifunds.com.pk) and branches of the Management Company and shall at the discretion of the Management Company, may also be published in at least two (2) daily newspaper widely circulated in Pakistan.

4.9.9 In the event the Units are redeemed by any major Unit Holder in such period of time that the Management Company believes, may adversely affect the interest of other Unit Holder(s), it may charge Contingent Load on such redemption.

4.10 Procedure for Redemption of Units

4.10.1 Redemption Eligibility

All Unit Holders, other than the Holders of Core Units are eligible to redeem the Units. Core Units shall be eligible for redemption after the expiry of the period of two (2) years from the date of the closure of the Initial Period; however such Units are eligible for transfer subject to the condition that the transferee of such Unit(s) agrees to the same for the balance period, if any.

4.10.2 Redemption Application Procedure

The procedure herein below is designed for paper based transactions. The Management Company may at a later date introduce electronic / internet based options for the transactions. The Management Company may also offer Automated Teller Machines (ATMs) based transactions through which a Unit Holder may also redeem Units of the Scheme to such extent as the Management Company may decide from time to time through ATMs supported by one or more Banks or service provider(s) authorized by governing regulatory authority(ies) to provide such services. Such arrangements shall be announced by the Management Company at such terms and conditions as it may deem fit. Such facility shall be available subject to the Unit Holder signing a special form and agreement prescribed by the Management Company.

- A. Unit Holders may redeem any Units held by them at any time using the Redemption Form. Certificates, if issued, must be submitted with the redemption request with an endorsement at the back of the Certificate. Holders may apply for a splitting of the Certificate before applying for partial redemption. Unless the joint Holders have specified otherwise in the Account Opening Form, all the joint Holders shall sign the Redemption Form. The request for redemption would be honored after the ATL personnel have verified the signature and other particulars of the Unit Holder(s).
- B. Relevant forms can be obtained from the Management Company or any ATL or downloaded from the website of the Management Company i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk) or requested from the Management Company directly by mail.
- C. The Redemption Form can only be lodged at an ATL or directly lodged with the Management Company. No other person is authorized to accept the form. The investor must obtain a receipt signed and stamped by the authorized personnel of an ATL / the Management Company acknowledging the receipt of the form and the Certificates, if any.
- D. The Redemption Price determined at the end of the Business Day for Units shall apply to all Redemption Forms, complete in all respects, received by the Management Company or ATLs during subscription hours on that Business Day. Any Redemption Forms received after business hours shall be transferred to the next Business Day. Provided that if a Business Day is not a Subscription Day the Redemption Price calculated on the next Subscription Day shall apply to the redemption request.
- E. If the redemption request submitted by the investor is incomplete in any aspect, or if the Rupee amount/number of Unit(s) stated in the redemption request is in excess of the investor's account value then the redemption request shall be rejected and the Unit Holder(s) shall be notified of the same. The Unit Holder shall then have to submit a fresh application for redemption of Units.
- F. Unless otherwise instructed, payment of the redemption proceeds shall be made by a cross cheque, in favor of Unit Holder's registered name or first name (principal) joint Holder in the event of joint Holders, and shall be sent to registered address of the Unit Holder or first name (principal) joint Holder, within six (6) Business Days of the receipt of a completed Redemption Form, and such an interval shall be calculated from the date of the applicable Redemption Price for such a request. However, if so authorized by the Unit Holder, payment of redemption proceeds shall be made by transfer to the Bank account, subject to transfer arrangements with the said Bank, of the Unit Holder or first named (principal) joint Holder in the event of joint Holder. No money shall be paid to any intermediary except the Unit Holder / joint Holder or his / their authorized representatives.

- G. After an existing Unit Holder has redeemed all his Units and collected all his dues, he shall have no further claims against the Scheme.
- H. Redemption of Units may be suspended or put in queue due to exceptional circumstances. For detailed information about this please refer to sub-clause 4.12.1 and sub-clause 4.12.2 below.
- I. The Management Company shall make arrangements for receiving redemption requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors / Sub-Distributors / Investment Facilitators and agents outside Pakistan, if and when the Management Company decides to undertake such arrangements. .
- J. In the event the Units are redeemed by any major Unit Holder in such period of time that the Management Company believes, may adversely affect the interest of other Unit Holder(s), it may charge Contingent Load on such redemption.
- K. In all cases the amount payable on redemption shall be considered paid by the Trustee if either:
  - (i) The amount of redemption has been transferred to the designated Bank account provided by the Unit Holder at the time of submission of Account Opening Form or Change Request Form.
  - (ii) The payment instrument has been delivered and duly acknowledged by the Unit Holder or his representative (as per Unit Holder authorization in the redemption form). If several persons are registered as joint Holders any one (1) of them may give effectual receipt for such payment.
  - (iii) For payments received via any other mode of redemption, as maybe introduced by the Management Company in consultation with the Trustee, shall be deemed discharged as per the guidelines published and made available to the Unit Holder by the Management Company from time to time.
- L. The Management Company may frame additional rules and regulations regarding redemption of de-materialized Units registered with a depository organization.

#### 4.10.3 Joint Unit Holder(s)

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

#### 4.10.4 Procedure for Transfer, Transmission and Conversion of Units

The procedure herein below is designed for paper based transactions. The Management Company may at a later date introduce electronic / internet based options for the transactions. The Management Company may also offer Automated Teller Machines (ATMs) based transactions through which a Unit Holder may also conduct the transfer, transmission and conversion of Units of the Scheme to such extent as the Management Company may decide from time to time through ATMs supported by one or more Banks or service provider(s) authorized by governing regulatory authority(ies) to provide such services. Such arrangements shall be announced by the Management Company at such terms and conditions as it may deem fit. Such facility shall be available subject to the Unit Holder signing a special form and agreement prescribed by the Management Company.

- A. Every Holder shall be entitled to transfer, pledge or otherwise encumber the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- B. Relevant forms can be obtained from the Management Company or any ATL or downloaded from the website of the Management Company i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk) or requested from the Management Company directly by mail.
- C. The transfer shall be carried out after the Transfer Agent has satisfied himself that all requisite formalities including the payment of any taxes, Duties and Charges and has recovered the fee prescribed for the service.

- D. A Unit Holder may transfer his Unit(s) contained in a Certificate either partially, subject to procedure stated in sub-clause 9.7, or in entirety. However, a Unit shall be transferable only in its entirety.
- E. 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 Units transferred until the name of the transferee is entered in the Register in respect thereof.
- F. Every instrument of transfer must be duly completed in all respects including payment of applicable Duties and Charges. 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 this Offering Document or the Trust Deed. All instruments of transfer shall be retained by the Transfer Agent.
- G. Authorized personnel of ATLs / Transfer Agent with the prior approval of the Management Company 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 expiry of twelve (12) years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three (3) years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Scheme at any time after the expiration of six (6) years from termination of the Scheme.

The Trustee or the Management Company or the authorized personnel of ATLs / Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the authorized personnel of ATLs / Transfer Agent that every Certificate / instrument of transfer so destroyed was a valid Certificate / instrument of transfer 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 thereof) to which the document may be relevant;
  - (ii) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the authorized personnel of ATLs / Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled; and
  - (iii) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.
- H. Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Transfer Agent after satisfying himself as to all legal requirements. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission.
  - I. Deletion of name, in case of a death of joint Holder, all other joint Holders need to specify so by signing in the deletion of name section of the form and identifying the name of the Holder along with his/her date of expiry. The Transfer Agent shall carry out the deletion of name after satisfying himself that all the requisite formalities have been completed and payment of the applicable taxes and fees and / or Duties and Charges, if any, has been received.
  - J. A Unit Holder may convert the Units held by him into units of another scheme managed by the Management Company subject to the terms of the respective Offering Documents or the terms stated in the supplementary Offering Document(s) of relevance to such a conversion. The Transfer Agent shall carry out the conversion after satisfying himself that all the requisite formalities have been completed and payment of the applicable taxes and fees and / or Duties and Charges, if any, has been received.
  - K. Transfer, transmittal and deletion of name can be carried out by filing the Change Request Form, conversion of Units can be carried out by filing the Conversion / Transfer Form and submitting it to the ATL together with any required certificate/document. Certificates, if issued, must accompany the form. The Unit Holder must obtain a receipt signed and stamped by the authorized personnel of the ATL / Management Company acknowledging the receipt of the form and the Certificates, if any.



- L. Any transfers and transmittal of de-materialized Units placed in a depository organization shall take place under the rules and regulations of such organization.
- M. The Management Company may close the Register by giving at least thirty (30) days notice to Holders and for period not exceeding forty five (45) days in a calendar year. During the period the Register is closed, transfer application shall not be received.

#### 4.10.5 Joint Unit Holder(s)

Unless the joint Unit Holder(s) of Units have specified otherwise in the Account Opening Form, all the joint Unit Holder(s) shall sign the Change Request Form for such Units.

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

All existing Unit Holders or those who have purchased Units as per sub-clause 4.8 above are eligible to apply for pledge / lien / charge of Units if they so desire. Such pledge / lien / charge can be made via the Pledge / Lien of Units Form.

- 4.11.1 Any Unit Holder or joint Unit Holder(s) may request the Transfer Agent to record a pledge or lien of all or any of his / their Units in favor of any third party legally entitled to invest in such Units in its own right. The Transfer Agent shall register a lien on any Units in favor of any third party with the specific authority of the Management Company 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 Management Company.
- 4.11.2 Relevant forms can be obtained from the Management Company or any ATL or downloaded from the website of the Management Company i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk) or requested from the Management Company directly by mail.
- 4.11.3 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge / charge / lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.
- 4.11.4 Save any legal bar, court order requiring otherwise or any written agreement between the Unit Holder and any counter party, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. Any Units issued on reinvestments or bonus Units that the pledged Units are entitled to automatically be marked under the lien or pledge. In the event the pledged Units are redeemed for any reason, the redemption proceeds of the Units lien/pledge/charge shall be made to the lien/charge/pledge holder for the account of the Holder.
- 4.11.5 The lien on the pledged Units shall continue till such time it is released by the lien holder in writing.

#### 4.12 Suspension of Dealing, Queue System and Winding Up

Under the circumstances mentioned in sub-clause 4.12.1 below, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend / defer the dealing of Units for such a period as it may decide.

##### 4.12.1 Extraordinary Circumstances

The following shall include, but shall not be limited to, as extraordinary circumstances:

- (i) closure of one (1) or more Stock Exchanges on which any of the securities invested in by the Scheme are listed, or
- (ii) closure of one or more Banks in which the Scheme's Bank Accounts are maintained, or
- (iii) the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s), or

- (iv) a break down in the means of communication normally employed in determining the price of any Investment, or
- (v) when remittance of money abroad can not be carried out due to regulatory restrictions by the State Bank of Pakistan , or
- (vi) the event of war (declared or otherwise), or
- (vii) natural disasters, or
- (viii) a major break down in law and order, or
- (ix) breakdown of the communication system,
- (x) or closure of the capital markets and /or the banking system or
- (xi) strikes or other events that render the Management Company or the ATLs unable to function

#### 4.12.2 Suspension of Fresh Issue of Units

The Management Company may at any time, subject to the Rules, if the circumstances mentioned in sub-clause 4.12.1 and / or sub-clause 4.12.3 exists suspend issuance of fresh Units. Such suspension may however not affect existing subscribers for the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission if fresh issuance of Units is suspended and shall also have the same published, immediately following such decision, in any one (1) newspaper in which the Scheme's prices are normally published.

In case the Management Company announces a suspension of further issue of Units of the IGI Income Fund, however such suspension shall not apply to the issuance of bonus Units and reinvestment of cash dividends by existing Unit Holders only.

#### 4.12.3 Refusal to accept fresh issue/account opening request

The Management Company or an ATL may at any time refuse to accept a request for account opening/fresh issue of Units in any of the following cases:

- (a) In case the application for account opening/fresh issue request is contrary to the Know-Your-Customer rules or any other money laundering rules that the Scheme may be subject to or that the Management Company may frame for self regulation.
- (b) In case the request for account opening/fresh issue of Units is contrary to the rules of the foreign jurisdiction that the Scheme or the investor may be subject to or if accepting the request may subject the Scheme or the Management Company to additional regulation under the foreign jurisdiction.
- (c) If accepting the request for account opening/fresh issue of Units would in any case be contrary to the interests of the Scheme.

#### 4.12.4 Deferral of request for fresh issue of Units

The Management Company may at any time suspend or defer the issue of fresh Units if in its opinion the total number or any one (1) request for fresh issue of Units is so large that investing the funds would take some time and be contrary to the interests of the existing Unit Holders. In this case the Management Company may accept certain request for fresh issue of Units and may defer part or all of certain request for fresh issue of Units and issue only a limited number of fresh Units. The Units that are issued on a deferred basis, after the request for fresh issue of Units has been received, shall be issued at the Offer Price applicable on the date of such issue.

#### 4.12.5 Suspension of Redemption of Units

- (i) The redemption of Units may be suspended or deferred during extraordinary circumstances including the circumstances mentioned in sub-clause 4.12.1. The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent (10%) of the Units in issue or ten percent (10%) of Net Assets. In the event of a large number of redemption requests accumulate, the requests may be processed in a queue system and under extreme circumstances the Management Company may decide to wind up the Scheme. Details of the procedure are provided in sub-clause 4.12.7 herein below.
- (ii) Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Trust Deed or this Offering Document exists.
- (iii) In case of suspension and invoking of a queue system and end of suspension and queue system the Management Company shall immediately notify the Commission and publish the same in any one (1) newspaper in which the Scheme's prices are normally published.

#### 4.12.6 Queue System

In the event redemption requests on any day exceed ten percent (10%) of either the number of Units outstanding or ten percent (10%) of the Net Assets, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent (10%) of the Units in issue. The Management Company shall proceed to sell adequate assets of the Scheme and/ or arrange borrowing as it deems fit in the best interest of the Unit Holder(s) and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Subscription Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The requests in excess of the ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Subscription Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceed ten percent (10%) of the Units in issue or ten percent (10%) of the Net Assets, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue.

#### 4.12.7 Winding up in view of Major Redemptions

In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Scheme as per Rules. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

#### 4.13 Frequency of Valuation, Dealing and Mode of the Price Announcement

4.13.1 For the Classes of Units and the Initial Price, please refer to sub-clause 4.1 and sub-clause 1.7 of this Offering Document.

4.13.2 No Units shall be redeemed during the Initial Period.

4.13.3 Subsequent to the Initial Period, the Management Company shall announce the Offer Price and Redemption Price on every Subscription Day (as provided in **Annexure A**), calculated and announced as per sub-clause 4.7 and 4.9.

#### 4.14 Listing on Stock Exchange(s)

The Management Company may list the Units of the Scheme on Stock Exchange(s) in Pakistan and subject to compliance with legal requirements, in any foreign jurisdiction. The cost of achieving and maintaining such a listing shall be borne by the Scheme. For this purpose the Management Company, with the approval of the Commission and Trustee, may amend the Trust Deed or issue supplemental Trust Deeds or Offering Documents and the Unit Holders shall be bound accordingly.

## **5. DISTRIBUTION POLICY**

### **5.1 Distribution Policy**

Every year the Scheme shall distribute an amount that is required under the applicable tax laws and other regulations in force, to ensure maximum tax efficiency and benefit of the Unit Holders. The entire amount available for distribution may be distributed as cash dividend, bonus, partially cash/bonus or in any other form acceptable to the Commission that may qualify under the tax laws. The Scheme shall comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

### **5.2 Declaration of Dividend**

The Management Company shall decide from time to time the Distribution Period and whether to distribute profits (if any) among the Holders. The Management Company shall decide as soon as possible but not later than forty five (45) days after the Accounting Date whether to distribute among Holders, profits (if any) available for the distribution at the end of the Accounting Date and shall advise the Trustee accordingly.

The Management Company may also distribute an amount, through cash or bonus, for an interim period that is not a full Accounting Period.

### **5.3 Determination of Distributable Income**

5.3.1 The profit (if any) available for distribution in respect of any Distribution Period shall be determined by the Management Company but shall not exceed the portion of Net Assets on the Distribution Date that is attributable to the sum total of:

- (a) the total income earned on the Trust Property during such Distribution Period including all amounts received in respect of dividend, mark up, profit, interest, fee and any other income;
- (b) net realized appreciation as set out in sub-clause 5.3.2 below.

From which shall be deducted expenses as set out in Clause 5.3.3 below, adjustment as set out in sub-clause 5.3.4 below and such other deductions and adjustments as the Management Company may determine in consultation with the Auditor.

5.3.2 The proceeds of sale of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distributable income in terms of this Clause but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized appreciation may be included in determining distributable income to the Holders by the Trustee and shall not form part of the Trust Property.

5.3.3 The amount qualifying for purposes of determining distributable income in respect of the relevant Distribution Period shall be ascertained by deducting expenses as are admissible under the Rules, the Trust Deed and this Offering Document including :

- (a) Remuneration of the Management Company for the relevant period;
- (b) Remuneration of the Trustee for the relevant period;
- (c) Brokerage and transaction costs related to investing and disinvesting of the Trust Property;
- (d) Legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interest of the Unit Holders;
- (e) Bank charges and borrowing/financial costs;
- (f) Audit Fees and charges;
- (g) Marketing expenses specifically related to the Scheme;

- (h) Formation Costs estimated at but not exceeding one percent (1%) of the Core Investment (Seed Capital) or if Pre-IPO investment exceeds Rupees One Billion (Rs. 1,000,000,000) then a maximum amount of Rupees Four Million (Rs. 4,000,000) that will be amortized over a period not exceeding five (5) years;
- (i) Taxes applicable to the Scheme on its income, turnover, assets or otherwise;
- (j) Annual fee payable to the Commission; and
- (k) All expenses incurred by the Trustee in effecting the registration of all registerable Trust Property in the name of the Scheme;
- (l) Any other expenses incurred in relation to management of the Trust Property subject to the Rules.
- (m) Adjustments to reflect the changes in value of Trust Property, including exchange rate fluctuations applicable to international Investments, shall be made in consultation with the Trustee.

5.3.4 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be adjusted as under:

- (a) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Scheme during the Distribution Period;
- (b) adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.

5.3.5 Out of the amount determined for the purpose of distributable income in respect of each Holder withholding tax, zakat or other statutory levies, as may be applicable to the relevant Holder shall be deducted after computing the distributable income for the relevant Holder.

5.3.6 The Management Company may decide to distribute in the interest of the Holders, wholly or in part the distributable profits in the form of bonus Units of the Scheme. The bonus Units would rank *pari passu* as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units.

#### 5.4 Distribution of Profits

5.4.1 On each Distribution Date, the Management Company shall instruct the Trustee to transfer such amount of cash as required to reflect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of the Trust Deed be treated as part of the Trust Property but shall be held by the Trustee upon trust to distribute the same as herein provided.

5.4.2 After fixation of the rate of distribution per Unit, distribution payments shall be made by cheque or warrant by the Trustee and sent through the registered post or reliable courier service to the registered address of Holder, or in the case of joint Holders to the registered address of the joint Holder, first named (principal) on the Register. Every such cheque or warrant shall be made payable to the order of 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 Management Company shall consider sufficient, it shall transfer to the Holders' designated bank account or in case of joint Holder, to designated bank account of the joint Holder, first named (principal) in the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.

5.4.3 If the Management Company decides to issue bonus Units then after fixing the rate of bonus distribution per Unit, the Management Company shall inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio, at the *ex-dividend* Net Asset Value specified by the Management Company for the relevant Distribution Period.

5.4.4 Where the Units are placed under pledge, the payment of dividends or the issue of bonus Units for Units under pledge shall be as per sub-clause 4.11.4.

5.4.5 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such adjustments 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 which deduction in the prescribed form or in a form approved or acquired by the concerned authorities.

#### 5.5 Reinvestment of Cash Dividend

A Unit Holder may in writing at the time of purchase of Units or at a later date instruct the Management Company to reinvest the future cash dividends to which he shall be entitled into Units of the Scheme. The Offer Price for the Units to be issued shall be the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period. The Units purchased under one folio number cannot be split for receiving part cash dividend and part reinvestment of dividend.

#### 5.6 Bonus Units

If the Management Company decides to issue bonus Units, such bonus Units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units. The account statement or Unit Certificate (if required by the Unit Holder, and such issue of Certificates shall be as per sub-clause 9.7) shall be dispatched to the Unit Holder within fifteen (15) days of the issue of Bonus Units. The Unit Holder(s) have the option to en-cash the Bonus Units at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.

#### 5.7 Encashment of Bonus Units

A Unit Holder may elect to receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Transfer Agent in writing prior to the distribution declaration for any relevant period. The bonus Units shall be redeemed at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period, without any charge of sales load.

#### 5.8 Payment of Cash Dividend

All payments for cash dividend shall be made by transfer of funds to the Unit Holder(s) designated bank account or through any other mode(s) of payment and such payment shall be subject to the Rules.

Dividend warrants/advice and or Account Statement as the case may be shall be dispatched to the Unit Holder's or the charge-holder's registered address as per the Rules.

#### 5.9 Closure of Register

The Management Company may close the Register by giving at least thirty (30) calendar days notice to Unit Holders and for period not exceeding forty-five (45) days in a calendar year. During the period, the Register is closed, the sale and redemption of Units, including transfer applications, shall be suspended.

## 6. FEES AND CHARGES

### 6.1 Fees and Charges Payable by an Investor

6.1.1 Transfer of Units from one owner to another shall be subject to a per Unit processing charge of an amount not exceeding one percent (1%) of the Net Asset Value at the date the request is lodged within subscription hours on the Subscription Day to the ATL, or Transfer Agent, which shall be recovered from the transferee. These taxes, charges or duties may be recovered by redemption of equivalent Units at the time of the transfer or may be charged separately.

6.1.2 The Unit Offer Price is calculated by adding a Front-end Load not exceeding five percent (5%) and Transaction Cost to the Net Asset Value (The current level of Front-end Load and Transaction Cost is indicated in **Annexure A**).

6.1.3 The Unit Redemption Price is calculated after deducting a Back-end Load not exceeding five percent (5%) and Transaction Cost from the Net Asset Value of the Unit (The current level of Back-end Load and Transaction Cost is indicated in **Annexure A**).

### 6.2. Duties and Other Charges

The investors shall be liable to pay all stamp and other duties, taxes, government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may become payable in respect of or prior to or upon the occasion of the transaction or dealing.

### 6.3 Fees and Charges Payable by the IGI Income Fund

The following expenses shall be borne by the Scheme:

#### 6.3.1 Remuneration of the Management Company

- A. The Management Company shall be entitled to receive remuneration as permitted under the Rules; it being further understood and agreed that the Management Company shall fix the rate of remuneration for the duration of each quarter of an Accounting Period and shall intimate any change in the rate to the Trustee. The Management Company shall publish the rate of remuneration on its website to inform Unit holders of the same at least fifteen (15) days in advance.
- B. The remuneration shall begin to accrue from the close of the Initial Offer period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.
- C. The remuneration due to the Management Company shall be calculated and accrued on daily basis. The Management Company shall be entitled to draw advance remuneration on a monthly basis from the Trust Property out of its accrued remuneration.
- D. In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Scheme. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and the Trust Deed to be payable out of Trust Property.
- E. The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed.

### 6.3.2 Remuneration of the Trustee

- A. The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Annexure C**. The remuneration shall begin to accrue following the expiry of the Initial Period. For any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.
- B. Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.
- C. In consideration of the foregoing and save as aforesaid and the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Scheme. The Trustee shall not make any charge against the Holders or against the Trust Property or against any Bank Account(s) opened on the instruction of the Management Company and maintained by the Trustee for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules, the Trust Deed and Offering Document.
- D. The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed.
- E. Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission.

### 6.3.3 Formation Cost

Formation Cost that shall not exceed one percent (1%) of the Seed Capital of the Scheme or if Pre-IPO investment exceeds Rupees One Billion (Rs. 1,000,000,000) then a maximum amount of Rupees Four Million (Rs. 4,000,000) and shall be borne by the Scheme and amortized over a period not exceeding five (5) years.

### 6.3.4 Other Fees and Charges Payable by the IGI Income Fund

- A. Brokerage and Transaction Costs related to investing and disinvesting of the Trust Property.
- B. Legal and related costs incurred in protecting or enhancing the interests of the Scheme or the collective interest of the Unit Holders.
- C. Bank charges and borrowing/financial costs.
- D. Auditors Fees and expenses;
- E. Listing Fee payable to the Stock Exchange(s) on which Units may be listed.
- F. Annual Fee payable to the Commission as per Rules.
- G. Taxes, if any, applicable to the Scheme and its income and/or its properties.
- H. Rating fee.
- I. Marketing expenses specifically related to the Scheme.
- J. Charges and levies of Stock Exchange(s), Commission charges, National Clearing and Settlement Company, CDC, CVT, transfer charges as payable to the Bank(s) at time of transfer of funds to Unit Holder(s) and other levies and charges pertaining to the transfer of dividend / redemption proceeds of Units.
- K. Other expenses directly related to or arising out of the activities of the Scheme.

Such expenses shall be reimbursed to the Management Company at actuals, if these are paid by Management Company on behalf of the Scheme, within 30 days.



6.4 Expenses of the Management Company and the Trustee

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

6.5 Remuneration of Distributor / Sub-Distributor/ Investment Facilitator

6.5.1 The Distribution Company or any Sub-Distribution Company or any Investment Facilitator appointed by the Management Company shall be entitled to remuneration payable by the Management Company on terms to be agreed between the Management Company and the Distribution Company/Sub-Distribution Company / Investment Facilitator.

6.5.2 The Distributor / Sub-Distributor / Investment Facilitators located outside Pakistan, may if so authorized by the Management Company shall be entitled to remuneration on terms to be agreed between the Management Company and the Distributor/ Sub-Distributor/ Investment Facilitator located outside Pakistan, subject to the laws for the time being in force.

## **7. TAXATION**

### **7.1 Taxation and Zakat on the Income of the IGI Income Fund**

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of IGIF. The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his tax advisor with respect to the specific tax consequences to him of investing in the Scheme. This part does not cover tax liability of non-Pakistan resident investor with respect to taxes in their own jurisdiction.

#### **7.1.1 Liability for Income Tax of the Scheme**

Under the income tax laws of Pakistan, IGIF is regarded as a public company for tax purposes. The income of the Scheme is taxable at the tax rate applicable to a public company, which is presently as under:

- (a)** Dividend Income: Withholding tax of five percent (5%) as final settlement of liability;
- (b)** Capital gains arising on sale of securities listed on any stock exchange in Pakistan are exempt from tax up to June 30, 2008;
- (c)** Return from all other sources/instruments is taxable at the rate of thirty five percent (35%) applicable to a public company.

#### **7.1.2 Liability for Income Tax if 90% of Income is distributed**

Notwithstanding the tax rates stated under Section 7.1.1 above, the income of IGIF shall be exempted from tax if not less than 90% of the income of the year is distributed amongst the Unit Holders. The 90% of the income shall be calculated after excluding realized and unrealized capital gains. For achieving tax efficiency, IGIF shall strive to comply with the requirements of tax exemption and distribute at least 90% of the income, calculated as per clause 5.

#### **7.1.3 Withholding Tax**

All income, namely, dividend, return from bonds or term finance certificates, return on deposits with Banks/Financial Institutions, return from contracts, securities or instruments of companies, organizations, and establishments or any other income of the Scheme shall not be subjected to any withholding tax.

#### **7.1.4 Capital Value Tax**

Under Finance Act, 1989 (V of 1989) as amended by Finance Act, 2004 (II of 2004), read with Circular No. 06 of 2004, dated July 01, 2004 a Capital Value Tax (CVT) at the rate of 0.01% of the purchase value of modaraba certificates or any instrument of redeemable capital as defined in the Companies Ordinance, 1984 (XLVII of 1984) or shares of a public company listed on a registered Stock Exchange in Pakistan was levied. Subsequently the rate of CVT was increased from 0.01% to 0.02% through Finance Bill, 2006. This tax shall be collected by the Stock Exchange(s) concerned.

#### **7.1.5 Zakat**

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

### **7.2 Taxation and Zakat on Unit Holders**

**The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his tax advisor with respect to the specific tax consequences to him of investing in the IGI Income Fund.**

### 7.2.1 Withholding Tax on Cash Dividends

Unless the Unit Holder has specific exemption from such taxation by applicable law or international agreement, the cash dividend paid to Unit Holders of the Scheme shall be subject to income tax as under according to the present rates, which may be changed in future:

- Pakistan based Public Companies and Insurance Companies – five percent (5%)
- Others – ten percent (10%)

In terms of the Income Tax Ordinance, 2001 withholding tax shall deem to be full and final discharge of liability in respect of such distribution.

The rate of tax so specified shall be the final tax and the payer (Transfer Agent) shall be required to withhold the amount of tax at source.

Unit Holders who are exempt from income tax may provide the relevant exemption certificate to the Management Company and / or Transfer Agent in order for income tax not to be withheld.

The portion of dividends paid out of capital gains on sale of listed securities shall not be subject to income or withholding tax.

### 7.2.2 Capital Gains

Capital gains on redemption of Units shall be subject to capital gains tax at the applicable rate. Currently the capital gains, if any, on redemption of Units shall be exempt from capital gains tax up to the tax year ending on June 30, 2008.

### 7.2.3 Tax Credit

Unit Holders shall be entitled to a tax credit in Pakistan under the applicable tax laws, provided that the Units purchased are not disposed within twelve (12) months from the date of purchase.

If the Units so acquired are disposed within twelve (12) months from the date of purchase, then the amount of tax payable for the tax year shall be increased by the amount of the credit allowed.

### 7.3 Zakat

Units held by resident Pakistani Unit Holders shall be subject to Zakat under the Zakat and Ushr Ordinance, 1980 at a rate of 2.5% of the NAV of the Units, except those exempted under the said Ordinance. Zakat shall be deducted at source from the dividend amount or from the redemption payment, if Units are redeemed during the Zakat year before payment of dividend.

### 7.4 Disclaimer

The tax and Zakat information given in Clause 7 is based on the Management Company's tax adviser's interpretation of the law, which to the best of the Management Company's understanding is correct but investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the Scheme. Furthermore, tax and Zakat laws, including rates of taxation and of withholding tax are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

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

## **8. REPORTS AND ACCOUNTS**

### **8.1 Financial Year of the IGI Income Fund**

Accounting Period means a period ending on and including an Accounting Date. The Accounting Period shall commence from the date of first issue of Units for the first year to June 30, 2007, and from July 01 to June 30 for all the following years.

Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax and complying with other applicable laws, change such date to any other date.

### **8.2 Audit**

The first Auditor of the Scheme shall be KPMG Taseer Hadi & Company, Chartered Accountants. Thereafter the Management Company shall with the consent of the Trustee, appoint Auditors, a firm of chartered accountants who shall be independent of the auditors of the Management Company and the Trustee and such auditors shall not be appointed for more than three (3) consecutive years. The Management Company may at any time remove the Auditors and appoint another Auditors in its place.

The Auditors shall hold office until transmission of the annual report and accounts but may be reappointed.

The following persons shall not qualify to be the Auditors of the Scheme:

- (a) a person who is or at any time during the preceding three (3) years was a director, officer or employee of the Management Company or the Trustee;
- (b) a person who is a partner of, or in employment of a director, officer, employee, or Connected Person of the Management Company or Trustee;
- (c) the spouse of a director of the Management Company or Trustee;
- (d) a person who is indebted to the Management Company or Trustee; and
- (e) a body corporate.

Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.

The Auditors shall have access to the books, papers, accounts and vouchers of the Scheme, whether kept at the office of the Management Company, Trustee, Transfer Agent, ATs or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.

The Auditors shall prepare a written report to the Holders to be included in the annual report on the account and books of accounts of the Scheme 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 thereto.

The contents of the Auditors report shall be as required in the Rules.

### **8.3 Financial Reporting**

The following reports will be sent to the Unit Holders:

- (a) Audited financial statements, together with the auditors report, the report by the Management Company (Director's Report) and the report by the Trustee within four (4) months of the close of each Accounting Period.

- (b) Un-audited financial statements (subject to limited scope review by auditors), together with the report by the Management Company within two (2) months of the close of the second quarter of the Accounting Period, as per the Rules.
- (c) Un-audited financial statements, together with the report by the Management Company within one (1) month of the close of the first and third quarter of each Accounting Period or such period as prescribed by the Commission or the Rules.
- (d) The Trustee shall issue a report to the Unit Holders to be included in the annual report, or at such times as directed by the Commission, in accordance with the law, whether in its opinion, the Management Company has in all material respects managed the Trust Property in accordance with the provisions of the Rules and the Trust Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof. The regularity of reporting shall change if so required by the Commission or under the Rules and the Ordinance.

## **9. SERVICES TO UNIT HOLDERS**

### **9.1 Availability of Forms**

All forms can be obtained from the Management Company or any ATL or downloaded from the website of the Management Company i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk) or requested from the Management Company directly by mail.

### **9.2 Transfer of Unit Holder Information**

Once the Unit Holder has purchased Units from ATL a copy of his forms and records shall be maintained at that ATL. However his record may be transferred to any other ATL upon request by the Unit Holder for the convenience of the Unit Holder. In case any Distributor / Sub-Distributor / Investment Facilitator does not continue as an ATL, the Management Company and the Trustee shall make arrangements for the Unit Holder's account to be transferred to the nearest continuing ATL.

Notwithstanding the provisions in the above para, any Unit Holder may submit the application for purchase, redemption or transfer of Units or any other request related to his account at any ATL and the request shall be processed.

### **9.3 Register of Unit Holders**

9.3.1 Since the Management Company shall itself perform the function of the Transfer Agent therefore it shall maintain the Register of the Unit Holders at its principal office in Karachi. The Transfer Agent shall comply with all relevant provisions of the Trust Deed, Offering Document and the Rules and inform the Commission of the address where the register is kept.

9.3.2 The Transfer Agent, 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, except when the Register is closed in accordance with the provisions of the Trust Deed.

9.3.3 Each Unit Holder shall be assigned a distinct account number for his account at the time of initial investment by the Unit Holder. This account shall reflect all the transactions in Units carried out by the Unit Holder. All subsequent investments shall be recorded in the same account.

9.3.4 The Transfer Agent shall not register more than four joint Holders for a Unit. In case of the death of any one (1) 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 Units held by the joint Holders.

9.3.5 A body corporate may be registered as a Holder or as one (1) of the joint Holders.

9.3.6 The Register may be closed in consultation with the Trustee and comfort of the Management Company for such period as it may from time to time determine and after giving at least thirty (30) calendar days notice to Holders, provided that it is not closed for more than forty-five (45) days in any calendar year.

9.3.7 The Holder shall be the only person to be recognized by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company 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 the execution of any trust except where required by any court of competent jurisdiction.

9.3.8 The executors or administrators or succession certificate holders, in case no nominee has been specified, of deceased Holder (not being one (1) of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having right, title or interest in or to the Units represented thereby.

9.3.9 Any person becoming entitled to a Unit in consequence of the death or bankruptcy/insolvency 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 Unit upon giving the Transfer Agent such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of the Trust Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy/insolvency had not occurred and such notice or transfer was a transfer executed by the Holder.

9.3.10 The Trustee shall retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units 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 Unit or shall duly transfer the same.

9.3.11 The Transfer Agent shall, subject to any law in force, ensure at all times and shall endeavor to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holders is not provided to any third party without express permission from the Management Company or the Unit Holders himself, unless any disclosure is required in compliance with any applicable laws, rules and regulations or where such disclosure is required by an appropriate court or competent authority.

#### 9.4 Information to be Contained in the Register

The Register shall contain the following information in respect of each class and type of Units:

- (a) Full name, father's/husband's name of each Holder and joint Unit Holder(s);
- (b) Complete address of the Holder or the joint Holder whose name appears first in the Account Opening Form;
- (c) National Identity Card Number, registration number or any other identification number in case of foreign holders;
- (d) Nationality;
- (e) Number of Certificate held;
- (f) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
- (g) The date on which any transfer or redemption is registered with Certificate number, if any;
- (h) Information about lien, pledge or charge of Units;
- (i) Information about verification of redemption/transfer Forms;
- (j) Tax and zakat status of Holder;
- (k) Information about nominees;
- (l) Record of signature of Holder/joint Holder;
- (m) Nominees of the Unit Holders;
- (n) Certificate number;
- (o) Number of Units held;
- (p) Such other information as the Management Company may require.

The Register shall be conclusive evidence as to the Units held by each Holder.

#### 9.5 Change of Information in Register

Any change of name or address of any Holder shall forthwith be notified in writing to the Transfer Agent who on being satisfied therewith and on compliance with such formalities (including, in the case of a change of name, the surrender of any Certificate previously issued to such Holder and the payment of the Certificate issuance fee and any other charges) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue where necessary a new Certificate to such Holder. Unit Holder shall have to submit the Change Request Form that shall be available at all ATLS and on the website of the Management Company i.e. [www.igifunds.com.pk](http://www.igifunds.com.pk).

## 9.6 Account Statement

The Transfer Agent may send directly to each Unit Holder an account statement each time there is a transaction in the account. The account statement reflects the status of the account of the Unit Holder as on the date of the issuance of the account statement. Such statement or report shall be sent by electronic means or registered mail to the Unit Holder's address recorded in the Register.

## 9.7 Issuance of Certificates

9.7.1 Upon being satisfied, through the relevant bank statement, that the Offer Price for each Unit or fraction thereof has been received in full from the investor, the Management Company shall intimate the Transfer Agent to issue an account statement that shall constitute evidence of the number of Units registered in the name of the Holder.

9.7.2 Subject to sub-clause 9.7.1, Certificates shall be issued by the Transfer Agent, only if so requested by the Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs. 25/- (Rupees Twenty Five only) per Certificate, subject to revision of fee from time to time by the Management Company. Such fees shall be deducted from the account of the Unit Holder concerned, and the Certificate issued shall be for the remaining Units after deduction of fee. Alternatively, the Unit Holder may pay the issuance of Certificate fee in cash. The proceeds of such fee shall accrue to the Management Company and the level of such fees shall be stated on the website of the Management Company.

9.7.3 Confirmation statement and Certificates shall only be issued for Units that have been fully paid. Separate Certificates shall be issued for each class of Units.

9.7.4 Certificates, where requested, shall be issued as herein provided not later than twenty one (21) Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Holder from the ATL.

9.7.5 In the case of Units held jointly, the Transfer Agent shall not issue more than one (1) Certificate for the Units held by such joint Holders and delivery of such Certificate to the joint Holder named first (principal) therein shall constitute sufficient delivery to all joint Holders.

9.7.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive serial number and the folio number of the Holder or joint Holders and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.

9.7.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, the Management Company, Transfer Agent or any authorized signatory.

9.7.8 Where a Unit Holder wishes to redeem, convert or transfer part of his Units contained in a Certificate, the aggregate Certificate shall be retained by the ATL, along with the completed Redemption and / or Transfer / Conversion Form. The Unit Holder shall be issued a receipt for the aggregate Certificate retained by the ATL, and a new Certificate shall be issued, (upon request of the Unit Holder, depicting the number of Units outstanding after partial redemption / transfer / conversion) and sent to the Unit Holder along with the confirmation statement for the redemption / transfer / conversion transaction.



9.8 Replacement of Certificates

- 9.8.1 Subject to the provisions of the Trust Deed and this Offering Document and in particular to the limitations of the denominations of Certificates, as may be fixed by the Management Company, and subject to any regulations from time to time made by the Trustee with the approval of the Management Company 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 he may require representing the same aggregate number of Units.
- 9.8.2 In case any Certificate shall be lost, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled a new certificate in lieu thereof. No such new Certificate shall be issued unless the investor shall previously have:
- (i) returned the mutilated or defaced Certificate or furnished to the Distribution Company/Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
  - (ii) paid as expenses incurred in connection with the investigation of the facts;
  - (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 Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Company/Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.
- 9.8.3 Before issuing any Certificate under the provisions of this Clause, the authorized personnel of the ATL or the Transfer Agent may require from the investor for the Certificate the payment to it of a fee of Rs. 25/- (Twenty Five Rupees) for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

## 10. FINANCIAL INFORMATION

### 10.1 Auditors Certificate on Core Investor's Investment in Units of the Scheme



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi 75530 Pakistan

Telephone +92 (21) 568 5847  
Fax +92 (21) 568 5095  
Internet www.kpmg.com.pk

The Board of Directors  
IGI Funds Limited (formerly First International  
Capital Management Limited)  
4th Floor, Shaheen Complex  
Dr. Ziauddin Ahmed Road,  
Karachi-74200

Our ref KA-AQ-1118

22 February 2007

Dear Sirs,

**IGI Income Fund**  
**Certificate on subscription money received**

As requested, we are pleased to confirm that we have verified from the books of accounts and records of IGI Income Fund ("the Fund"), managed by IGI Funds Limited (formerly First International Capital Management Limited), that an amount of Rs. 250,000,000 has been received by the Fund from the following towards the issuance of Core Units, details of which are as follows:

<b>Core Investors</b>	<b>(Rupees)</b>
■ International General Insurance Company of Pakistan Limited	200,000,000
■ Packages Limited Employees' Gratuity Fund	50,000,000
	<hr/> <b>250,000,000</b> <hr/>

Yours faithfully,

*KPMG Taseer Hadi & Co.*

10.2 Auditors Certificate on Net Asset Value of the Scheme



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi 75530 Pakistan

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Internet www.kpmg.com.pk

The Board of Directors  
IGI Funds Limited (formerly First International  
Capital Management Limited)  
4th Floor, Shaheen Complex  
Dr. Ziauddin Ahmed Road,  
Karachi-74200

Our ref KA-MI-1325

28 March 2007

Dear Sirs,

**Net Asset Value (Un-audited) of IGI Income Fund (“the Fund”)**

As requested, we have agreed from the un-audited books and records of the Fund and information provided to us by the Management Company of the Fund that the Net Assets of the Fund as on 22 February 2007 are as follows:

Total assets of the Fund	251,090,000
Total liabilities of the Fund	(1,090,000)
	<u>Rupees 250,000,000</u>
Proposed units to be issued against the funds received	<u>Number 2,500,000</u>
Net Assets Value per unit	<u>Rupees 100</u>

Total assets of the Fund include Rs. 1.08 million representing formation costs of the Fund, which have been treated as Deferred Cost and will be amortized after the close of first offer period in accordance with the provisions of the Trust Deed. Further, the Fund is in process of issuance of units against the seed capital received; therefore, this has been considered as units in issue as on 22 February 2007 to determine the net assets of the Fund as on 22 February 2007.

Management is responsible for the above information. We have not audited or reviewed the financial statements from which the above information have been extracted and accordingly express no assurance thereon.

This certificate is being issued only for inclusion as part of the Fund’s “Offering Document”.

Yours faithfully,

*KPMG Taseer Hadi & Co.*

### 10.3 Formation Cost

All preliminary and floatation expenses of the Scheme including expenses in connection with authorization of the Fund, execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of this Offering Document, marketing of the Scheme and inviting investment therein and all expenses incurred during the period leading up to the Initial Period, shall be borne by the Scheme and amortized over a period of not more than five (5) years. Such cost shall not exceed one percent (1%) of the Core Investment into the Scheme or if Pre-IPO investment exceeds Rupees One Billion (Rs. 1,000,000,000) then a maximum amount of Rupees Four Million (Rs. 4,000,000).

## **11. WARNING**

### **11.1 Offering Document**

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

### **11.2 Fluctuations in Price and Income**

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

### **11.3 Disclaimer**

**The investor must recognize that all investments involve varying level of risk. Neither the value of Units in the Scheme nor the dividend declared by the Scheme can be assured.**

**The historical performance of this Scheme, the financial market or that anyone security or transaction included in the Scheme's portfolio does not necessarily indicate future performance.**

**Investors are advised to read risk disclosure as mentioned in this document in sub-clause 2.9 and sub-clause 2.10 above for more information concerning risk.**

## **12. GENERAL INFORMATION**

### **12.1 Inspection of Constitutive Documents**

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

**IGI Funds Limited**

4<sup>th</sup> Floor, Shaheen Commercial Complex,  
Dr. Ziauddin Ahmed Road  
Karachi – 74200, Pakistan

**Central Depository Company of Pakistan Limited**

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

### **12.2 Date of Publication of this Offering Document**

The Offering Document has been published on April 5, 2007. The Management Company accepts responsibility for the information contained in this Offering Document as being accurate at the date of publication.

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**13. TERMINATION OF THE IGI INCOME FUND****13.1 Termination of the Scheme**

13.1.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rs. Fifty (50) million. The Management Company shall give at least three (3) months notice to Unit Holder(s) and the Commission and shall disclose the grounds of its decision. The Management Company may announce winding up of the Scheme as per Rules in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Scheme be wound up.

13.1.2 The Scheme may also be terminated by the Commission on the grounds given in the Rules.

13.1.3 The Scheme may be terminated in accordance with the conditions specified in the Rules if there is a material breach of the provisions of the Trust Deed.

13.1.4 Upon the Scheme being terminated the Management Company shall suspend the issue and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing effected by the Scheme together with any mark-up remaining unpaid.

**13.2 Distribution of Liquidation Proceeds**

13.2.1 Upon the Scheme being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing effected by the Scheme together with any mark-up remaining unpaid.

13.2.2 The Trustee on the recommendation and comfort of the Management Company shall from time to time distribute to the Unit Holder(s) pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in sub-clause 13.2.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands.

13.2.3 In case the Scheme is terminated by the Commission on the grounds given in the Rules, the Commission may appoint a liquidator in consultation with the Trustee

## 14. DEFINITIONS

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

- 14.1 “Accounting Date”** means the thirtieth day of June in each year, provided that the Management Company, with the written consent of the Trustee may change such date to any other date and such change shall be intimated to the Commission.
- 14.2 “Accounting Period”** means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date of commencement of the Initial Period and (in any other case) from the end of the preceding Accounting Period.
- 14.3 “Asset Management Company”** shall have the same meaning as in Rules.
- 14.4 “Auditor”** means the Auditor of the Scheme appointed by the Management Company as per the Rules.
- 14.5 “Authorized Investments”** means all transacted, issued, traded or listed investments, inside or outside Pakistan, and includes but not limited to any of the following:
- (a) bonds, debentures, debenture stock, redeemable preference shares, participation term certificates, modaraba certificates, certificate of musharika (CoM), Global Depository Receipts (GDRs), commercial papers, convertible bonds, convertible debt securities, asset backed or mortgage backed securities (for ready settlement or for future settlement) money market and fixed income securities traded or to be traded in Over The Counter (OTC) Markets; rated corporate debt, credit linked notes, treasury bills and other Government Securities;
  - (b) money market instruments, certificates of deposit, certificates of investment (including all variations), term deposits receipts and bankers’ acceptances;
  - (c) deposits with commercial Banks or term deposits with Financial Institutions under the regulatory ambit of main land regulatory authority including deposits in currencies other than the Pakistani Rupee as permitted by the State Bank of Pakistan;
  - (d) units in any other money market / fixed income scheme. The purchase and acquisition of units of one (1) money market / fixed income scheme shall not exceed ten percent (10%) of the Net Assets of the Scheme at the time of purchase, except as may otherwise be permitted under the Rules;
  - (e) any other debt security, listed or for the listing of which application has been approved by one (1) or more Stock Exchange(s) but does not include bearer security or any other security that would involve assumption of unlimited liability;
  - (f) repurchase transactions (REPOs) against money market instruments only as per the Rules and reverse REPOs against eligible Securities;
  - (g) any other debt security in respect of which permission to deal on a stock Exchange is effective subject to any appropriate investment grading or as per the criteria that may be laid down by the Commission;
  - (h) Continuous Funding System (CFS) and its successors. Investment in CFS shall be restricted up to a maximum of fifty percent (50%) of Net Assets of the Scheme, with not more than twenty percent (20%) of the CFS amount in any one (1) scrip at the time of Investment; or any other system/financing mechanism replacing CFS subject to the approval of the Commission;
  - (i) spread transactions subject to the Rules;
  - (j) derivative instruments including options, interest rate swaps, forward rate agreements and any other derivative instruments permitted by the Commission. The Investment in this asset class shall be for hedging purposes only and subject to such other terms and conditions as may be notified by the Commission;



- (k) secured privately placed instruments, listed Term Finance Certificates (TFCs) issued by corporates and Financial Institutions. If the entity issuing the TFCs is not rated then the instrument should have been rated by a credit rating agency registered with the Commission;
- (l) convertible TFCs issued by corporates / Financial Institutions. In case the Scheme is required to convert TFCs into shares, it shall offload the shares within a period of three (3) months of the shares being issued;
- (m) convertible and non-convertible preference shares. In case the Scheme is required to convert the preference shares into ordinary shares, it shall offload the shares within a period of three (3) months of the shares being issued;
- (n) subject to the Commission or other regulatory approvals the Scheme may seek to invest in debt instruments issued, listed and traded outside Pakistan on such terms, guidelines and direction as may be issued by the Commission and the State Bank of Pakistan from time to time;
- (o) warrants, options and other derivatives subject to the prior approval of the Commission, or applicable rules and regulations. Investment in this class shall be for hedging purposes only and subject to such terms and conditions as approved by the Commission from time to time; and
- (p) any other investments as the Management Company may deem appropriate from time to time with the prior approval of the Commission.

- 14.6** “**Authorized Transaction Location or “ATL”** means branch(es) of the Management Company and Distributor/Sub-distributor/Investment Facilitator authorized to accept and process subscription / redemption / transfer / conversion etc requests. A list of ATLs shall be maintained and updated by the Management Company.
- 14.7** “**Back-end Load**” means the charge or commission (excluding Duties and Charge) not exceeding five percent (5%) of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units, as may be mutually agreed between the Trustee and the Management Company.
- 14.8** “**Bank**” means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 14.9** “**Bank Accounts**” means those account(s) opened and maintained for the Scheme by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).
- 14.10** “**Broker**” means any person engaged in the business of effecting transactions in securities for the account of others or a member of the Stock Exchange.
- 14.11** “**Business Day**” means a day on which State Bank of Pakistan is open for business in Pakistan.
- 14.12** “**Certificate**” means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.
- 14.13** “**Connected Person**” shall have the same meaning as in the Rules.
- 14.14** “**Constitutive Documents**” means the Trust Deed that is the principal document governing the formation, management or operation of the Scheme, this Offering Document and all material agreements in relation to the Scheme.
- 14.15** “**Contingent Load**” means Sales Load payable not exceeding five percent (5%) of the Net Asset Value, if Units are redeemed by any major Unit Holder in such period of time that the Management Company believes may adversely affect the interest of other Unit Holder(s) and disclosed in this Offering Document. Any Contingent Load received shall form part of the Trust Property.
- 14.16** “**Commission**” or “**SECP**” is defined in the preamble.

- 14.17 “Core Units”** means such Units of the Scheme that are issued to Core Investors with the condition that these are not redeemable for a period of two (2) years from the Initial Period. However, such Units are transferable with this condition and shall rank *pari passu* with all other Units save for this restriction. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee.
- 14.18 “Core Investors”** of the Scheme shall be such initial Investors whose subscription shall in aggregate be in compliance of the requirements of the Rules. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors have been included in the Offering Document that shall be issued for this Scheme.
- 14.19 “Custodian”** means: (a) Bank(s) which may be appointed by the Trustee, in consultation with the Management Company, to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and/or (b) the Trustee, with the approval of the Management Company, to hold and protect the Trust Property or any part thereof as custodian.
- 14.20 “Distribution Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company as per the Trust Deed in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Scheme from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).
- 14.21 “Distributor / Distribution Company”** means a company(s) or firm(s) or a Bank(s) or Central Depository Company or any other Financial Institution appointed by the Management Company in consultation with the Trustee for performing any or all of the Distribution Functions, and shall also include the Management Company itself, if it performs the Distribution Function.
- 14.22 “Distribution Date”** means the date on which the Management Company decides to distribute the profits (if any).
- 14.23 “Distribution Period”** means the period in respect of which distribution of profits, are proposed to be made by the Management Company.
- 14.24 “Distribution Function”** means the functions with regard to:
- (a) receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the investors;
  - (b) issuing receipts in respect of (a) above;
  - (c) interfacing with and providing services to the Holders including receiving redemption/transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
  - (d) accounting to the Trustee for all: (i) moneys received from the investors for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
  - (e) the above functions may be performed electronically, if appropriate systems are in place; and
  - (f) where applicable, any other function as specified in the distribution agreement between the Distribution Company and/or Sub-Distribution Company, and the Management Company.
- 14.25 “Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, levies, taxes, zakat, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

- 14.26 “Federal Government”** means the Federal Government of Islamic Republic of Pakistan.
- 14.27 “Financial Institution”** means a scheduled Bank or development finance institution, a company registered under the Rules, a member of a stock exchange registered with the Commission or an institution registered to provide financial services including banking or brokerage in or outside Pakistan.
- 14.28 “Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the Scheme, including flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period. This shall not exceed one percent (1%) of the Core Investor’s investment or if Pre-IPO investment exceeds Rupees One Billion (Rs. 1,000,000,000) then a maximum amount of Rupees Four Million (Rs. 4,000,000).
- 14.29 “Front-end Load”** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) or such other percentage (as may mutually be agreed upon between the Trustee and the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units; provided however that different levels of Front-end Load may be applied to different investors, as may be mutually agreed between the Trustee and the Management Company.
- 14.30 “Government Securities”** means securities and other instruments issued and to be issued by any Federal and/or Provincial Government of the Islamic Republic of Pakistan and/or the State Bank of Pakistan, including but not limited to Federal Investment Bonds, Treasury Bills, Pakistan Investment Bonds and any securities/instruments replacing or substituting the foregoing from time to time.
- 14.31 “Holder or Unit Holder”** means an investor for the time being entered in the Register as owner of a Unit of IGI Income Fund including investors jointly so registered pursuant to the provisions of the Trust Deed.
- 14.32 “Initial Offer”** means Pre-IPO and Public Offering.
- 14.33 “Initial Period”** means a period determined by the Management Company not exceeding seven (7) days during which Units shall be offered at the Initial Price in terms of this Offering Document, inclusive of the offering to the Core Investors.
- 14.34 “Initial Price”** means the price of Rs. 100/- per Unit during the Initial Period determined by the Management Company.
- 14.35 “Investment”** means any Authorized Investment forming part of the Trust Property.
- 14.36 “Investment Facilitators/Advisors/ Sales Agents ”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme.
- 14.37 “Management Company”** is defined in the preamble hereto.
- 14.38 “Net Assets”** shall have the same meaning as in the Rules.
- 14.39 “Net Assets Value” or “NAV”** means per Unit value of the Scheme arrived at by dividing the Net Assets by the number of Units outstanding.
- 14.40 “Offer Price”** means the sum to be paid to the Trustee for the benefit of the Scheme for issuance of one (1) Unit.
- 14.41 “Offering Document”** means the prospectus, advertisement or other document (approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Scheme, as required by the Rules and is circulated to invite offers by the public to invest in the Scheme.
- 14.42 “On-line”** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 14.43 “Ordinance”** means the Companies Ordinance, 1984.

- 14.44** “**Par Value**” means the Initial Price of a Unit that shall be Rs. 100/- per Unit.
- 14.45** “**Personal Law**” means the law of inheritance and succession as applicable to the individual Unit holder;
- 14.46** “**Pre-IPO**” means the private placement of Units to investors prior to the Public Offering.
- 14.47** “**Public Offering**” means the same as **Initial Public Offer (“IPO”)**, which is the offering of Units to the general public through and in accordance with this Offering Document.
- 14.48** “**Redemption Price**” means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit.
- 14.49** “**Register**” means the Register of the Unit Holder(s) kept pursuant to the Rules and the Trust Deed.
- 14.50** “**Registrar Functions**” means the functions with regard to:
- (a) maintaining the Register, including keeping a record of change of addresses/other particulars of the Unit Holder(s);
  - (b) issuing account statements to the Unit Holder(s);
  - (c) issuing Certificate, including Certificates in lieu of undistributed income to Unit Holder(s);
  - (d) canceling old Certificates on redemption or replacement thereof;
  - (e) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holder(s);
  - (f) issuing and dispatching of Certificates;
  - (g) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends;
  - (h) Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
  - (i) Maintaining record of lien/pledge/charge;
  - (j) Keeping record of change of addresses/other particulars of the Holders; and
  - (k) Any other information that the Management Company deems necessary.
- 14.51** “**Rules**” is defined in the preamble hereto and includes any specific or general relaxations in respect of applicability of such Rules granted or to be granted by the Commission and/or the Federal Government, as appropriate.
- 14.52** “**Sales Load**” means the Front-end Load, Back-end Load and the Contingent Load.
- 14.53** “**Stock Exchange**” or “**Exchange**” means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include a stock exchange abroad.
- 14.54** “**Subscription Day**” means Business Days designated by the Management Company, as specified in **Annexure A**, on which application(s) for dealing in the Units shall be accepted.
- 14.55** “**Sub-Distributor/Sub-Distribution Company**” means a company(s) or firm(s) or a Bank(s) or Central Depositor Company or any other Financial Institution appointed by the Management Company to perform the Distribution Functions, in circumstances where the Management Company is a Distributor.

**14.56** “**Transaction Costs**” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Scheme’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.

The Transaction Costs shall not normally be applied in determining Offer and Redemption Prices, however, if the Management Company is of the view that it is in the overall interest of the Holders, it may, in consultation and with the agreement of the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption Prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Prices does not exceed five percent (5%) of NAV. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property.

**14.57** “**Transfer Agent**” means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Functions.

**14.58** “**Trust**” or “**Scheme**” means the IGI Income Fund.

**14.59** “**Trust Deed**” means the trust deed executed between the Management Company and the Trustee along with all the exhibits appended hereto.

**14.60** “**Trust Property**” means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Purchase (Offer) or Redemption Price after deducting there from or providing there against the value of Redemption, Front-end Load, Back-end Load, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the Purchase or Redemption of Units and any expenses chargeable to the Scheme; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable or immovable assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Trust Deed and shall include the income, profit, interest etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account and the income earned on the investments of the Pre-IPO up to the date of the close of the Initial Period which shall not form part of the Trust Property.

**14.61** “**Trustee**” is defined in the preamble hereto.

**14.62** “**Unit**” means one undivided share in the Scheme, and where the context so indicates, a fraction thereof.

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 and words “**written**” or “**in writing**” include printing, engraving, lithography or other means of visible reproduction.

**Annexure A**

**Current Level of Fees & Subscription Days  
(Effective from close of Initial Period)**

	<b>Current</b>	<b>Maximum</b>
Front End Load	0 %	5 % of NAV
Back End Load	N/A	5 % of NAV
Contingent Load	0%	5% of NAV
Transaction Cost	0%	Such amount that does not result in a difference between the Offer Price and the Redemption Prices in excess of five percent (5%) of NAV
Management Fee	1.25%	3% of the average annual Net Assets of the Scheme and 2% of the average annual Net Assets of the Scheme thereafter
Subscription Days	Monday through Friday (both days inclusive)	N/A

**Annexure B**

**Current list of Authorized Transaction Locations**

**Karachi**

**IGI Funds Limited**

4th Floor, Shaheen Commercial Complex,  
Dr. Ziauddin Ahmed Road,  
Karachi.

**Lahore**

**IGI Funds Limited**

5 F.C.C, Syed Maratib Ali Road,  
Gulberg,  
Lahore.

**Annexure C**

**TARIFF STRUCTURE FOR OPEN END MUTUAL FUNDS**

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

<b>NET ASSETS (Rupees in million)</b>		<b>TARIFF</b>
<b>From</b>	<b>To</b>	
1	1,000	Rs. 0.7 million or 0.20% p.a. of NAV, which ever is higher.
>1,000	& Above	Rs. 2.0 million plus 0.10% p.a. of NAV, on amount exceeding Rs.1, 000 million.



### Annexure D

Name	Address	Other Directorships
Mr. Bazl Ahmed Khan <b>(Chairman)</b>	House No. 2 - A/1, 20 <sup>th</sup> Street, Khayaban-e-Tauheed D.H.A Phase 5, Karachi	None
Mr. Khalid Yacob	House # 304, Upper Mall, Lahore.	-Packages Limited -Tetra Pak Pakistan Limited -Tri-Pak Films Limited -Packages Lanka (Pvt.) Limited -IGI Investment Bank Limited
Mr. Ahmad Alman Aslam	A 1 Zamzama Link Road Navy Housing Scheme Clifton, Karachi	<b>MANAGING PARTNER:</b> Ahmed Alman Aslam and Associates <b>DIRECTOR:</b> -Oil & Gas Development Company of Pakistan -Adamjee Insurance Company of Pakistan -Private Power & Infrastructure Board
Mr. Abid Naqvi	7-A Mohammad Ali Bogra Road, Bath Island, Karachi	<b>CHIEF EXECUTIVE OFFICER:</b> ACL Capital (Pvt.) Limited <b>DIRECTOR:</b> -Atlas Capital Markets (Pvt.) Limited -Associated Constructors Limited
Mr. Syed Javed Hassan	4 A, 3 <sup>rd</sup> North Street D.H.A Phase -1 Karachi	<b>CHIEF EXECUTIVE OFFICER:</b> International General Insurance Limited <b>DIRECTOR:</b> -Loads Limited -Treet Corporation Limited -J & P Coats
Mr. Adi J. Cawasji	66 B South Circular Avenue D.H.A Phase - 2 Karachi	<b>DIRECTOR:</b> -IGI Investment Bank Limited -Packages Construction (Pvt.) Limited
Mr. Ali Azam Shirazee <b>( Chief Executive Officer)</b>	137/2, 8 <sup>th</sup> Street, Khayaban-e- Bukhari D.H.A. Phase 6, Karachi	None

**Annexure E**  
List of Core and Pre-IPO Investors

No.	Name of Investor
1	Allied Bank Limited
2	Arif Habib Rupali Bank Limited
3	Bank AL Habib Limited
4	Bank AlFalah Limited
5	Central Depository Company of Pakistan Limited - Employees Gratuity Fund
6	Colgate-Palmolive Pakistan Limited
7	Engro Chemical Pakistan Limited - Non-MPT Employees Defined Contribution Pension Fund
8	Engro Chemical Pakistan Limited - Provident Fund
9	Habib Bank Limited
10	Habib Metropolitan Bank Limited
11	House Building Finance Corporation
12	IGI Funds Limited
<b>13</b>	<b>International General Insurance Company of Pakistan Limited (Core Investor)</b>
14	KASB Bank Limited
15	MCFSL Trustee - Atlas Fund of Funds
16	Mybank Limited
<b>17</b>	<b>Packages Limited - Employees Gratuity Fund (Core Investor)</b>
18	Packages Limited - Employees Provident Fund
19	Pakistan Industrial Credit & Investment Corporation Limited
20	PICIC Commercial Bank Limited
21	Saudi Pak Commercial Bank Limited
22	The Bank of Khyber
23	The Bank of Punjab
24	The Legend
25	Treet Corporation Limited - Group Employees Gratuity Fund
26	Treet Corporation Limited - Group Employees Superannuation Fund
27	UBL Fund Managers Limited
28	Wellcome Pakistan Provident Fund (C/o GlaxoSmithKline Pakistan Limited)

The above Core Investors and Pre-IPO investors have subscribed an aggregate sum of Rs. 1,125 million.

**Principal Account Holder Information**

Name Mr / Ms / Ms / Ma \_\_\_\_\_ CNIC or Passport No. \_\_\_\_\_  
 Father / Husband / Guardian Name \_\_\_\_\_ Contact No. \_\_\_\_\_  
 Zakat Deduction  Yes  No Gender  Male  Female Status  Resident  Non Resident Date of Birth \_\_\_\_\_  
(If you have selected 'No' please provide L2-50 form) d4/m/y  
 Occupation \_\_\_\_\_ Fax \_\_\_\_\_  
 Nationality \_\_\_\_\_ Email \_\_\_\_\_  
 Address \_\_\_\_\_  
 Postal Code \_\_\_\_\_ Country \_\_\_\_\_  
 Specimen Signature \_\_\_\_\_

Stamp if Institutional Client

**Only for Institutional Clients**

Registration / Incorporation Number \_\_\_\_\_ NTN \_\_\_\_\_  
 Type  Company (Listed)  Partnership  Trust  Other \_\_\_\_\_  
 Company (Unlisted)  Sole Proprietorship  NGO  Other Please Specify \_\_\_\_\_

**Bank Account Information**

Account Title \_\_\_\_\_ Account No. \_\_\_\_\_  
 Bank Name \_\_\_\_\_ Branch \_\_\_\_\_  
 Branch Address \_\_\_\_\_ City \_\_\_\_\_

**Joint Account Holder Information**

Name Mr / Ms / Ms / Ma \_\_\_\_\_ CNIC or Passport No. \_\_\_\_\_  
 Father/Husband / Guardian Name \_\_\_\_\_ Specimen Signature \_\_\_\_\_  
 Name Mr / Ms / Ms / Ma \_\_\_\_\_ CNIC or Passport No. \_\_\_\_\_  
 Father/Husband / Guardian Name \_\_\_\_\_ Specimen Signature \_\_\_\_\_  
 Name Mr / Ms / Ms / Ma \_\_\_\_\_ CNIC or Passport No. \_\_\_\_\_  
 Father/Husband / Guardian Name \_\_\_\_\_ Specimen Signature \_\_\_\_\_

Operating Instructions  Principal Account Holder Only  Either or Survivor  Jointly By Any Two  Jointly (All Account Holders)  
 Other, please specify \_\_\_\_\_

**Nominee Information (Not applicable to institutions and Joint Account Holders)**

Name Mr / Ms / Ms \_\_\_\_\_ Name Mr / Ms / Ms \_\_\_\_\_  
 CNIC or Passport No. \_\_\_\_\_ CNIC or Passport No. \_\_\_\_\_  
 Relationship with Principal A/c Holder \_\_\_\_\_ Share % \_\_\_\_\_ Relationship with Principal A/c Holder \_\_\_\_\_ Share % \_\_\_\_\_

**Dividend Mandate**

Please encash my bonus units  Please re-invest my cash dividend  Please transfer my dividend to my bank account

**Account Statement Frequency (Extra charges may apply)**

Upon Activity  Monthly  Quarterly  Half yearly  Yearly

**Declaration**

I/We hereby acknowledge having read in full and understood the relevant Trust Deeds and Offering Documents(s) that govern this transaction and further acknowledge having understood in full the risks involved.

Signature \_\_\_\_\_ Signature \_\_\_\_\_ Signature \_\_\_\_\_ Signature \_\_\_\_\_ Stamp if Institutional Client \_\_\_\_\_

**For Official Use Only**

ATL  
 Code \_\_\_\_\_ Date \_\_\_\_\_ Form Received \_\_\_\_\_ d4/m/y Name of Authorized Person \_\_\_\_\_  
 Transfer Agent  
 Date \_\_\_\_\_ Time \_\_\_\_\_ am/pm \_\_\_\_\_  
 Form Received \_\_\_\_\_ d4/m/y Name \_\_\_\_\_ Form and Attachments Verified By \_\_\_\_\_ Date Input By \_\_\_\_\_ Date Verified By \_\_\_\_\_ Account No. \_\_\_\_\_  
 Remarks \_\_\_\_\_

**Client Receipt (To be filled by authorized ATL representative)**

Date \_\_\_\_\_ Received By \_\_\_\_\_ Form Number \_\_\_\_\_  
 Form Received \_\_\_\_\_ d4/m/y \_\_\_\_\_  
 Signature of Authorized Person \_\_\_\_\_ Stamp of Authorized Branch \_\_\_\_\_

## Account Opening Form Guidelines

Please read the guidelines below before completing this form.

### General Instructions

- In case of institutional clients, company stamp is required.
- Please fill this form in BLOCK LETTERS.
- Upon completion and submission of this form you will be provided a receipt, please retain your receipt and ensure that it is signed and stamped by the authorized ATL (Authorized Transaction Location) representative.
- It is the responsibility of the client(s) to pay any and all stamp duties, taxes and processing charges (if any) upon submission of this form.
- For additional details please refer to the Offering Document or call us at 111.367.444.

### Detailed Instructions

#### Principal Account Holder Information

- Please provide either a) your CNIC number or b) your Passport number.
- If you have selected No in Zakat Deduction please ensure that you provide a GZ-50 form to compliment your request.
- If you have selected Other in Type of Business please specify in the space provided.

#### Bank Account Information

- Please provide the bank account details of the Principal Account Holder.
- Any error in filling this information may cause delay in transfer of funds to the Account Holder.
- These details shall be used for both Redemptions and Dividend Mandates where applicable.

#### Joint Account Holder Information

- In case of institutions, this section shall be used for authorized signatories and the respective institution's stamp.

#### Nominee Information

- This section is not applicable in case of institutions and Joint Account Holders.
- Names of the Nominee(s) if any and relationship with the Principal Account Holder should be clearly stated in this section along with the total entitlement of share.

#### Dividend Mandate

- Please specify your desired dividend mandate, kindly note that the default dividend mandate is re-investment.
- Select the desired check box, be advised that if you wish to change your selection at a later date you can do so by filling out the Change Request Form.

#### Account Statement Frequency

- Please select your desired statement frequency.

#### Declaration

- Signature of the Principal Account Holder and / or of ALL Joint Account Holders is required.
- In case of institutional clients, company stamp is required.

### Required Documentation

#### Individuals

- Copy of Computerized National Identification Card (CNIC) or Passport for all signatories.
- Zakat Declaration Form (GZ-50).

#### Institutions

- Memorandum and Articles of Association.
- Certificate of Incorporation.
- Computerized National Identification Card (CNIC) copies of all authorized signatories.
- Board Resolution authorizing investment.
- NTN Certificate.
- Tax and/or Zakat Exemption Certificate.
- Other incorporation documents (if requested).
- Bye-laws.

IGI Funds Limited (Formerly First International Capital Management Limited)

4th Floor, Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi 74200, Pakistan. UAN: +92 21 111 367 444. Fax: +92 21 2272415. www.igifunds.com.pk

Thank you for investing with IGI Funds. Please retain this receipt for your records.

**Principal Account Holder Information**

Name  Account No.

In case of initial investment please write the Account Opening Form Number \_\_\_\_\_

CNIC or Passport No.

**Investment Details**

Name of Fund	Unit Class	Amount in Rs.
<input type="text"/>	<input type="text"/>	<input type="text"/>

Amount in words

Payments shall be made through cross cheque, debit instruction, pay order or demand draft in favour of "CDC - Trustee IGI Income Fund"

Method of Payment  Cheque  Pay Order  Demand Draft  Debit Instructions  Others (Please specify below)

Please provide instrument No. and/or Bank Account No. (For debit instructions)

Drawn On Bank Name  Branch

**Units-Mode of Holding**

- Account Statement** Units shall be issued in registered, un-certificated form and shall be confirmed by an account statement issued by the Transfer Agent.
- Unit Certificate** Units Certificate(s) shall be issued only if requested through the Certificate Processing Form on payment of Rs. 25/- per Certificate. Payment for Certificate(s) may be combined with the payment for Unit(s). Unless indicated by the applicant, only Jumbo Certificate shall be issued.

**Declaration**

I/We hereby acknowledge having read in full and understood the relevant Trust Deed(s) and Offering Document(s) that govern this transaction and further acknowledge having understood in full the risks involved.

Signature Signature Signature Signature

Stamp if Institutional Client

**For Official Use Only**

**ATL**  
Code  Date

Form Received dd/m/yy Name of Authorized Person Signature

**Transfer Agent**  
Date  Time

Form Received dd/m/yy Form and Attachments Verified By Date Input By Date Verified By Account No.

Remarks

**Client Receipt (To be filled by authorized ATL representative)**

Date  Received By  Form Number \_\_\_\_\_  
Form Received dd/m/yy

Signature of Authorized Person Stamp of Authorized Branch

# Investment Form Guidelines

Please read the guidelines below before completing this form.

## General Instructions

- ☐ In case of institutional clients, company stamp is required.
- ☐ Please fill this form in BLOCK LETTERS.
- ☐ Upon completion and submission of this form you will be provided a receipt, please retain your receipt and ensure that it is signed and stamped by the authorized ATL (Authorized Transaction Location) representative.
- ☐ It is the responsibility of the client(s) to pay any and all stamp duties, taxes and processing charges (if any) upon submission of this form.
- ☐ For additional details please refer to the Offering Document or call us at 111-367-444.

## Detailed Instructions

### Principal Account Holder Information

- ☐ Please provide either a) your CNIC number or b) your Passport number.
- ☐ In case of initial investment please provide the Form Number assigned to your Account Opening Form by the authorized ATL (Authorized Transaction Location) representative.
- ☐ In case of existing Unit Holder please specify your Account Number.

### Investment Details

- ☐ Payments shall be made via cross cheque(s), debit instructions, pay order (s) or demand draft(s) in favor of "CDC Trustee-IGI Income Fund".
- ☐ Cash shall NOT be accepted at any ATL (Authorized Transaction Location), however investors may deposit cash at authorized banks and submit the deposit slip along with the Investment Form.
- ☐ Please ensure that the payment instrument number is clearly stated to avoid any discrepancies.

### Units-Mode of Holding

- ☐ Please submit a completed "Certificate Processing Form" if you require a Unit Certificate.

### Declaration

- ☐ Signature of the Principal Account Holder and / or of ALL Joint Account Holders is required.
- ☐ In case of institutional clients, company stamp is required.

IGI Funds Limited (Formerly First International Capital Management Limited)

4th Floor, Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi 74200, Pakistan. UAN: +92 21 111 367 444. Fax: +92 21 2272415. [www.igifunds.com.pk](http://www.igifunds.com.pk)

Thank you for investing with IGI Funds. Please retain this receipt for your records.

If an acknowledgement of the investment is not received within (10) working days the investor is requested to contact IGI Funds Limited.

### Principal Account Holder Information

Name   
CNIC or Passport No.

Account No.

### Redemption Details

Redemption in  Units  Amount

Name of Fund	Unit Class	No. of Units	Amount in Rs.
IGI Income Fund			

Amount in words

Transfer to Bank Account  Dispatch cheque to registered address

### Certificate(s) Details

Please note that redemption cannot be made unless original certificate(s) are surrendered. If you selected yes, then Certificate(s) Surrendered  Yes  No

Certificate(s) Issued  Yes  No

Distinctive Number of Certificate(s) Surrendered

### Other Instructions

bearing CNIC / Passport No.  is authorized to receive the proceeds of this Redemption application (CNIC copy required).

### Declaration

I/We hereby acknowledge having read in full and understood the relevant Trust Deed(s) and Offering Document(s) that govern this transaction and further acknowledge having understood in full the risks involved.

Signature  Signature  Signature  Signature

Stamp if Institutional Client

### For Official Use Only

ATL  
Code  Date   
Form Received  (dd/mm/yy) Name of Authorized Person  Signature   
Transfer Agent  
Date  Time  am/pm  
Form Received  (dd/mm/yy) H/m/a Form and Attachments Verified By  Date Input By  Date Verified By  Account No.   
Remarks

### Client Receipt (To be filled by authorized ATL representative)

Date  Received By  Form Number \_\_\_\_\_  
Form Received  (dd/mm/yy)   
Signature of Authorized Person Stamp of Authorized Branch

## Redemption Form Guidelines

Please read the guidelines below before completing this form:

### General Instructions

- In case of institutional clients, company stamp is required.
- Please fill this form in BLOCK LETTERS.
- Upon completion and submission of this form you will be provided a receipt, please retain your receipt and ensure that it is signed and stamped by the authorized ATL (Authorized Transaction Location) representative.
- It is the responsibility of the client(s) to pay any and all stamp duties, taxes and processing charges (if any) upon submission of this form.
- For additional details please refer to the Offering Document or call us at 111-367-444.

### Detailed Instructions

#### Principal Account Holder Information

- Please provide either a) your CNIC number or b) your Passport number.

#### Redemption Details

- Please specify your redemption amount (i.e. in terms of Units or Rs.).
- Please surrender the original certificate(s) and specify correct certificate number on the form.
- Please note bank transfer shall only be valid if bank account details have been provided in the 'Account Opening Form' submitted at the time of initial investment. Accordingly the Redemption proceeds shall be made as per the bank account details provided in the Account Opening Form.
- All bank transfers are subject to bank transfer arrangements of IGI Funds Limited.

#### Other Instructions

- Please specify correct CNIC/Passport number and name of the person authorized to receive the Redemption proceeds.

#### Declaration

- Signature of the Principal Account Holder and / or of ALL Joint Account Holders is required.
- In case of institutional clients, company stamp is required.

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Thank you for investing with IGI Funds. Please retain this receipt for your records.



## **IGI Funds Limited**

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