

Risk Disclaimer: Investments in mutual funds are subject to market risks. The NAV of Units may go up or down based on market conditions. Past performance is not necessarily indicative of the future results. The Investors are advised to read the Offering Document in particular the investment policy in Clause 2.2 and risk disclosure and warning statements contained in Clause 2.11 and Part "I" respectively in the Offering Document.

# Consolidated Offering Document



**LAKSON**  
investments  
partner with confidence



Lakson Money Market Fund

# Consolidated Offering Document

---

Updated September 20, 2016

## TABLE OF CONTENTS

No.	Clause .....	Page
	<b>INTRODUCTION TO LAKSON MONEY MARKET FUND .....</b>	<b>1</b>
	<b>REGULATORY APPROVALS AND CONSENT .....</b>	<b>1</b>
<b>1</b>	<b>CONSTITUTION OF THE SCHEME .....</b>	<b>3</b>
1.1	Constitution .....	3
1.2	Governing Law .....	3
1.3	Modification of the Trust Deed .....	3
1.4	Duration .....	4
1.5	Units .....	4
1.6	Open-end Scheme .....	4
1.7	Initial Offer .....	5
1.8	Transaction in Units after Initial Period .....	5
<b>2</b>	<b>INVESTMENT OBJECTIVE, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER .....</b>	<b>6</b>
2.1	Investment Objective .....	6
2.2	Investment Policy .....	6
2.3	Authorized Investments .....	6
2.4	Benchmark .....	7
2.5	Investment in Overseas Markets .....	7
2.6	Changes in the Investment Policy .....	7
2.7	Investment and Exposure Restrictions .....	7
2.8	Exceptions to the Investment Restrictions .....	8
2.9	Borrowing and Borrowing Restrictions .....	8
2.10	Restrictions on Transactions with Connected Persons .....	9
2.11	Risk Disclosure .....	9
2.12	Disclaimer .....	10
<b>3</b>	<b>OPERATORS AND PRINCIPALS .....</b>	<b>11</b>
3.1	Management Company .....	11
3.2	Trustee .....	20
3.3	Registrar .....	23
3.4	Distributors / Sub-Distributors / Facilitators .....	23
3.5	Auditors .....	23
3.6	Legal Advisor .....	24
3.7	Core Investors .....	24
3.8	Bankers .....	24
3.9	Bank Accounts .....	24
3.10	Performance of Companies where Directors are Holding Similar Offices .....	25
3.11	Performance of Collective Investment Schemes under the management of Lakson Investments Limited .....	26
<b>4</b>	<b>CHARACTERISTICS OF UNITS .....</b>	<b>27</b>
4.1	Classes of Units .....	27
4.2	Types of Units .....	27
4.3	Minimum / Maximum Investment .....	28
4.4	Legal Status .....	28
4.5	Core Units .....	28
4.6	Determination of Net Assets .....	28
4.7	Determination of Offer Price .....	29
4.8	Purchase of Units .....	30
4.9	Determination of Redemption Price .....	32
4.10	Redemption of Units .....	33
4.11	Transfer, Transmission and Conversion of Units .....	35
4.12	Pledge/Lien/Charge of Units .....	37
4.13	Suspension of Dealing, Queue System and Winding Up .....	37
4.14	Listing on Stock Exchange(s) .....	39

<b>5</b>	<b>DISTRIBUTION POLICY .....</b>	<b>40</b>
5.1	Distribution Policy.....	40
5.2	Declaration of Dividend .....	40
5.3	Determination of Distributable Income .....	40
5.4	Distribution of Profits .....	41
5.5	Reinvestment of Cash Dividend.....	41
5.6	Bonus Units .....	42
5.7	Encashment of Bonus Units .....	42
5.8	Payment of Cash Dividend.....	42
5.9	Closure of Register .....	42
<b>6</b>	<b>FEE AND CHARGES.....</b>	<b>43</b>
6.1	Fees and Charges Payable by an Investor .....	43
6.2	Duties and Other Charges .....	43
6.3	Fees and Charges Payable by the Scheme.....	43
6.4	Expenses of the Management Company and the Trustee .....	45
6.5	Remuneration of Distribution Company / Sub-Distributors/ Facilitators .....	45
<b>7</b>	<b>TAXATION .....</b>	<b>46</b>
7.1	Taxation and Zakat on the Income of the Scheme.....	46
7.2	Taxation and Zakat on Unit Holders .....	46
7.3	Disclaimer.....	47
<b>8</b>	<b>REPORTS AND ACCOUNTS .....</b>	<b>48</b>
8.1	Financial Year of the Scheme .....	48
8.2	Financial Reporting .....	48
<b>9</b>	<b>SERVICES TO UNIT HOLDERS .....</b>	<b>49</b>
9.1	Availability of Forms .....	49
9.2	Transfer of Unit Holder Information .....	49
9.3	Register of Unit Holders .....	49
9.4	Information to be Contained in the Register.....	50
9.5	Change of Information in Register .....	51
9.6	Account Statement .....	51
9.7	Issuance of Certificates.....	51
9.8	Replacement of Certificates .....	52
<b>10</b>	<b>FINANCIAL INFORMATION.....</b>	<b>53</b>
10.1	Auditors Certificate on Core Investor's Investment in Units of the Scheme .....	53
10.2	Auditors Certificate on Net Asset Value of the Scheme .....	54
<b>11</b>	<b>WARNING .....</b>	<b>55</b>
11.1	Offering Document .....	55
11.2	Fluctuations in Price and Income .....	55
11.3	Disclaimer.....	55
<b>12</b>	<b>GENERAL INFORMATION.....</b>	<b>56</b>
12.1	Inspection of Constitutive Documents .....	56
12.2	Date of Publication of this Offering Document .....	56
<b>13</b>	<b>REVOCATION OF THE LAKSON MONEY MARKET FUND .....</b>	<b>57</b>
13.1	Revocation of the Scheme .....	57
13.2	Distribution of Liquidation Proceeds.....	57
<b>14</b>	<b>DEFINITIONS.....</b>	<b>58</b>
	<b>ANNEXURE .....</b>	<b>64</b>

## OFFERING DOCUMENT

### LAKSON MONEY MARKET FUND

MANAGED BY

LAKSON INVESTMENTS LIMITED

An asset management company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("**Rules**")

Date of Publication of Offering Document: 05 November, 2009

Public Offering: 12 November, 2009 to 13 November, 2009 (both days inclusive)

---

The Lakson Money Market Fund ("**Scheme**", "**Fund**", "**Trust**" or "**Unit Trust**") has been established as an open-end money market scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (Regulations) through a Trust Deed, dated 2nd September, 2009, entered into between Lakson Investments Limited, (hereinafter the "**Management Company**" which expression where the context so permits shall include its successors in interest and assigns) and Central Depository Company of Pakistan Limited, (hereinafter the "**Trustee**" which expression where the context so permits shall include its successors in interest and assigns).

---

## REGULATORY APPROVAL AND CONSENT

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

The Securities and Exchange Commission of Pakistan ("**Commission**") has registered the Scheme under Regulation 44 of the Regulations vide letter No. NBFC-II/DD/LIL/879 dated 18th September, 2009 and has approved this Offering Document authorizing the offer of Units of the Scheme under Regulation 54 of the Regulations vide letter No. NBFC-II/DD/LMMF/988/2009, dated 04 November, 2009.

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 questions or concerns regarding the contents of this Offering Document, please consult one or more from amongst your legal advisor, stock Broker, Bank manager, or other financial / tax advisor. Investors must recognize that all investments involve varying levels of risk. The portfolio of the Scheme consists of market based Investments and is subject to market fluctuations and risks inherent in all such investments. The value of Units in the Scheme is subject to market fluctuations, and consequently the level of dividend declared by the Scheme may vary depending on market conditions. Investors are requested to read the Risk Disclosure and Disclaimer Statement contained in Clauses 2.11 and 2.12 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. NBFC-II/Lakson/540/2009, dated 18th May, 2009, granting a license to the Management Company for carrying out asset management services together with a copy of the license;
2. Trust Deed of the Scheme dated 2nd September, 2009 executed between the Management Company and the Trustee;
3. The Commission's letter No. NBFC-II/DD/LIL/879 dated 18th September, 2009 registering the Scheme as a notified entity under Regulation 44 of the Regulations;
4. The Commission's letter No. NBFC-II/DD/LIL/819 dated 28th August, 2009 approving the appointment of Central Depository Company of Pakistan Limited as the Trustee of the Scheme;
5. Letter No. KA-AQ-326 dated 2nd September, 2009 from KPMG Taseer Hadi and Company, consenting to act as Auditors of the Scheme;
6. Letter, dated 11th July, 2009 from Fazleghani Advocates, consenting to act as Legal Advisors of the Scheme;
7. The Commission's letter No. NBFC-II/DD/LMMF/988/2009 dated 04 November, 2009 approving this Offering Document under Regulation 54 of the Regulations.

## **LAKSON MONEY MARKET FUND**

---

### **1. CONSTITUTION OF THE SCHEME**

#### **1.1 Constitution**

Lakson Money Market Fund is an open-end money market scheme that has been constituted by a Trust Deed entered into at Karachi on 02 September , 2009, under the Trusts Act 1882, executed between:

**Lakson Investments Limited**, a public limited company incorporated under the Companies Ordinance, 1984 ("**Ordinance**"), having its registered office at 41-K, Model Town, Lahore of the one part;

AND

**Central Depository Company of Pakistan Limited**, a public limited company incorporated under the Ordinance, having its registered office at CDC House, 99-B, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi of the other part.

#### **1.2 Governing Law**

The Trust Deed and this Offering Document shall be subject to and governed by the laws of the Islamic Republic of Pakistan, including the Ordinance, the Rules, the Regulations and all applicable laws and rules and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed and offering document by the Rules and Regulations are incorporated in the Trust Deed and the Offering Document as a part and parcel thereof. In the event of any conflict between the provisions of the Trust Deed and the Offering Document and the provisions required to be contained in a trust deed and offering document by the Rules and Regulations, the latter shall supersede and prevail over the provisions contained in the Trust Deed and the Offering Document.

#### **1.3 Modification of the Trust Deed**

1.3.1 The Trustee and the Management Company, acting together and with the prior approval of the Commission, shall be entitled by supplementary deed(s) 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 rules and regulations or any amendments of such laws and rules 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 a Stock Exchange or any other exchange; or
- (d) otherwise to the benefit of the Unit Holders.

Provided that such alteration or addition shall not prejudice the interests of the Unit Holder(s) and that in any event, shall not release the Trustee or the Management Company from their responsibilities.

1.3.2 Where the Trust Deed has been altered or supplemented the Management Company shall notify the Unit Holders immediately at their respective registered addresses and the dispatch of such notices to the Unit Holders shall be announced in a daily newspaper having its primary circulation in Pakistan.

1.3.3 The terms and conditions of the Trust Deed and any supplementary deed(s) and amendments thereto shall be binding on each Unit Holder.

1.3.4 If the Commission modifies the Rules and Regulations or allows any relaxations or exemptions, in respect thereof, these shall deem to have been included in the Trust Deed without requiring any modification.

#### **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 **"Revocation of the Lakson Money Market Fund"**.

#### **1.5 Units**

The Scheme is divided into Units having an Initial Price of Rupees One Hundred (Rs.100/-) per Unit. This price is applicable to such Units as are issued till close of the Initial Period. Thereafter, the Units shall be issued and redeemed on the applicable Offer and Redemption Prices that shall be calculated on the basis of the Net Asset Value ("**NAV**") of the Scheme as per Clause 4.7 and 4.9.

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. However, the Management Company (while maintaining the integrity of each Unit's *pari passu* rights) may issue the following types of Units:

(i) Growth Units:

Dividend distribution for Growth Units shall be in the form of cash or bonus Units depending upon the requirement of the Unit Holder specified at the time of initial investment or some later date before any dividend distribution.

(ii) Income Units:

Dividend distribution for Income Units shall be in the form of bonus Units only.

Further information available in Clause 4.2 of this Offering Document

Different Classes of Units may be issued with differing quantum of the Front-end Load added to the NAV for determining the Offer Price thereof and differing quantum of the Back-end Load deducted from the NAV for determining the Redemption Price thereof.

Core Units subscribed by the Core Investors shall, however, be offered and issued at par. The Core Units worth at least Rupees Fifty Million (Rs. 50,000,000/-) shall not be redeemable (but are transferable) for a period of two (2) years from the close of the Initial Period. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate(s) issued in respect of such Units. Any transfer of these Core Units, during the first two (2) years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. The Scheme shall have a minimum investment of Rupees One Hundred Million (Rs. 100,000,000/-) to be invested by the Management Company or by Core Investors.

#### **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 and Regulations. The Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of Unit Holders' 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 Registrar. Certificates shall be issued by the Registrar, only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rupees Twenty Five (Rs. 25/-) per Certificate, subject to revision of fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.



## **LAKSON MONEY MARKET FUND**

---

### **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 the banking hours on 12 November, 2009 and shall end at the close of the banking hours on 13 November, 2009. During the Initial Period, Units shall be offered at the Initial Price of Rupees One Hundred (Rs. 100/-) per Unit and shall not include any Front-end Load. During the Initial Period, Units shall not be redeemed.

### **1.8 Transaction in Units after Initial Period**

Subsequent to the Initial Offer, the sale of Units at the Initial Price shall be discontinued and 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 NAV as detailed in Clause 4.7 and 4.9 hereinafter. The Offer and Redemption Prices shall be calculated and Units shall be available for purchase and redemption on each Subscription Day.

The Management Company may at some future time register the Units with a depository organization, such as the Central Depository Company of Pakistan. Any issue, redemption, transfer or transmittal of de-materialized Units registered with the depository shall take place according to operational procedures of the depository organization and the Management Company may frame its own operational procedures 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 4.13 hereinafter.

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

### 2.1 Investment Objective

The investment objective of the Lakson Money Market Fund is to provide stable and competitive returns inline with the money markets with low volatility consistent with capital preservation by constructing a liquid portfolio of low risk short term investments.

### 2.2 Investment Policy

In order to achieve the above stated objective the Scheme shall invest in instruments having maturity not more than six (6) months while maintaining the weighted average maturity of the portfolio at less than three (3) months. The Scheme shall invest in only those securities that have been assigned at least 'AA' rating by a rating agency in Pakistan. The fund management team shall conduct the in-depth credit analysis before taking any exposure to any counter party to mitigate the credit risk. Short maturity of the portfolio of the Scheme (3 months) shall protect the Unit Holders against interest rate movements while enhancing the liquidity of the Scheme.

### \*1 2.3 Authorized Investments

The Scheme shall be authorized to invest in the following instruments:

Instruments	Entity Rating	Instrument Rating	Max. Exposure
Government Securities: Treasury Bills and other short term Government Securities	-	-	100%
Deposits with Banks and Financial Institutions of maximum six (6) months maturity*	AA	AA	100%
Certificates of investment, musharaka, Modaraba and deposit issued by Financial Institutions of maximum six (6) months maturity*	AA	AA	75%
Reverse Repo against Authorized Investments	-	-	50%
Money market placements with Banks and Financial Institutions including clean placements, letter of placements (LOP) of up to (6) months maturity*	AA	AA	75%
Commercial papers	AA	-	10%
Money market instruments issued, listed and traded outside Pakistan subject to regulatory approvals from the Commission and the State Bank of Pakistan	AA	AA	30%
Any other investment authorized by the Commission from time to time	AA or any other rating specified by the Commission	AA or any other rating specified by the Commission	50% unless specified otherwise by the Commission

\* If Financial Institution is an NBFC or Modaraba then the entity / instrument rating should be at least 'AAA'.

The Scheme may also invest in other instruments, not listed above, with prior approval of the Commission and in such instruments as authorized by the Commission via directives/communiqué at a later date.

All the investments in above mentioned instruments shall be subject to the exposure limits and minimum ratings as specified hereinabove however:

- Either the instrument or the entity issuing the instrument should be rated as per above mentioned rating criteria to qualify for investment.
- The rating requirements shall not apply for the instruments issued the Government or that are backed by an irrevocable and unconditional Government guarantee.

**\*2 2.4 Benchmark**

The benchmark for Lakson Money Market Fund shall be the 70% average 3 months PKRV rates + 30% average 3 months deposit rate of three AA rated scheduled banks as selected by MUFAP.

The performance of the Scheme shall be compared to the benchmark after deducting from the return of the Scheme all the expenses charged to the Scheme as per the Regulations.

\*1 Substituted by the First Supplemental to the Offering Document.

\*2 Substituted by the Second Supplemental to the Offering Document.

## **LAKSON MONEY MARKET FUND**

---

### **2.5 Investments in Overseas Markets**

The Management Company may, with the prior written regulatory permission from the Commission and the State Bank of Pakistan and subject to foreign exchange controls, invest in instruments issued, traded and listed outside Pakistan. Investments in overseas markets shall be to the extent of thirty percent (30%) of the Net Assets, subject to a cap of Fifteen Million Dollars (US\$ 15,000,000/-) or such cap as may be specified by the State Bank of Pakistan or the Commission from time to time.

The Management Company may at its own cost appoint advisors to assist in investing and managing the assets of the Scheme; however the Management Company shall be responsible for all acts of such advisors.

### **2.6 Changes in the Investment Policy**

The investment policy shall be governed by the Regulations (subject to any exemptions specifically provided to the Scheme by the Commission). Any change in the investment policy shall be implemented only after obtaining prior approval from the Commission and giving proper notice to the Unit Holders to the satisfaction of the Trustee.

### **2.7 Investment and Exposure Restrictions**

2.7.1 The Trust Property shall be subject to such exposure limits as are provided in the Rules, Regulations and this Offering Document (subject to any exemptions that may be specifically given to the Scheme by the Commission).

2.7.2 The exposure of the Scheme to any single entity shall not exceed an amount equal to ten percent (10%) of total Net Assets of the Scheme.

2.7.3 The Management Company shall not take exposure of more than:

- (a) thirty five percent (35%) of Net Assets of the Scheme in any single group; and
- (b) ten percent (10%) of Net Assets of the Scheme in listed group companies of the Management Company and such exposure shall only be made through the secondary market.

2.7.4 The Scheme shall not invest 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 percent (5%) 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 percent (10%) of those securities.

2.7.5 The Scheme shall not, without the approval of the Board of Director of Management Company in writing and consent of Trustee, purchase from or sell any securities to any Connected Person or employee of the Management Company. Provided that this restriction shall not apply to the issue or redemption of Units or Certificates issued by the Scheme.

2.7.6 The Management Company and the Trustee, on behalf of the Scheme, shall not at any time rollover investments, if, as a result of such rolling over the Scheme would be unable to make redemption payments to Unit Holder(s) within the time period stipulated in the Rules and Regulations and Offering Documents.

2.7.7 The Scheme shall not at any time:

- (a) effect a short sale in a security whether listed or unlisted;

- (b) purchase any security in a forward contract;
- (c) purchase any security on margin;
- (d) apply any part of its assets to real estate, commodities or commodity contracts;
- (e) invest in securities of the Management Company;
- (f) issue at any time, without the prior written approval of the Commission, a senior security which is either stock or represents indebtedness;
- (g) apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing;
- (h) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, provided that such prohibition shall not apply to reverse repo transactions involving Government securities or other Authorized Investments under an agreement.
- (i) participate in a joint account with others in any transaction;
- (j) borrow, except with the approval of the Trustee, for meeting redemption requests and such borrowing shall not exceed fifteen percent (15%) of the total Net Assets of the Scheme at the time of borrowing and shall be repayable within a period of ninety (90) days.

2.7.8 In case investments are made on behalf of the Scheme in any offshore countries, the same shall be subject to the limits as may be prescribed by the State Bank of Pakistan and/or the Commission.

2.7.9 The Scheme shall not take any direct/indirect exposure to equities i.e. exposure in equities, Continuous Funding System (CFS), spread transactions etc.

2.7.10 Rating of any security in the portfolio shall not be lower than 'AA'.

2.7.11 Rating of any non banking finance company and modaraba with which funds are placed shall not be lower than 'AAA'.

2.7.12 Rating of any Bank and development finance institution (DFI) with which funds are placed should not be lower than 'AA'.

2.7.13 Time to maturity of any asset in the portfolio shall not exceed six (6) months.

2.7.14 Weighted average time to maturity of the Net Assets shall not exceed ninety (90) days.

## **2.8 Exceptions to the Investment Restrictions**

In the event the weightages of securities exceed the limits provided in the Trust Deed, Offering Document or the Rules and Regulations as a result of the relative movement in the market prices of the Investments or through any divestments or because of corporate actions including taking up rights or bonus issue, the Management Company shall bring the exposure within the prescribed limits within three (3) months of the event unless the said period of three (3) months is extended by the Commission on an application by the Management Company. 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.

## **2.9 Borrowing and Borrowing Restrictions**

2.9.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may make varying arrangements with any institutions for borrowing with the approval of the Trustee for the account(s) of the Scheme, provided that such borrowing shall be conducted in accordance with the Regulations.

## **LAKSON MONEY MARKET FUND**

- 2.9.2 The charges payable to any institution against borrowings by the Scheme shall not be higher than the normal prevailing charges or normal market rates.
- 2.9.3 The maximum borrowing by the Scheme shall not exceed fifteen percent (15%) of the total Net Assets of the Scheme at the time of the borrowing or such other limit as may be provided in the Regulations and shall be repayable within a period of ninety (90) days. The financing documents shall be executed by the Trustee on behalf of the Scheme. 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 and the Trustee shall not be under any obligation to reduce such borrowing.
- 2.9.4 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 any institutions. The Trustee or the Management Company shall not in any manner be liable in their respective capacities for repayment of such loans or advances.
- 2.9.5 For the purposes of securing any such borrowing the Trustee may upon the written request of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property, provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and / or any law for the time being in force.
- 2.9.6 Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Scheme or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

### **2.10 Restrictions on Transactions with Connected Persons**

- 2.10.1 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 in their individual capacities own more than ten percent (10%) of those securities.
- 2.10.2 The Management Company shall not without approval of its Board of Director in writing and consent of the Trustee, purchase from, or sell any securities to any Connected Person or employee of the Management Company. Provided that this restriction shall not apply to the issue, sale or redemption of Units or Certificates issued by the Scheme.
- 2.10.3 For the purpose of sub-clauses (2.10.1) and (2.10.2) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 2.10.4 Where cash forming part of the Trust Property of the Scheme is deposited with the Trustee or the Custodian, which is a banking company or a non-banking finance company, a return on the deposit shall be paid by Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or non-banking finance company to its other depositors on deposits of similar amount and maturity.
- 2.10.5 All transactions carried out with Connected Persons by or on behalf of the Scheme shall be made as provided in the Constitutive Documents and shall be disclosed in the Scheme's annual report.

### **2.11 Risk Disclosure**

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

#### **Reinvestment Risk**

Since the Scheme shall have a weighted average maturity of only six (3) months therefore in declining interest rates scenario the Scheme may not be able to reinvest the amount coming from maturing securities at the same rate.

#### **Interest Rate Risk**

As interest rates rise, the values of fixed income securities held by the Scheme are likely to decrease and reduce the value of the Scheme's portfolio. The Scheme shall be invested in short duration securities (maximum maturity of 6 months) to mitigate this risk.

#### Credit Risk

The issuer or guarantor of a security owned by the Scheme could default on its payment obligations, become insolvent or its credit rating could be downgraded. Investments team shall carefully evaluate the instruments and the issuers before making any commitments for investment. The Scheme shall not invest in any security that has a rating lower than 'AA'.

#### Foreign Securities Risk

Prices of the Scheme's foreign securities holdings may go down because of unfavorable foreign government actions, political instability or the more limited availability of accurate information about foreign issuers.

#### 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.

\* Workers' Welfare Fund liability (WWF) may be applicable to the Fund. The Fund may or may not make provisions against this liability. For details investors are advised to refer to the latest Financial Statements or Fund Manager Report of the Fund.

#### 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 Investment.

#### 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.

The Management Company shall adopt a risk management framework under which it can, among other things, diversify the Scheme's portfolio and alter the various types of Investments depending on market conditions. The Management Company shall introduce adequate safeguards for controlling the risks in security selection and portfolio construction process.

\*\*2.11.1 There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'category'. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment - specific issues. Investors are advised to study the latest Fund Manager Report specially portfolio composition and Financial Statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned category. The latest monthly Fund Manager Report as per the format prescribed by Mutual Funds Association of Pakistan (MUFAP) and financial statements of the Scheme are available on the website of the Management Company and can be obtained by calling / writing to the Management Company.

#### 2.12 Disclaimer

**The Units of the Scheme are not Bank deposits and are neither issued by, or insured by, 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.**

<sup>†</sup> In compliance of the circular No.17 of 2012

<sup>\*\*</sup> In compliance of the circular No.16 of 2010

## LAKSON MONEY MARKET FUND

### 3. OPERATORS AND PRINCIPALS

#### 3.1 Management Company

Lakson Investment's Limited, the asset management and investment advisory arm of the Lakson Group, is licensed by the Commission to provide asset management and investment advisory services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Established in 1954, the Lakson Group consists of businesses across diverse sectors of Pakistan's economy, including Colgate Palmolive, Cyber Net, Century Paper & Board Mills, Century Insurance, Tetley, Clover, McDonalds and Express News. Lakson Investments Limited was established as part of the Lakson Group's expansion into financial services and to compliment the existing insurance concern of the Lakson Group, namely Century Insurance.

Lakson Investments Limited specializes in providing innovative functionalities, quality customer service, competitive fee structure, transactional ease and a strong commitment to performance ensuring the best interest of our investors. Lakson Investments Limited is launching a family of investment products tailored to investors' specific needs which optimize performance and risk control with a consistent and transparent investment policy. The company also offers managed accounts and investment advisory services to both individual and institutional investors.

Lakson Investments Limited strives to provide transparent, ethical and research-based investments and portfolio management services.

##### 3.1.1 Profile of the Management Team

The management team has a combined experience of over 50 years in both local and international markets. On average, our team members have worked together for about 5 years in different capacities in asset management industry of Pakistan and all Heads of Departments have a proven track record of delivering results, working together as a team in an exemplary fashion.

##### **Mr. Babar Ali Lakhani - Chief Executive Officer**

Mr. Lakhani has over ten (10) years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a public limited company quated on the Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. His professional experience includes investment management at High Street Advisors and research at Credit Suisse First Boston.

Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College and his MBA from Brandeis University. Mr. Lakhani is a member of GARP (Global Association of Risk Professionals) and Society of Financial Service Professionals. Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and the school's representative in Pakistan.

##### **Syed Mohammed Ali Raza - Chief Operating Officer**

Mr. Syed Mohammed Ali Raza has more than eleven (11) years of extensive experience in the capital markets of Pakistan, as well as internationally, and has been a part of the asset management industry since the start of his career in 1998. Mr. Raza has previously served as Head of Corporate Finance at IGI Investment Bank, Group Head of IGI Funds Limited, Senior Vice President and Head of Marketing at BMA Asset Management Company and AVP and Head of Marketing at Al-Meezan Investment Management. Prior to this Mr. Raza worked for six (6) years for the Hartford Mutual Funds (USA) with over US\$ 43 billion in assets under management. Mr. Raza was responsible the successful launch of The Hartford Mutual Funds 529 savings plan, and for developing Edward Jones and PLANCO as the lead distributors for The Hartford Group.

Mr. Raza is also the Chief Executive Officer of Ibox Partners (Pvt) Limited, a Lakson Group Company.

Mr. Syed Mohammed Ali Raza received his BA in Economics and Marketing from University of Massachusetts, Amherst.



**Mr. Muhammad Umair Chauhan - Chief Investment Officer**

Mr. Muhammad Umair Chauhan has more than five (5) years of experience in the asset management industry of Pakistan. He has previously served as Vice President Investments & Research at IGI Funds Limited and was part of Investment & Research Team at Al Meezan Investment Management. In his previous assignments he managed PKR 12 billion worth equity and fixed income funds. He will be the Fund Manager for Lakson Money Market Fund. He will be assisted by a team of analysts and an Assistant Fund Manager.

Mr. Umair received his MBA from Institute of Business Administration, Karachi.

**Mr. Amir Mobin - Chief Financial Officer and Company Secretary**

Mr. Amir has 3 years of post qualification experience which includes working at IGI Funds Limited as Head of Operations and National Clearing of Pakistan Limited as Manager-Operations. At IGI Mr. Amir has been actively involved in acquisition of the software application, preparation of manuals and operations related procedures. He has actively participated in the rating process of the company and was responsible for managing the settlement and Unit holder management functions. At NCCPL Amir has been an active member of the team responsible for the implementation of the Financial Institution Risk Management System. He has actively participated in the implementation of the CFS Mk-II. Further, he has worked on the concept paper of the Security Lending and Borrowing Module.

He has worked with KPMG Taseer Hadi & CO. Chartered Accountants in various capacities for 5 years which includes 4 years of articleship. During his articleship he has conducted the audits of various asset management companies, brokerage houses, commercial banks and service sector entities. He has also performed due diligence assignments.

Mr. Amir is an Associate Member of Institute of Chartered Accountants of Pakistan. He graduated as Bachelors of Commerce from University of Karachi.

**Syed Jawaid Raza - Head of IT & Operations**

Mr. Raza has over seven years of technical and professional experience in Information Technology and possesses a strong understanding of the functions and rules and regulations governing the Pakistani capital markets. Prior to joining Lakson Investments Mr. Raza was heading the IT department of ABL Asset Management Company Limited. He has also experience of managing operations and IT at IGI Funds Limited and NAMCO. He has significant experience of implementation of portfolio and unit holder management systems in asset management companies. Mr. Raza was one of the initial team members of the asset management industry's first mutual fund specific software, developed by Sidat Hyder Morshed Associates (Pvt.) Limited, where he was responsible for providing technical and functional support to several DFI's, insurance and asset management companies.

Mr. Raza received his MCS from Hamdard University, Karachi and B.Com from University of Karachi.

**Syed Hassan Askary - Head of Investor Relations & Transfer Agency**

Mr. Askary's career experience spans over thirteen years, starting with Aetna Retirement Services (USA) in the Investor Relations department, Fatima Jinnah Dental College & Hospital Trust as a Permanent Trustee and Director, Planning & Development and IGI Funds as Head Investor Relations. He coordinated the training of division-wide staff members to ensure that all incoming remittances are invested in a timely, accurate and consistent manner. Initially developed and implemented admin/management processes for IGI Funds. Mr. Askary implemented comprehensive Customer Relations Module. Managed retail sales team hiring plan/commission structure and provided training.

At Fatima Jinnah Dental College he managed strategic initiative, developed human resources department and employee incentive program to increase employee retention rates. Mr. Askary re-organized existing facilities and patient care processes to ensure operational profitability without affecting rates. Liaised with UNICEF on several key projects, and developed staff resources to implement initiatives.

Mr. Askary received his B.Sc Management from Central Connecticut State University, (USA), and MBA Marketing from Iqra University.

### 3.1.2 Profile of the Board of Directors

The Board of Directors of Lakson Investments Limited guides the overall philosophy and direction of the organization. Our board members are experienced professionals from diverse business sectors of local & international markets.

#### **Mr. Iqbal Ali Lakhani - Chairman of Board**

Mr. Lakhani has over 36 years of top management experience in Lakson Group companies in finance, marketing, manufacturing industry and government relations. His focus includes Marketing, Finance, Total Quality Management and Reengineering. Mr. Lakhani is Chairman of the Corporate Boards of 5 Lakson Group companies which are listed on the stock exchanges of Karachi and Lahore covering a diversified range of businesses including food, insurance, paper and packaging, soaps and detergents, and textiles. Mr. Lakhani was Chairman of the Cigarette Manufacturers Association of Pakistan, Agha Khan Economic Planning Board for Pakistan and Vice President of the American Business Council of Pakistan.

Mr. Lakhani received his B.A from the University of California - Berkeley. He was a member of the PSI-National Accounting fraternity; Honor Student's Society, member of Phi Beta Kappa and received the departmental award for outstanding undergraduate achievement.

#### **Mr. Babar Ali Lakhani - Chief Executive Officer**

Please refer to Profile of the Management Team

#### **Mr. Mohamed J. Jaffer - Director (Independent)**

Mr. Jaffer offers over 50 years of far reaching professional experience in law and financial law and an intimate understanding of corporate Pakistan. Mr. Jaffer currently serves as Chairman - ICI Pakistan and has in the past been SECP nominee Director of the Karachi Stock Exchange.

Mr. Jaffer has authored several articles, including Arbitration Law in Pakistan 1980, Yearbook Commercial Arbitration; "Islamic Banking in Pakistan", Euromoney, 1988-1989; "Enforcement of Islamic Laws, Corporate Law and Related Topics", ICAP, International Construction Law Review, 1999 "Rupali Polyester Ltd v Dr. Nael G. Bunni and others" etc.

Mr. Jaffer is an alternate member, ICC International Court of Arbitration; Member, Advisory Board, Hongkong & Shanghai Banking Corporation, Karachi Branch; Member, Supreme Court Bar Association and Sindh High Court Bar Association; International Bar Association; Inter-Pacific Bar Association; LAWASIA; and a speaker at international legal conferences.

Practice areas of Mr. Jaffer include corporate law; banking and finance; insurance; arbitration; construction; foreign investment, international trade; anti-trust; mergers and acquisitions.

Mr. Jaffer received his B.A. (Mod) LL.B. in 1952 from University of Dublin and Barrister-at-Law in 1954 from Middle Temple, London.

#### **Mr. Zahid Zakiuddin - Director (Independent)**

Mr. Zakiuddin has over 30 years experience in corporate and investment banking. He started his career in corporate banking with Bank of America in 1978, in Dublin and subsequently worked with them in London and Karachi. Mr. Zakiuddin has spent most of his career with Investcorp Bank in Bahrain which he joined in 1987, soon after the firm was established. Investcorp is a global alternative investments provider specializing in private equity, real estate and hedge funds. It has offices in London, New York and Bahrain with approximately 350 employees and \$16 billion in assets under management.

Mr. Zakiuddin's initial position was as a Principal in the investment analysis and banking relationship group. His responsibilities included private equity analysis, prospectus writing, acquisition financing and establishing core banking relationships. In 1995, he was promoted to Managing Director, elected as a Member of the Management Committee and moved to the investment placement team. Within the placement team he served in various capacities including Chief of Staff and Head of the Institutional Placement group. His last position before his retirement in 2008 was as the Head of the Placement and Relationship Management team which was responsible for raising client funds totally \$2.3 billion in 2007 and \$3.5 billion in 2008.

Mr. Zakiuddin has served as an independent director of Stratus Computers and on the Boards of many Investcorp companies including its hedge fund subsidiaries.

Mr. Zakiuddin has a B.A. in Economics from Columbia University and an MBA with double majors in Finance and Multinational Enterprise from The Wharton School of the University of Pennsylvania.

**Mr. Khaleeq Kayani - Director (Independent)**

Mr. Kayani brings with him a rich and diversified professional experience of over 37 years with major international and domestic financial institutions. This encompasses commercial and investment banking experience with two major international banks, Bank of America and American Express Bank for eighteen years; self-employed financial consultant for nine years; and seven years with Habib Bank as SEVP and Group Executive, initially, of the Corporate & Investment Banking Group and then of the International & Overseas Banking Group.

From December 2004 until June 2005 Mr. Kayani was an Independent Director of the Karachi Stock Exchange (Guarantee) Limited when in July 2005, he accepted the position of the Vice Chairman & Group CEO of JS Group for a period of one year. Presently, he is a Consultant to a diversified business group based in Dubai, UAE which is envisaging entering the financial arena by setting up Sharia compliant investment banking operations in multiple geographical locations starting with Bahrain as the first step. His professional experience in the financial sector includes seventeen years of holding senior management positions.

He holds a Masters degree in Administrative Sciences from the University of the Punjab. In 2001, he successfully participated in the exclusive Stanford Executive Program, Stanford University's premier program in advanced management education. He is a Life Member of the Stanford Business School Alumni Association.

**Mr. Daniel Scott Smaller - Director (Independent)**

Mr. Smaller has over 25 years of experience in the Financial Services Industry and has been involved in the Middle East and North Africa (MENA) region for over 20 years.

Prior to joining Algebra Capital, Daniel moved to Dubai 2 years ago to set up and manage Deutsche Bank's Asset Management business in the MENA region. Mr. Smaller worked for Deutsche Bank for the last 8 years in Hong Kong and London, where he was Head of Global Sales and also Head of Emerging Market Sales, respectively.

Mr. Smaller started his Financial Career in Bahrain in 1982 working for Citibank Treasury; he continued to work for Citibank in London, Zurich and Sydney from 1985-1989 in the fields of Equity, Debt, Mezzanine Finance and Private Equity. He has been active in Emerging Markets since 1989 when he took over as Head of Citibank's Asian Equity operation in London. In 1992 he initiated Lehman Brothers' Emerging Market effort in Equities and was the first to introduce Institutional Investors to the MENA region in 1993. He completed the first privatization in Morocco in that year and assisted in the development of the MENA equity markets throughout the early 1990's. In 1994 he moved to UBS to Head up Sales for EMEA and continued to be very active in the Middle East.

Mr. Smaller holds an undergraduate degree in Economics and International Relations from the School of International Service at American University in Washington DC and an MBA from the University of Chicago in International Finance.

**Mr. Muhammed Abdul Qadir - Director**

Mr. Qadir is a fellow member of the Institute of Chartered Accountant of Pakistan. He did his Articleship from M/s. A.F. Ferguson & Co., who are one of the leading firms of Chartered Accountants with an international affiliation with Price Waterhouse & Coopers.

In addition to the training and exposure to the Financial Management at A.F. Ferguson & Co. Mr. Qadir has also attended a 3 month course at the International Centre for Advance Management in Italy and obtained a Diploma in MIS.

He has also attended advance management course held by the Pakistan Institute of Management at Muree. His work experience include Financial Management at Sui Southern Gas Company Ltd. where he served as G.M. Finance till 1983, and thereafter joined the Lakson Group of Companies where Mr. Qadir is presently serving as Director Finance / Chief Financial Officer of Colgate-Palmolive (Pakistan) Limited.

**Mr. A. Aziz H. Ebrahim - Director**

Mr. Ebrahim has over 35 years of varied experience in financial management in private industries in Pakistan. After qualifying Chartered Accountancy Examination, (at present fellow member of Institute of Chartered Accountant of Paskistan) Mr. Ebrahim started his career in 1967 as Finance Manager with ARAG Industries dealing in various businesses such as Pharmaceuticals, Cosmetics, Biscuits Manufacturing etc. He left the ARAG Group in 1977.

In 1977, Mr. Ebrahim joined Lakson Group of Companies. Mr. Ebrahim is as Director on Board in many Companies of the Group. He has been instrumental in running the Hassanali Karabhai Foundation providing educational, medical, and helping other social activities.

Particulars and details of other directorships held are as follows.

Name and Address	Other Directorships
<p><b>Mr. Iqbal Ali Lakhani</b> 129, Khayaban-e-Hafiz , Phase -VI, Defence Housing Authority, Karachi</p>	<p><b>Director / Chief Executive / Chairman</b></p> <p>Century Aviation &amp; Tourism Services (Private) Limited Century Telecom (Private) Limited Ibex Partners (Private) Limited Lakson Business Solutions Limited Sybrid (Private) Limited</p> <p><b>Directorships</b></p> <p>Accuracy Surgical Limited Century Enterprises (Private) Limited Century Insurance Company Limited Century Paper &amp; Board Mills Limited Century Wind Power Generation (Private) Limited Clover Pakistan Limited Colgate-Palmolive (Pakistan) Limited Cyber Internet Services (Private) Limited G.A. Enterprises (Private) Limited GAM Corp. (Private) Limited Golden West Properties (Private) Limited Ice Animations (Private) Limited Lakson Power Limited Lakson Wind Power Generation (Private) Limited Merit Packaging Limited Modern Mining Processing (Private) Limited Premier Fashions (Private) Limited Princeton Travels (Private) Limited SIZA (Private) Limited SIZA Commodities (Private) Limited SIZA Foods (Private) Limited SIZA Services (Private) Limited Tetley Clover (Private) Limited Trident Industries (Private) Limited Tritex Cotton Mills Limited</p>

Name and Address	Other Directorships
<p><b>Mr. Babar Ali Lakhani</b> 46, Khayaban-e-Hafiz Phase -V, Defence Housing Authority, Karachi</p>	<p><b>Directorships</b> Ibex Partners (Private) Limited</p>
<p><b>Mr. A. Aziz H. Ebrahim</b> Street-25/F, KDA Scheme 1Ext. Stadium Road, Karachi</p>	<p><b>Director / Chief Executive</b> Reliance Chemicals (Private) Limited</p> <p>Directorships Accuracy Surgicals Limited Baluchistan Polyproducts (Pvt.) Limited Century Insurance Company Limited Century Paper &amp; Board Mills Limited Century Telecom (Pvt.) Limited Clover Pakistan Limited Colgate-Palmolive (Pakistan) Limited G.A. Enterprises (Private) Limited GAM Corp. (Private) Limited Lakson Business Solutions Limited Merit Packaging Limited SIZA (Private) Limited SIZA Commodities (Private) Limited SIZA Foods (Private) Limited Tritex Cotton Mills Limited</p>
<p><b>Mr. Mohammed Abdul Qadir</b> B-99, Block -L North Nazimabad, Karachi Century Insurance Company Limited Accuray Surgical Limited Reliance Chemicals (Private) Limited Baluchistan Polyproducts (Pvt.) Limited Tritex Cotton Mills Limited</p>	<p><b>Directorships</b> Clover Pakistan Limited</p>
<p><b>Mr. Mohamed J. Jaffer</b> 62/2, 16th Street Off Khayaban-e-Badban Phase-V, Defence Housing Authority, Karachi</p>	<p><b>Chairman / Director</b> ICI Pakistan Limited</p> <p>Directorships Pakistan Centre for Philanthropy, Islamabad Tourism Promotion Services (Pakistan) Limited</p>
<p><b>Mr. Khaleeq Kayani</b> 8-A, Second West Street Phase-I, Defence Housing Authority, Karachi</p>	<p><b>Directorships</b> None</p>
<p><b>Mr. Zahid Zakiuddin</b> 118 Morrison Road, Oakville, Ontario L6J 4J4 Canada</p>	<p><b>Directorships</b> None</p>
<p><b>Mr. Daniel Scott Smaller</b> Villa 4, Dubai Creek Park Dubai, UAE</p>	<p><b>Directorships</b> None</p>

## **LAKSON MONEY MARKET FUND**

### 3.1.3 Role of the Management Company

The Management Company shall manage, operate and administer the Scheme in accordance with the Regulations, the Trust Deed and this Offering Document and any conditions the Commission may impose from time to time. Following are the primary functions of the Management Company:

#### A. Primary Functions of the Management Company

##### (i) Fund Management

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

##### (ii) Fund Manager and Investment Committee

The Management Company shall appoint a qualified fund manager and constitute an investment committee in accordance with the provisions of the Regulations to assist the Management Company in investing and managing the assets of the Scheme. All Investment and divestment decisions shall be made through the investment committee within the framework of the Regulations, the Trust Deed and the Offering Document.

##### (iii) Investor Services

The Management Company is responsible for facilitating Unit Holder transactions in the Scheme and to make adequate arrangements for receiving and processing all applications in this regard.

The Management Company shall process payment instruments immediately on receipt of redemption applications in accordance with the procedure described in Clause 4.10 unless the redemption has been suspended by the Management Company as per Clause 4.13.5 or a queue has been invoked as per Clause 4.13.6.

##### (iv) Investor Records/Registrar Services

The Management Company has the responsibility of maintaining investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining Unit Holder(s) records and providing related services. The Management Company or Registrar (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.

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.

##### (v) Appointment of Distributors

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 the Distribution Function(s) at one 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. The Distribution Agreement(s) shall state the terms and conditions for avoidance of frauds and sales based upon misleading information. The Distributor(s) shall be remunerated by the Management Company out of its own resources.

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 Registrar and the Trustee.

(vi) Facilitators

The Management Company may from time to time appoint Facilitators to assist it in promoting sales of Units on terms and conditions agreed between the Management Company and Facilitators. The Facilitators shall be remunerated by the Management Company out of its own resources.

(vii) 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 for ensuring 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 required by the Trustee in discharge of its duties as the trustee of the Scheme.

B. Other Functions and Responsibilities of the Management Company

- (i) 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, and subject to the restrictions and limitations as provided in the Trust Deed and the Regulations and subject to any special exemptions granted by the Commission. Any transaction related to Investments executed under the provisions of the Trust Deed shall be settled by the Trustee according to the instructions of the Management Company, unless such instructions are in conflict with the provisions of the Trust Deed or the Rules and Regulations. The Management Company 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 control. The Management Company shall comply with the provisions of the Regulations 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 an 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.
- (ii) The Management Company may from time to time appoint a Registrar to perform the Registrar Functions under intimation to the Trustee. In addition, the Management Company may also remove and/or replace the Registrar under intimation to the Trustee. Provided that the Management Company may itself also act as Registrar.
- (iii) The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may require in respect of any matter concerning the Scheme.
- (iv) The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Regulations, the Trust Deed and 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 Offering Document, 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.
- (v) The Management Company shall within four (4) months of the closing of the Accounting Period transmit to the Unit Holders, the Trustee, the Commission and the Stock Exchange on which the Units of the Scheme are listed, the annual report as per the requirements set out in the Regulations including:

## LAKSON MONEY MARKET FUND

1. a copy of the balance sheet and income statement;
  2. a cash flow statement;
  3. a statement of movement in Unit Holders' fund or Net Assets or reserves; and
  4. the Auditors' report of the Scheme;
- (vi) 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 the first half (6 months) of each Accounting Date, prepare and circulate to the Unit Holder(s) and the Commission, the Trustee and Stock Exchanges on which the Units of the Scheme are listed, the balance sheet as at the end of that quarter, profit and loss account, cash flow statement and statement of movement in Unit Holders' fund or Net Assets or reserves and statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of the person whose securities are owned for that quarter, whether audited or otherwise. The Management Company may transmit the said quarterly reports on its website subject to the approval of the Commission. However the Management Company shall make available the printed copy to the Unit Holder(s), free of cost, as and when requested.
- (vii) 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.
- (viii) The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, the Auditor, from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant and independent of the auditor of the Management Company, and such Auditor shall not be appointed for more than five (5) consecutive years and contents of the auditors' report shall be in accordance with Schedule V of the Regulations.
- (ix) The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/divestment 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 subjected to the terms of the Trust Deed and the Rules and Regulations. 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 subject to the terms of the Trust Deed and the Rules and Regulations.
- (x) The Management Company is obliged to obtain a rating of the Scheme once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.
- (xi) The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration with any single Broker and shall intimate the same to the Trustee.
- (xii) The Management Company shall nominate one or more of its officers to act as attorney(s) for performing the functions of Management Company and for interacting with the Trustee. Name of the authorized officers and any change thereto shall be intimated to the Trustee.
- (xiii) The Management Company may appoint advisors to assist in investing and managing the assets of the Scheme at its own cost and discretion, provided that the Management Company will be responsible for all acts of such advisors.
- (xiv) The Management Company may in consultation with the Trustee further appoint advisors and professionals in other countries for making investments in offshore jurisdictions and/or for issuing Units to investors in the offshore jurisdictions, and to determine the legal and regulatory requirements to be fulfilled by the Scheme, the Management Company and the Trustee and their respective obligations in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme.
- (xv) The Management Company shall provide the Trustee 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. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.



### 3.1.4 Restrictions on the Management Company

The Management Company shall not:

- (a) merge with, or acquire the management of another scheme, unless it has obtained the prior approval of the Commission in writing to do so;
- (b) pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- (c) accept deposits from the Scheme;
- (d) make a loan or advance money to any person from the assets of the Scheme;
- (e) participate in a joint account with others in any transaction on behalf of the Scheme;
- (f) apply any part of assets of the Scheme to real estate;
- (g) make any investment of the Scheme with the purpose of having the effect of vesting the management, or control over the affairs, of investee company by the Management Company or its group;
- (h) enter into transactions with any Broker, which exceed thirty percent (30%) of the commission paid by the Scheme in any one accounting year;
- (i) undertake brokerage services on Stock Exchanges or in the money market;
- (j) enter into underwriting or sub-underwriting contracts on behalf of the Scheme; and
- (k) maintain its own equity portfolio except for the investments made into the schemes or pension funds being managed by it or its subsidiaries licensed as Non-Banking Finance Companies under the Rules and Regulations.
- (l) buy more than twenty five percent (25%) of the outstanding shares or certificates of the closed end scheme managed by it.

### 3.2 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.

#### 3.2.1 Role of the Trustee

- (i) The Trustee shall take into its custody or under its control all the property of the Scheme and hold it in trust for the Unit Holders in accordance with the Regulations and the provisions of the Trust Deed and the Offering Document and the cash and assets shall be registered, where possible, in the name of, or to the order of, the Trustee.
- (ii) 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 Holders), within the framework of the Regulations, the Trust Deed establishing the Scheme and Offering Document issued for the Scheme.
- (iii) 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, the Offering Document and the Regulations and the conditions (if any) which may be imposed by the Commission from time to time. All registerable assets shall be registered in the name of or to the order of the Trustee.

## LAKSON MONEY MARKET FUND

- (iv) The Trustee shall have all the obligations entrusted to it under the Rules, Regulations, the Trusts Act 1882, the Trust Deed and the Offering Document.
- (v) 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 at the earliest to the Management Company.
- (vi) 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 to and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). All operating expenses of these custodian services as allowed by this Trust Deed and the Rules and Regulations shall be charged to the Scheme. 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.
- (vii) 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 in consultation with 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.

- (viii) 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 that such request is not in conflict with the provisions of the Trust Deed or the Rules and Regulations.
- (ix) 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:
  - a) 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;
  - b) 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.
  - c) instructions given electronically to the Trustee based on distinctive user IDs and passwords allocated to authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or if any instruction(s) based on such system contains any error or omission due to the above malfunction, the Trustee and the Management Company not knowing the fact will act in the best interests of the Scheme and the Unit Holders; and
  - d) third party evidence where required such as Broker contract, bills, etc in relation to (a) and (b) above.

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.

- (x) The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of the Trust Deed and the Offering Document and/or the Regulations and/or any other applicable law, Provided, however if due to Extraordinary Circumstances, it becomes impractical or not possible to carry out any instructions or fulfill or effectuate any of the provisions of the Trust Deed, the Trustee shall not be responsible therefore and it shall neither incur any liability for anything done or omitted to be done in good faith, provided it has attempted to employ its best efforts and all available means to comply with the instructions. In such situation, the Trustee shall forthwith notify the Management Company in writing, highlighting the reasons for such non-compliance.
- (xi) The Trustee shall ensure that the issue, redemption, cancellation and transfer of Units affected by the Scheme and repurchase, redemption and cancellation of Units affected by the Scheme are carried out in accordance with the provisions of the Trust Deed, the Offering Document and the Regulations. The Trustee shall also ensure that the methodology and procedures adopted by the Management Company in calculating the value of the Units are adequate and issue and redemption prices are carried out in accordance with the provisions of this Trust Deed, the Offering Document and the Regulations. In order to comply with this obligation, the Trustee shall have an unhindered access to the pertinent records and information maintained or available with the Management Company or its agents.
- (xii) The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations, the Trust Deed and the Offering Document are complied with by the Management Company.
- (xiii) 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.
- (xiv) The Trustee shall issue a report to the Unit Holders which shall be included in the annual report and the second quarterly report of the Scheme stating 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 Regulations, the Trust Deed and the Offering Document and if the Management Company has not done so, the steps the Trustee has taken in respect thereof.
- (xv) The Trustee shall be entitled to require the Auditor to provide such reports as may be agreed between the Trustee and the Management Company which are necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- (xvi) The Trustee shall, if requested by Management Company or if it considers necessary for the protection of the 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(s) 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 and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Trust Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the 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.
- (xvii) Neither the Trustee or 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.
- (xviii) The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations, the Trusts Act 1882 and the Trust Deed nor shall the Trustee be liable for any act or omission of the Management Company or 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.

## LAKSON MONEY MARKET FUND

- (xix) The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of offering of the Scheme and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.
- (xx) The Trustee shall ensure that Units of the Scheme have been issued after realization of subscription money. For this purpose the Management Company shall provide the Trustee with the summary of investments in the Scheme on a regular basis.
- (xxi) The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate to ensure that the Offer and Redemption Prices are calculated in accordance with the provisions of the Trust Deed, the Offering Document and the Regulations.
- (xxii) The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules and Regulations, guidelines, codes, circulars and directives issued by the Commission, other applicable laws, the Trust Deed and the Offering Document or any other applicable laws.
- (xxiii) The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the Commission and the Management Company within four (4) months of the close of the financial year of the Trustee.
- (xxiv) The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holders;
- (xxv) The Trustee shall not invest in Units of the Scheme.

### 3.3 Registrar

The Management Company shall perform the Registrar Functions of the Scheme until 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 Registrar Function at a later stage, provided the best interests of the Unit Holders are protected.

### 3.4 Distributors / Sub-Distributors / Facilitators

- 3.4.1 The parties detailed in **Annexure 'B'** hereof have each been appointed as Distributors / Sub-Distributors / Facilitators to perform the Distribution Functions and together constitute the network of Transaction Locations ("**TLs**"). The Management Company may from time to time appoint additional TLs or terminate the arrangement with a TL and intimate the Trustee accordingly. In addition to the appointment of external service providers as TLs, the Management Company may itself perform the Distribution Function.
- 3.4.2 The TLs shall be responsible for receiving applications for issue, 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 applications for issuance of duplicate Certificates, requests for income tax exemption /Zakat exemption etc. for immediate transmission to the Management Company or the Registrar as appropriate for further action.
- 3.4.3 The Management Company may from time to time appoint Facilitators. The Facilitators' function is to identify, solicit and assist investors in investing in the Scheme.

### 3.5 Auditors

The first Auditors of the Scheme are:

**KPMG Taseer Hadi & Company**  
Chartered Accountants  
1st 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 for the year in which they are appointed and may be reappointed by the Management Company for a subsequent year. The Auditors shall not be appointed for more than five (5) consecutive years. The Management Company may at any time remove the Auditors and appoint another auditor 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, Registrar, TIs or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as are considered necessary for the performance of an 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 Regulations.

### 3.6 Legal Advisors

Fazleghani Advocates  
F-72/I, Block 8, KDA 5, Kehkasha, Clifton  
Karach

### 3.7 Core Investors

Core Investors	Rupees
SIZA Private Limited	50,000,000/-
Lakson Investments Limited	50,000,000/-

The above Core Investors have subscribed an aggregate sum of Rupees One Hundred Million (Rs. 100,000,000/-) towards the purchase of One Million (1,000,000) Core Units of Rupees One Hundred (Rs. 100/-) each. The Core Units worth at least Rupees Fifty Million (Rs. 50,000,000/-) are not redeemable for a period of the first two (2) years from the date of closure of the Initial Period. 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 Registrar 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 effected only on the receipt by the Registrar of a written acceptance of this condition by the transferee. Core Units shall rank *pari passu* with all other Units.

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.

### 3.8 Bankers

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

### 3.9 Bank Accounts

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

3.9.2 The Management Company shall not open or close or arrange to open or close any account with a Bank, Broker or depository for the Scheme without the approval of its Board of Directors.

## LAKSON MONEY MARKET FUND

- 3.9.3 The Trustee, at the request of the Management Company, shall open Bank Account(s) for the Scheme titled "**CDC- Trustee Lakson Money Market Fund**" at various branches of different Bank(s) (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authorities in Pakistan). 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. 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.
- 3.9.4 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 Bank Accounts shall vest in the Unit Holder(s).
- 3.9.5 The Trustee shall also open an account titled "**CDC - Trustee Lakson Funds**". This Bank Account shall be a temporary allocation account where collections shall be held prior to their being allocated and transferred to the Scheme on a daily basis by the Trustee. The Management Company may also require the Trustee to open separate bank accounts for temporary parking of redemption proceeds.
- 3.9.6 All Bank charges for opening and maintaining Bank Account(s) for the Scheme shall be charged to the Scheme.
- 3.9.7 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.
- 3.9.8 The amounts received from the Core Investors (seed capital) and Pre-IPO investors shall be deposited in a separate Bank Account titled "**CDC-Trustee Lakson Money Market Fund**" and shall be 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.
- 3.9.9 The Trustee shall, if requested by the Management Company open Bank Accounts titled "**CDC - Trustee Lakson Money Market Fund**" in offshore countries where the Investments are made on account of the Scheme, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodian/sub-custodian services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and Brokers, as may be required to be appointed for offshore Investments of the Scheme. The opening, operation and maintenance of such Bank Accounts, custodian/sub-custodian and brokerage services accounts in offshore countries shall always be subject to the approval of the State Bank of Pakistan and the relevant exchange control regulations, as well as any directives of the State Bank of Pakistan and/or the Commission.

### 3.10 Performance of Companies where Directors are Holding Similar Offices

Performance of listed associated companies where Directors of the Management Company hold similar offices:

	2004	2005	2006	2007	2008
<b>Colgate-Palmolive (Pakistan) Ltd.</b>					
EPS (Rs.)	15.01	15.85	26.1	31.65	35.55
Shareholders' Equity (Rs. in Millions )	770	952	771	1,707	2,141
Total Assets (Rs. in Million)	1,409	1,537	2,111	2,650	3,138
Cash Dividend (%)	100	125	160	160	100
Stock Dividend (%)	-	-	25	25	25

	2004	2005	2006	2007	2008
<b>Century Insurance</b>					
EPS (Rs.)	1.13	2.06	2.1	3.67	0.4
Shareholders' Equity (Rs. in Millions )	194	291	375	523	922
Total Assets (Rs. in Million)	427	567	695	1,691	1,294
Cash Dividend (%)	10	10	10	-	-
Stock Dividend (%)	20	35	25	30	-
<b>Merit Packaging Limited</b>					
EPS (Rs.)	5.23	4.87	6.67	7.06	1.69
Shareholders' Equity (Rs. in Millions )	90	102	122	147	155
Total Assets (Rs. in Million)	146	484	509	546	842
Cash Dividend (%)	35	35	35	-	-
Stock Dividend (%)	-	-	-	50	15
<b>Century Paper &amp; Board Mills Limited</b>					
EPS (Rs.)	6.78	6.08	4.77	1.3	0.4
Shareholders' Equity (Rs. in Millions )	1,383	1,477	2,821	2,904	2,933
Total Assets (Rs. in Million)	2,367	2,844	4,438	9,637	13,402
Cash Dividend (%)	45	45	-	-	-
Stock Dividend (%)	-	-	-	10	-
<b>Clover Pakistan Limited</b>					
EPS (Rs.)	11.91	12.96	12.31	11.11	12.31
Shareholders' Equity (Rs. in Millions )	100	211	256	317	379
Total Assets (Rs. in Million)	291	335	469	574	628
Cash Dividend (%)	45	65	60	45	35
Stock Dividend (%)	-	-	20	20	20
<b>ICI Pakistan Limited</b>					
EPS (Rs.)	20.51	16.23	10.49	12.86	14.91
Shareholders' Equity (Rs. in Millions )	8,054	9,493	10,265	11,398	12,683
Total Assets (Rs. in Million)	13,928	15,970	16,930	18,780	18,667
Cash Dividend (%)	25	60	55	55	60
Stock Dividend (%)	-	-	-	-	-

### 3.11 Performance of Collective Investment Schemes under the management of Lakson Investments Limited

Presently there is no Collective Investment Scheme under the management of Lakson Investments Limited.

## LAKSON MONEY MARKET FUND

### 4. CHARACTERISTICS OF UNITS

#### 4.1 Classes of Units

- (a) Class 'A' Units (Core Units) issued to the Core Investors with no Front-end or Back-end Load.
- (b) Class 'A' Units being offered and issued during the period of the Initial Offer with no Front-end or Back-end Load.
- (c) Class 'B' Units, shall be offered after the period of the Initial Offer. These Units shall carry a Front-end Load but no Back-end Load.
- (d) Class 'C' Units, may be offered after the period of Initial Offer to institutional and retail clients. These Units shall carry a Back-end Load but no Front-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 deferred Back-end Load. The Management Company shall disclose the details this class of Units on its website. No Front-end Load shall be charged on these Units.

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

The Management Company may offer additional classes of Units with the consent of the Trustee and prior approval of the Commission. The Management Company may with the prior approval of the Commission suspend issuance of certain class(s) of Units.

#### 4.2 Types of Units

- 4.2.1. An investor shall, at the time of opening an account, select the type(s) of Units(s) in which the investor wishes to invest, i.e. Growth and/or Income Units.
- \*<sup>3</sup> 4.2.2. The minimum amount of investment to open and maintain an account is Rupees One Thousand (Rs. 1,000/-) for Growth Units and Rupees One hundred Thousand (Rs. 100,000/-) for Income Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove. If the investment in any investor's account falls below the minimum level as a result of revised limits, redemption, transfer or transmission, the Management Company may instruct the Registrar to inform the concerned Unit Holder(s) in writing and allow the Unit Holder(s) 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 Registrar 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. For Income Units, in case the amount falls below Rupees One Hundred Thousand (Rs. 100,000/-), funds shall be transferred to Growth Units.
- 4.2.3. After the initial investment, Unit Holders may add a minimum of Rs. 1,000/- per transaction at their convenience. Units including fractions thereof shall be issued against the amount received from the Unit Holder(s) in accordance with the procedure laid down in this Offering Document. The Management Company may alter the minimum amount required for opening, maintaining or adding to the account. Provided that in case of an upward change in the minimum amount required for maintaining the account or adding funds, the Management Company shall give twenty one (21) days notice to Unit Holders.
  - i) Growth Units: The Unit value grows in line with the growth in the NAV, and the Unit Holders, shall have the option to receive distribution income in the form of cash or bonus Units. The Unit Holder shall choose one of the following two options:
    - a) Growth Units with option of receiving a cash dividend at the time of distribution.
    - b) Growth Units with the option of receiving Bonus Units at the time of distribution.
  - ii) Income Units: Income Unit Holders shall be distributed dividends in the form of bonus Units only.
    - a) Flexible Income Units - Unit Holders, at the time of purchase or beginning of an interval will authorize the Management Company to decide the quantum of part redemption of their Unit holdings at the end of every regular interval (i.e. monthly, quarterly, semi-annually or annually) based on the appreciation of the concerned Unit Holders' investment during the regular interval.



## LAKSON MONEY MARKET FUND

- If the value of investment increases (due to growth in NAV) during an interval, the Management Company shall calculate the number of Units to be redeemed in such a manner that the total redemption value of such Units is equal to the increase in the value of investment during that interval.
  - If the value of investment falls (due to fall in NAV) during an interval, the Management Company shall not redeem any Units at the end of that interval.
- b) Fixed Income Units - Unit Holders, at the time of purchase or beginning of an interval shall specify a fixed cash amount and authorize the Management Company to redeem at the prevailing Redemption Price at regular intervals (i.e. monthly, quarterly, semi-annually or annually) such number of Units from their holding that in rupee terms is equivalent to the specified fixed amount required at the end of every regular interval. As a result of operation of this Clause, the capital invested may deplete in case sufficient returns are not earned to cover the amount required by the Unit Holders.

The Management Company may offer other 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 4.3.1 The minimum amount of investment for Growth Units shall be Rupees One Thousand (Rs. 1,000/-), with no applicable maximum amount.

\*3 Substituted by the First Supplemental to the Offering Document.

- 4.2.2. The minimum amount of investment to open and maintain an account is Rupees Five Thousand (Rs. 5,000/-) for Growth Units and Rupees One Hundred Thousand (Rs.100,000/-) for Income Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove. If the investment in any investor's account falls below the minimum level as a result of revised limits, redemption, transfer or transmission, the Management Company may instruct the Registrar to inform the concerned Unit Holder(s) in writing and allow the Unit Holder(s) 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 Registrar 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. For Income Units, in case the amount falls below Rupees One Hundred Thousand (Rs. 100,000/-), funds shall be transferred to Growth Units.

\*4 Substituted by the First Supplemental to the Offering Document.

- 4.3.1 The minimum amount of investment for Growth Units shall be Rupees Five Thousand (Rs. 5,000/-), with no applicable maximum amount.

- 4.3.2 The minimum amount of investment for Income Units shall be Rupees One Hundred Thousand (Rs. 100,000/-) with no applicable maximum amount.
- 4.3.3 Subsequent minimum investment into the Scheme (Growth or Income Units) shall be for a minimum of Rupees One thousand (Rs. 1,000/-) per transaction, with no applicable maximum amount.
- 4.3.4 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 at least twenty one (21) calendar days prior notice to Unit Holders.

#### **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, distributions and earnings of the Scheme. Each Unit Holder has a beneficial interest in the Scheme proportionate to the Units held by such Unit Holder.

#### **4.5 Core Units**

- 4.5.1 The Scheme shall have a minimum investment of Rupees One Hundred Million (Rs. 100,000,000/-) to be invested by the Management Company or by Core Investors. The Core Units subscribed by the Core Investors shall be issued at Par Value, and the Core Units worth at least Rupees Fifty Million (Rs. 50,000,000/-) 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 effected only on the receipt by the Registrar 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 Scheme, the Core Units standing to the credit of the Core Investors shall be dealt with in the same manner as the rest of the Units in the Scheme.

#### **4.6 Determination of Net Assets**

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 Regulations and is stated herein below:

## **LAKSON MONEY MARKET FUND**

- (a) a security listed on a stock exchange, local or foreign as the case may be, 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 unlisted debt security and a debt security listed but not traded regularly on a stock exchange shall be valued in a manner specified by the Commission;
- (c) an Investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- (d) an Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (e) the value of any dividends, bonus shares or rights which may have been declared on securities in the Trust Property 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;
- (f) mark-up accrued on any mark-up-bearing security in the Trust Property shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (g) any other income accrued up to the date on which computation was made shall also be included in the assets;
- (h) all liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under the Trust Deed, the Offering Document and the Regulations and taxes shall be deducted from the value of the assets;
- (i) the remuneration accrued up to the date of computation payable to the Management Company, as the case may be, for providing management and other services shall be included as an expense;
- (j) a security not listed or quoted on a stock exchange, other than a government or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower;
- (k) a Government Security not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security; and
- (l) any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.

Net Asset Value (NAV) is arrived at by dividing the Net Assets 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. 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 and Regulations.

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

- (a) the Net Asset Value as of the close of preceding 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 four decimal points.

- 4.7.3 The Offer Price shall be calculated for each Subscription Day for each Unit class offered by the Management Company. Consequently, different Unit classes may have different Offer Prices.
- 4.7.4 The Offer Price so determined shall apply to purchase requests complete in all respects for which funds have been realized in the Bank Account of the Scheme. Provided that if a Business Day is not a Subscription Day the Offer Price calculated for the next Subscription Day shall apply to the purchase request.
- 4.7.5 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.7.2(c) 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).
- 4.7.6 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 Registrar 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.
- 4.7.7 The Offer Price determined by the Management Company shall be made available to the public by such time as specified by the Commission at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in a newspapers widely circulated in Pakistan.

#### **4.8 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 Registrar nor the TL accept any responsibility in this regard. An 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/by-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.

## LAKSON MONEY MARKET FUND

- Insurance companies under the Insurance Ordinance, 2000.
- Non-profit organizations under Rule 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 Machine ("**ATM**") based transactions through which a Unit Holder may also purchase Units of the Scheme by using ATMs supported by one or more Banks or service provider(s) authorized by governing regulatory authority(s) with the consent of the Trustee 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 payment instrument of full amount of the investment. Copies of all required documents mentioned in the subparagraphs below should be delivered to any of the TLs 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 TLs as mentioned in **Annexure 'B'** of this Offering Document are authorized to collect the relevant application forms and payment instrument for the issue of Units as stated in this Offering Document. The following procedure shall be followed for purchase of Units:

- A. Relevant forms can be obtained from the Management Company or any TL or downloaded from the website of the Management Company or requested from the Management Company directly by mail.
- B. The Account Opening Form and the Investment Form can only be lodged with a TL, or directly lodged with the Management Company. No other person is authorized to accept the forms or payment instrument.
- 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:
  - (a) copy of the Memorandum and Articles / Charter / Bye-laws or rules and regulations;
  - (b) copy of Power of Attorney and/or relevant resolution(s) of the board of directors delegating authority to any of its officer(s) to invest the funds and / or to realize the investment;
  - (c) copy of the CNIC of the officer(s) to whom the above stated authority has been delegated; and
  - (d) any other relevant document(s) as may be required by the Registrar.
- E. In case of existing Unit Holders, if any of the documents have previously been submitted with the Management Company and/or the Registrar, 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 Lakson Money Market Fund**" and crossed "Account Payee Only" at a TL. The application for issuance of the Units and the specimen signature of each investor shall be supplied to the Registrar and a copy of the completed Investment Form may be retained by the relevant TL, if so required by the Management Company.

- G. The authorized personnel of the TL 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 in connection with the application for issue of Units is verified by the responsible person or otherwise authenticated.
- H. The investor must obtain a signed and stamped confirmation of the receipt of the application and the demand-draft, pay-order, cheque or deposit slip as the case may be from the authorized personnel of the TL. Cash can only be deposited in a Bank Account titled "**CDC - Trustee Lakson Money Market 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 TL.
- I. Unit purchase requests complete in all respects shall be priced at the Offer Price applicable for the Subscription Day on which funds from payments are realized
- J. If the application submitted by the investor is incomplete in any aspect, the Registrar shall inform the investor of such discrepancy and 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 statement confirming the purchase of Units within seven (7) Business Days after the issuance of Units subject to the completion of application in all respects.
- L. Investors must indicate their account number in the Investment Form, except in instances of initial investments only.
- M. 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 / 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 payment from overseas investors, provided it is a Subscription Day, otherwise the Offer Price of the next Subscription Day shall apply.
- N. The Management Company may frame additional operational procedures regarding issue of Units in dematerialized form registered with a depository organization.
- O. In addition to the above, the Management Company may allow various arrangements for transactions in Units of the Scheme, as per operational procedures framed by the Management Company.

#### 4.8.3 Joint Application

- A. Joint application can be made by up to four (4) investors, including the principal investor. Such persons shall be deemed to hold Units on first Unit Holder basis; however, each person must sign the Account Opening Form and the Investment Form (for initial investment only) and submit a copy of their CNIC or any other form of identification document acceptable to the Management Company.
- B. The first named (principal) Unit Holder shall receive all notices and correspondence with respect to the account.
- C. In the event of death of the first (principal) Unit 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 for receiving all notices and correspondences with regard to the accounts.

#### 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 preceding Business Day less:

## **LAKSON MONEY MARKET FUND**

- (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 upto nearest four decimal points.

- 4.9.3 The Redemption Price shall be calculated for each Subscription Day for each Unit class offered by the Management Company. Consequently, different Unit classes may have different Redemption Prices.
- 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 TL and / or the Management Company during the Subscription Hours 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 In the event that the amount paid as provision for payment of Duties and Charges pursuant to Clause 4.9.2(b) is insufficient to pay in full such Duties and Charges, the Unit Holder 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).
- 4.9.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to 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.
- 4.9.7 The Redemption Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in a newspaper widely circulated in Pakistan.

### **4.10 Redemption of Units**

#### **4.10.1 Redemption Eligibility**

All Unit Holders, other than the Unit Holders of Core Units with holding period restriction are eligible to redeem the Units. Core Units with holding period restriction shall be eligible for redemption after the expiry of a period of two (2) years from the date of the closure of the Initial Period; however, such Units are eligible for transfer provided that the transferee of such Unit(s) agrees to the same condition for the remaining 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 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(s) with the consent of the Trustee 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. Following procedure shall be followed for redemption of Units:

- 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. Unit Holders may apply for a splitting of the Certificate when applying for partial redemption. Unless the joint Unit Holders have specified otherwise, in the Account Opening Form all the joint Unit Holders shall sign the Redemption Form. The request for redemption would be honored after the Registrar has verified the signature and other particulars of the Unit Holder(s).

- B. Relevant forms can be obtained from the Management Company or any TL or downloaded from the website of the Management Company or requested from the Management Company directly by mail.
- C. The Redemption Form can only be lodged at a TL 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 a TL/the Management Company acknowledging 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 TLs during Subscription Hours on that Business Day. Any Redemption Forms received after Subscription 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 Form submitted by the investor is incomplete in any aspect, or if the rupee amount or number of Unit(s) stated in the Redemption Form 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 by the Registrar. 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 crossed cheque, in favor of the Unit Holder's registered name or first name (principal) joint Unit Holder in the event of joint Unit Holders, and shall be sent to registered address of the Unit Holder or first named (principal) joint Unit 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 Unit Holder in the event of joint Unit Holder. No money shall be paid to any intermediary except the Unit Holder/joint Unit 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 Extraordinary Circumstances.
- 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 / 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 a Back-end Load on such redemption.
- K. In all cases the amount payable on redemption shall be considered paid by the Trustee if either:
- (a) 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 / Change Request Form provided that the Scheme has a business relationship with that Bank; or
  - (b) 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 Unit Holders any one of them may provide effective receipt for such payment; or
  - (c) 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(s) by the Management Company from time to time.
- L. The Management Company may frame additional operational procedures regarding redemption of dematerialized Units registered with a depository organization.



## LAKSON MONEY MARKET FUND

- M. In addition to the above, the Management Company may allow various arrangements for transactions in Units of the Scheme, as per operational procedures framed by the Management Company.
- N. No netting off transactions (adjustment of assets of the Scheme against the investment of Unit Holders) shall be allowed within the Scheme.
- O. The Management Company shall not specifically use flipping mechanism (i.e. redemption and re-issuance of Units to the same Unit Holders based on different NAVs without cash settlement).
- P. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within twenty four (24) hours of receipt of any such request following the queue system.

### 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.

## 4.11 Transfer, Transmission and Conversion of Units

### 4.11.1 Transfer, Transmission and Conversion 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 ATMs based transactions through which a Unit Holder may also conduct the transfer 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(s) with the consent of the Trustee 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. Following procedure shall be followed for Transfer, Transmission and Conversion of Units:

- A. Every Unit 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 TL or downloaded from the website of the Management Company or requested from the Management Company directly by mail.
- C. The transfer shall be carried out after the Registrar has satisfied himself that all requisite formalities including the payment of any Duties and Charges have been completed and prescribed fee for the service has been recovered.
- D. A Unit Holder may transfer his Unit(s) contained in a Certificate either partially, subject to procedure stated in 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 Unit 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 a Unit Holder's Certificate has been lost, stolen or destroyed, the Trustee may dispense with the production of the Certificates subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for a replacement Certificate as provided in this Offering Document or the Trust Deed. All instruments of transfer shall be retained by the Registrar.

- G. Authorized personnel of TLs/Registrar, with the prior approval of the Management Company, shall be entitled to destroy all registered instruments of transfer or the copies thereof as the case may be 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 the termination of the Scheme.

The Trustee or the Management Company or the authorized personnel of TLs/Registrar 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 TLs/Registrar that every Certificate/instrument of transfer so destroyed was a valid Certificate/instrument of transfer duly and properly cancelled, provided that:

- (a) the aforesaid provisions 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;
  - (b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the authorized personnel of TLs /Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (a) above are not fulfilled; and
  - (c) 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 Registrar after satisfying himself with all legal requirements. The legal costs and taxes, if any, shall be borne and paid by the transferees.
- I. For deletion of name, in case of a death of joint Unit Holder, all other joint Unit Holders need to specify so by signing in the deletion of name section of the form and identifying the name of the Unit Holder along with his/her date of expiry. The Registrar shall carry out the deletion of name after satisfying himself that all the requisite formalities have been completed and payment of the applicable 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 Registrar shall carry out the conversion after satisfying himself that all the requisite formalities have been completed and payment of the applicable 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 and conversion of Units can be carried out by filing the Conversion / Transfer Form and submitting it to the TL 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 TL / Management Company acknowledging the receipt of the form and the Certificates, if any.
- L. Any transfers and transmittal of dematerialized Units placed in a depository organization shall take place under the operational procedures of such organization.
- M. The Management Company may close the Register for a period not exceeding forty five (45) days in a calendar year. During the period the Register is closed, transfer application shall not be received.

#### 4.11.2 Joint Unit Holder(s)

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

## LAKSON MONEY MARKET FUND

### 4.12 Pledge/Lien/Charge of Units

All existing Unit Holders or those who have purchased Units as per Clause 4.8 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. The following procedure shall be followed for pledge, lien and/or charge of Units:

- A. Any Unit Holder or joint Unit Holder(s) may request the Registrar 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 Registrar shall register a lien on any Units in favor of a third party with the specific authority of the Management Company as security for any debt to the third party. The Registrar 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. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- B. Relevant forms can be obtained from the Management Company or any TL or downloaded from the website of the Management Company or requested from the Management Company directly by mail.
- C. The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of the competent court. Neither the Trustee nor the Management Company nor the Registrar shall be liable for ensuring the validity of any such pledge/lien/charge. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/lien/charge by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar take any responsibility in this matter.
- D. Save any legal bar, court order requiring otherwise or any written agreement between the Unit Holder and any counter party, any cash dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, 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 shall be made to the lien/charge/pledge holder for the account of the Unit Holder.
- E. The lien on the pledged Units shall continue till such time it is released by the lien holder in writing.

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

Under Extraordinary Circumstances 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.

#### 4.13.1 Extraordinary Circumstances

Extraordinary Circumstances shall include, but shall not be limited to, the following:

- (a) closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
- (b) the existence of a state of affairs like the event of war (declared or otherwise), natural disasters, and a major break down in law and order or any other circumstances which in the opinion of the Management Company constitutes an emergency as a result of which transactions in the Units of the Scheme would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s); or
- (c) a break down in the means of communication normally employed in determining the price of any Investment; or
- (d) when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).

#### 4.13.2 Suspension of Fresh Issue of Units

- A. The Management Company may at any time, subject to the Rules and Regulations as modified from time to time, and during Extraordinary Circumstances suspend the issuance of fresh Units.
- B. In case of suspension of redemption of Units of the Scheme, the Management Company shall also suspend issuance of fresh Units of the Scheme until and unless redemption of Units is resumed.
- C. Such suspension may however not affect existing Unit Holders 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.
- D. The Management Company shall immediately notify the Commission and the Trustee if fresh issuance of Units is suspended and shall also have the same published, immediately following such decision, in a newspaper widely circulated in Pakistan.

#### 4.13.3 Refusal to Accept Fresh Issue / Account Opening Request

The Management Company or a TL on the instruction of the Management Company 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.

#### 4.13.4 Deferral of Request for Fresh Issue of Units

The Management Company may at any time suspend or defer the fresh issuance of Units if in its opinion the total number or any one 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 requests for fresh issue of Units and may defer part or all of a particular 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.

#### 4.13.5 Suspension of Redemption of Units

- A. The redemption of Units may be suspended during Extraordinary Circumstances having regard to the interest of the Unit Holders and such a decision shall be made with prior approval of the board of directors of the Management Company.
- B. 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 Net Assets.
- C. The Management Company shall immediately notify the Commission and the Trustee if redemption in Units ceases or is suspended and the fact that redemption is suspended shall also be published immediately following such decision in the newspaper in which the Scheme's prices are normally published.

## **LAKSON MONEY MARKET FUND**

- D. Such suspension 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 is authorized under the Trust Deed, Offering Document and Regulations exists.
- E. The Management shall ensure that in case of suspension of redemption of Units of Scheme due to Extraordinary Circumstances, the issuance of fresh Units shall also be kept suspended until and unless redemption of Units is resumed.

### **4.13.6 Queue System**

- A. In the event redemption requests on any day exceed ten percent (10%) of the number of Units outstanding, the Management Company may invoke a queue system under intimation to the Trustee whereby requests for redemption shall be processed on a first-come-first-served basis for up to ten percent (10%) of the Units in issue on that Subscription Day.
- B. 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.
- C. 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.
- D. 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 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.

### **4.13.7 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 Unit Holders who are not redeeming, it may announce winding up of the Scheme. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

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

The Management Company shall list the Units of the Scheme on a Stock Exchange in Pakistan and subject to compliance with legal requirements, may also list in any foreign jurisdiction. For this purpose the Management Company, with the approval of the Commission and Trustee, may amend the Trust Deed or issue supplementary Trust Deeds or Offering Documents and the Unit Holders shall be bound accordingly.

## **5. DISTRIBUTION POLICY**

### **5.1 Distribution Policy**

The Scheme shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Scheme under the Regulations or any other 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.

Income Unit Holders shall be distributed dividends in the form of bonus Units only. While Growth Unit Holders, shall have the option to receive distribution income in the form of cash or bonus Units.

### **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 Unit 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 Unit Holders, profits (if any) available for the distribution at the end of the Accounting Date and shall advise the Trustee accordingly. Such profits shall be distributed in cash or bonus Units to Growth Unit Holders and in Bonus Units to Income Unit Holders

The Management Company may also distribute an amount 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 till 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 Clause 5.3.3;

from which shall be deducted expenses 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.

5.3.3 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be ascertained by deducting expenses as are admissible under the Regulations and the Trust Deed.

5.3.4 The amount qualifying for purposes of determining distributable income in respect of the Distribution Period shall be adjusted as admissible under the Rules, Regulations and Constitutive Documents including:

- (a) deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the Investment / dividend, interest, profit or mark-up;
- (b) 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;
- (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Trust Property.

## LAKSON MONEY MARKET FUND

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

5.3.6 The Management Company may, in the interest of the Unit Holders, announce cash dividend and bonus Units on different types of Units. 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

\*<sup>5</sup> 5.4.1 The Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Scheme under the Rules and Regulations during an accounting year.

\*<sup>6</sup> 5.4.2 On announcement of dividend, the Management Company may 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.

Effective from February 25, 2014, the following clauses of the Offering Document have been amended to read in their entirety as follows:

5.4.3 In case of cash dividend, 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 such Unit Holder, or in the case of joint Unit Holders to the registered address of the joint Unit Holder, first named 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 full 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 Unit Holders' designated Bank account or in case of joint Unit Holders, to designated Bank account of the joint Unit Holder, first named in the Register. The receipt of funds by such designated bankers shall be a good discharge thereof.

5.4.4 In case of bonus distribution, 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.

5.4.5 The Management Company may offer the Unit Holder the option at the time of the initial investment (as part of the account opening procedure for entry into the Register) to receive new Units or fractions thereof under a reinvestment plan instead of dividend payment, as per the terms and conditions and the procedure laid down herein.

\*<sup>5</sup> Substituted by the First Supplemental to the Offering Document.

5.4.1 On each Distribution Date the Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Scheme under the Rules and Regulations.

\*<sup>6</sup> Substituted by the First Supplemental to the Offering Document.

5.4.2 On announcement of dividend, 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 this 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.

**5.4.6** 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 Unit Holder the certificate in respect of which deduction in the prescribed form or in a form approved or acquired by the concerned authorities.

**5.4.7** Where Units are placed under pledge / lien the payment of dividend shall be made in accordance with Clause 4.12.

**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.

**5.6 Bonus Units**

Bonus Units issued 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 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 Registrar 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 Back-end 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 Regulations. 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 Regulations.

**5.9 Closure of Register**

The Management Company may close the Register for the purpose of declaration of dividend for a period not exceeding six (6) Business Days at a time and whole 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.



## LAKSON MONEY MARKET FUND

### 6. FEE 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 processing charge of an amount not exceeding one percent (1%) of the redemption value of the investment at the date the request is lodged within Subscription Hours on the Subscription Day to the TL, or the Registrar, which shall be recovered from the transferee. This charge may be recovered by redemption of equivalent Units at the time of the transfer or may be charged separately at the discretion of the Management Company.

6.1.2 The Unit Offer Price is calculated by adding a Front-end Load not exceeding five percent (5%) of the Net Asset Value and Transaction Cost(s) to the Net Asset Value (The current level of Front-end Load and Transaction Cost(s) 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%) of the Net Asset Value and Transaction Cost(s) from the Net Asset Value of the Unit (The current level of Back-end Load and Transaction Cost(s) 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 Scheme

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 an accrued remuneration equal to an amount not exceeding three percent (3%) of the average annual Net Assets of the Scheme that has been verified by the Trustee and is paid in arrears on a monthly basis in accordance with the Rules and Regulations during the first five (5) years and two percent (2%) of the average annual Net Assets of the Scheme for the rest of the Scheme's existence.

B. The Management Company may charge a performance based or a fixed fee or a combination of both which shall not exceed the limit prescribed in the Regulations, or as specified by the Commission from time to time.

C. The remuneration shall begin to accrue from the close of the Initial Period, and this shall be intimated to the respective Pre-IPO and IPO investors. In respect of 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 accrued in the calendar month concerned.

D. The accrued remuneration shall be paid to the Management Company in arrears within seven (7) Business Days after the end of each calendar month.

E. 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.

F. 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.

- G. The Management Company shall not make any further material charge against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and Regulations and the Trust Deed to be payable out of Trust Property.

#### 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 from 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 seven (7) Business Days after the end of each calendar month.
- C. In consideration of the foregoing and save as aforesaid, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Scheme.
- 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.
- F. The Trustee shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services or for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and Regulations and the Trust Deed to be payable out of Trust Property.

#### 6.3.3 Formation Cost

- A. Formation Costs shall be borne by the Management Company and shall be reimbursable by the Scheme subject to the audit of expenses.
- B. Formation Costs shall be charged to the Scheme which are estimated at and shall not exceed one percent (1%) of the Pre-IPO investment or Rupees Five Million (Rs. 5,000,000/-) whichever is lower.
- C. Formation Cost shall be amortized over a period not less than five (5) years or any other period that may be specified by the Commission.

#### 6.3.4 Other Costs and Expense Payable by Scheme

In addition to the remuneration of the Management Company and the Trustee and the Formation Costs as detailed herein above, the following costs and expenses are payable by the Scheme:

- (a) remuneration of the custodian;
- (b) listing fee payable to the Stock Exchange including renewals;
- (c) charges and levies of Stock Exchanges, national clearing and settlement company, and depository charges;
- (d) rating fee of the Scheme payable to approved rating agency;
- (e) auditors' fees and out of pocket expenses as billed by them;
- (f) fee payable to the Commission;

## **LAKSON MONEY MARKET FUND**

---

- (g) brokerage and transaction costs related to investing and divesting of the assets of the Scheme;
- (h) expenses incurred by the Trustee in effecting registration of all registerable assets in the name of the Trustee;
- (i) legal and related costs incurred in protecting the interests of the Unit Holders of the Scheme;
- (j) Bank charges and borrowing / financial costs;
- (k) hedging costs including forward cover, forward purchase or option purchase costs;
- (l) taxes, fees, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, duties and other charges levied by foreign jurisdiction on Investments outside Pakistan;
- (m) any printing costs and related expenses for issuing the Scheme's quarterly, half-yearly and annual reports etc.; and
- (n) any other expense or charges as may be permitted by the Commission.

Such expenses shall be reimbursed to the Management Company at actual within thirty (30) calendar days of the payment of such expense.

### **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 Trust 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 Regulations and the Trust Deed to be payable out of Trust Property.

### **6.5 Remuneration of Distribution Company / Sub-Distributors/ Facilitators**

The Distribution Company or Sub-Distribution Company or any Facilitators employed by the Management Company shall be entitled to remuneration to be agreed between the Management Company and the Distribution Company / Facilitator / Sub-Distribution Company. The Management Company shall pay this remuneration out of its own resources.

## **7. TAXATION**

### **7.1 Taxation and Zakat on the Income of the Scheme**

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of the Scheme. The information set forth below is included for general information purposes only and is based on current tax laws and regulations which are subject to change from time to time. In view of the 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, the Scheme 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 ten percent (10%) 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, 2010;
- (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 Ninety percent (90%) of Income is Distributed**

Notwithstanding the tax rates stated given above, the income of the Scheme shall be exempted from tax if not less than ninety percent (90%) of the annual income other than unrealized gains as reduced by such expenses as are chargeable to the Scheme under the Regulation is distributed amongst the Unit Holders. For achieving tax efficiency, Scheme shall strive to comply with the requirements of tax exemption and distribute at least ninety percent (90%) of the income, calculated as per Clause 5.3.

#### **7.1.3 Withholding Tax**

Under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance 2001, the Scheme's income from 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 shall not be subject to any withholding tax.

#### **7.1.4 Zakat**

The Scheme 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 Ramdan-ul-Mubarak shall be subjected to deduction to two and half percent (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 Lakson Money Market Fund.

#### **7.2.1 Withholding Tax on Cash Dividends**

Unless the Unit Holder has a 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 - 10%
- Others - 10%

## **LAKSON MONEY MARKET FUND**

In terms of the Income Tax Ordinance, 2001 the rate of tax so specified shall be the final tax and the payer (Registrar) 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 Registrar 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 of the Scheme 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, 2010. However, some investors like commercial Banks are not exempt from capital gains tax; therefore it is in interest of the Unit Holders to consult their respective tax advisor.

### **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 off 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.

This tax credit is only available to individuals. Corporate entities cannot claim tax credit on investment in the Scheme.

### **7.2.4 Zakat**

Units held by resident Pakistani Unit Holders shall be subject to Zakat under the Zakat and Ushr Ordinance, 1980 at a rate of two and half percent (2.5%) of the value 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.

### **7.3 Disclaimer**

**The tax and Zakat information given above is based on the Management Company's tax advisor's interpretation of the law, which to the best of the Management Company's understanding is correct 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 above 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 Scheme**

Accounting Period means a period ending on and including an Accounting Date. The Accounting Period of the Scheme shall commence from the date on which the Trust Property is first paid or transferred to the Trustee to June 30th, and from July 1st to June 30th for all the following years.

Accounting Date shall be the thirtieth (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 Financial Reporting**

The following reports shall be sent to the Unit Holders:

- (a) Annual report including copy of the balance sheet and income statement; cash flow statement; statement of movement in unit holders' or certificate holders' fund or net assets or reserves; and the auditor's report of the Scheme; within four(4) months of the close of each Accounting Period;
- (b) Un-audited financial statements within one (1) month of the closing of the first quarter and third quarter and within two (2) months of the closing of first half of each Accounting Date, balance sheet including at the end of that quarter, profit and loss account, cash flow statement and statement of movement in Unit Holders' fund or Net Assets or reserves and statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with value (at carrying and at market) and the percentage in relation to its own Net Assets and the issued capital of the person whose securities are owned for that quarter, whether audited or otherwise.
- (c) 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 Regulations 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, Regulations and the Ordinance.

## **LAKSON MONEY MARKET FUND**

### **9. SERVICE TO UNIT HOLDERS**

#### **9.1 Availability of Forms**

All forms can be obtained from the Management Company or any TL or downloaded from the website of the Management Company or requested from the Management Company directly by mail.

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

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

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

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

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

9.3.2 The Management Company shall ensure that the Registrar, at all reasonable times during business hours, gives the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and allows them 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 Registrar shall not register more than four (4) 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 Unit Holders.

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

9.3.6 The Register of the Unit Holders of the Scheme may be closed in consultation with the Trustee and the Management Company for such period as it may from time to time determine, provided that it is not closed for more than forty five (45) days in any calendar year.

9.3.7 The Register of the Unit Holders of the Scheme may be closed for the purpose of declaration of dividend. The time period for closure of Register shall not exceed six (6) working days at a time and forty five (45) days in an Accounting Period.

9.3.8 The Unit 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 Unit 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 a court of competent jurisdiction.

9.3.9 The executors or administrators or succession certificate holders, in case no nominee has been specified, of a deceased Unit Holder (not being one (1) of several joint Unit 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.

- 9.3.10 Any person becoming entitled to a Unit in consequence of the death or bankruptcy / insolvency of any sole Unit Holder or of the survivor of joint Unit 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 Unit Holder of such Unit upon giving the Registrar 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 Unit Holder.
- 9.3.11 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 Unit Holder of such Unit or shall duly transfer the same.
- 9.3.12 The Registrar 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 Holder 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 names of each Unit Holders and joint Unit Holder(s);
- (b) father's / husband's name of the Unit Holder or the joint Unit Holder(s) whose name appears first in the investment application.
- (c) complete address of the Unit Holder or the Joint Unit Holder whose name appears first in the investment application.
- (d) computerized national identity card (CNIC) number, registration number or any other identification number in case of foreign unit holders;
- (e) nationality;
- (f) number of Certificate(s) held;
- (g) the date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
- (h) the date on which any transfer or redemption is registered with Certificate number, if any;
- (i) information about lien, pledge or charge of Units;
- (j) information about verification of redemption / transfer forms;
- (k) tax and Zakat status of the Unit Holder;
- (l) information about nominees;
- (m) record of signature of Unit Holder / joint Unit Holder;
- (n) Certificate number;
- (o) number of Units held; and
- (p) such other information as the Management Company may require.

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



**9.5 Change of Information in Register**

Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar 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 Unit 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 Unit Holder. Unit Holder shall have to submit the Change Request Form that shall be available at all TLs and on the website of the Management Company.

**9.6 Account Statement**

The Registrar 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 applicant the Management Company shall intimate the Registrar who shall issue an account statement that shall constitute evidence of the number of Units registered in the name of the Unit Holder.
- 9.7.2 Subject to Clause 9.7.1, Certificates shall be issued by the Registrar, only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding rupees twenty five (Rs. 25/-) per Certificate, subject to revision of fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.
- 9.7.3 Separate Certificates shall be issued for each class and type 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 Unit Holder at their own risk by registered post, by courier service, or may be collected by the Unit Holder from the TL.
- 9.7.5 In the case of Units held jointly, the Registrar shall not issue more than one (1) Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the joint Unit Holder named first therein shall constitute sufficient delivery to all joint Unit 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 Unit Holder or joint Unit Holders and shall specify the number of Units represented thereby and the name and address of the Unit 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 Registrar, 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 Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, the Management Company, Registrar or any authorized signatory.

9.7.8 Where a Unit Holder wishes to redeem or transfer part of his Units contained in a Certificate, the aggregate Certificate shall be retained by the TL, along with the completed redemption / transfer form. The Unit Holder shall be issued a receipt for the aggregate Certificate retained by the TL, and a new Certificate shall be issued, subject to fees detailed in Clause 9.7.2 (upon request of the Unit Holder, depicting the number of Units outstanding after partial redemption / transfer) and sent to the Unit Holder along with the confirmation statement for the redemption / transfer transaction.

## **9.8 Replacement of Certificates**

9.8.1 Subject to the provisions of the Trust Deed 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 Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates 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 Registrar with the approval of the Management Company may issue to the person entitled a duplicate certificate in lieu thereof. No such duplicate Certificate shall be issued unless the applicant shall previously have:

- (a) returned the mutilated or defaced Certificate or furnished to the TL / Registrar evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
- (b) paid as expenses incurred in connection with the investigation of the facts;
- (c) in the case of joint Unit Holders obtained the written consent of the joint Unit Holders for issuance of such new Certificates; and
- (d) furnished such indemnity as the Management Company and the Trustee may require.

Neither the Management Company nor the Trustee nor the authorized personnel of TLs and nor the Registrar shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

9.8.3 Any new Certificate issued under the provisions of this Clause shall be issued subject to the fees detailed in Clause 9.7.2 above.

**10. FINANCIAL INFORMATION**

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



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
First Floor  
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  
Lakson Investments Limited  
Management Company of Lakson Money Market  
Fund  
Lakson Square Building #2  
Sarwar Shaheed Road  
Karachi

Our ref KA-ZS-587

22 October 2009

Dear Sirs,

**Certificate on Core Investment in Lakson Money Market Fund**

As requested, we have verified from the un-audited books and records of Lakson Money Market Fund (the Fund) as of 22 October 2009, managed by Lakson Investments Limited that Rs.100 million has been received by the Fund from Core Investors as follows:

<b>Name of Investor</b>	<b>Amount (Rupees)</b>
<b>Core Investors</b>	
■ SIZA (Private) Limited	50,000,000
■ Lakson Investments Limited	50,000,000
	100,000,000

Yours faithfully,

*KPMG Taseer Hadi & Co.*

**10.2 Auditors Certificate on Net Asset Value of the Scheme**



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
First Floor  
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  
Lakson Investments Limited  
Management Company of Lakson Money Market  
Fund  
Lakson Square Building #2  
Sarwar Shaheed Road  
Karachi

Our ref KA-ZS-588

22 October 2009

Dear Sirs,

**Net Asset Value (Un-audited) of Lakson Money Market Fund (“the Fund”)**

As requested, we have verified from the un-audited books and records of the Fund provided to us by Lakson Investments Limited (the Management Company of the Fund) that the Net Assets of the Fund as on 22 October 2009 amounted to Rs. 100 million as follows:

Total assets of the Fund	101,167,137
Total liabilities of the Fund	<u>(1,167,137)</u>
Net assets of the Fund	<i>Rupees</i> <u>100,000,000</u>
Proposed units to be issued against the funds received	<i>Number</i> <u>1,000,000</u>
Net Assets Value per unit	<i>Rupees</i> <u>100</u>

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.

Yours faithfully,

*KPMG Taseer Hadi & Co.*

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative

## **LAKSON MONEY MARKET FUND**

---

### **11. WARNING**

#### **11.1 Offering Document**

The provisions of the Trust Deed, Rules and the Regulations 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.

#### **11.2 Fluctuation 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 any one 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 Clause 2.11 and Clause 2.12 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:

**Lakson Investments Limited**

Lakson Square Building No.2,  
Sarwar Shaheed Road,  
Karachi-74200, Pakistan

**Central Depository Company of Pakistan Limited**

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

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

The Offering Document has been published on 05 November, 2009. The Management Company accepts responsibility for the information contained in this Offering Document as being accurate at the date of publication.

## **LAKSON MONEY MARKET FUND**

---

### **13. REVOCATION OF THE LAKSON MONEY MARKET FUND**

#### **13.1 Revocation of the Scheme**

13.1.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below rupees fifty million (Rs. 50,000,000/-). The Management Company shall give at least three (3) months notice to Unit Holder(s), Trustee and the Commission and shall disclose the grounds of its decision.

13.1.2 Subject to the Rules and Regulations, the Management Company may announce winding up of the Scheme without notice 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.

13.1.3 The Scheme may also be terminated by the Commission on the grounds given in the Regulations.

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

#### **13.2 Distribution of Liquidation Proceeds**

13.2.1 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. In case of any deficit the Trustee and Management Company shall not be liable to pay the same,

13.2.2 The Trustee on the recommendation of the Management Company shall 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 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. In case the sum retained is insufficient, the Management Company and Trustee shall not be liable for the same and in case there is a surplus, the same should be distributed on a pro rata basis among the Unit Holders.

**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 (30th) 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 "Account Opening Form"** means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund.
- 14.3 "Accounting Period"** means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 14.4 "Asset Management Company"** shall have the same meaning as in Rules and Regulations.
- 14.5 "Auditor"** means the Auditor of the Scheme appointed by the Management Company as per the Rules and Regulations.
- 14.6 "Authorized Investments"** means all transacted, issued, traded, listed and unlisted investments, inside or outside Pakistan. Authorized Investments are listed in Clause 2.3.
- 14.7 "Back-end Load"** means the charge or commission (excluding Duties and Charge) not exceeding five percent (5%) (or such other percentage as may be specified in the Offering Document in writing) 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. Back end Load shall form part of Trust Property.
- 14.8 "Bank"** means an 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 the 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 Unit Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.
- 14.13 "Change Request Form"** means a standardized form prescribed by the Management Company to be duly filled by the Unit Holder to change Unit Holder information in the Register.
- 14.14 "Connected Person"** shall have the same meaning as in the Rules.
- 14.15 "Constitutive Documents"** means the Trust Deed, this Offering Document and other principal documents governing the formation, management and operation of the Scheme including all related material agreements.
- 14.16 "Commission"** is defined in the preamble.
- 14.17 "Core Units"** means such Units of the Scheme that are issued to Core Investors. Core Units worth at least Rupees Fifty Million (Rs. 50,000,000/-) shall not be 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 (2) years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.



## LAKSON MONEY MARKET FUND

- 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 Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Scheme.
- 14.19 "Custodian"** means 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 the Trustee itself, with the approval of the Management Company, to hold and protect the Trust Property or any part thereof as custodian.
- 14.20 "Deferred Sales Load"** means the charge or commission (excluding Duties and Charge) not exceeding five per cent (5%) of the Net Asset Value, deducted from the Net Asset Value in determining the Redemption Price for class 'D' Units. Deferred Sales Load shall be determined by the Management Company from time to time and disclosed on its website and notified through an addendum to annexure 'A' of this Offering Document and / or by publication in a widely circulated newspaper, as and how the Commission may direct, once it decides to offer class 'D' Units for subscription. This load shall have a slab structure based on the holding period of Units. Deferred Sales Load shall be payable to the Management Company.
- 14.21 "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. 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).
- 14.22 "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.
- 14.23 "Distribution Date"** means the date on which the Management Company decides to distribute the profits (if any).
- 14.24 "Distribution Period"** means the period in respect of which distribution of profits, are proposed to be made by the Management Company.
- 14.25 "Distribution Function"** means the functions with regard to:
- (a) receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
  - (b) issuing receipts in respect of (a) above;
  - (c) interfacing with and providing services to the Unit 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 applicants for issuance of Units; (ii) payments made to the Unit 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.
- 14.26 "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 of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

**14.27 "Extraordinary Circumstances"** include:

- a) closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
- b) the existence of a state of affairs like the event of war (declared or otherwise), natural disasters, and a major break down in law and order or any other circumstances, which in the opinion of the Management Company constitute an emergency as a result of which transaction in the Units of the Scheme would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s); or
- c) a break down in the means of communication normally employed in determining the price of any Investment; or
- d) when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).

**14.28 "Facilitators"** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme.

**14.29 "Federal Government"** means the Federal Government of Islamic Republic of Pakistan.

**14.30 "Financial Institution"** means

- a) a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches;
- b) a modaraba, leasing company, investment bank, venture capital company, financing company, housing finance company, a non-banking finance company; and
- c) such other institution or companies authorized by law to undertake any similar business, as the Federal Government may, by notification in the official gazette, specify for the purpose;]

**14.31 "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 Pre-IPO investors' investment or Rupees Five Million (Rs. 5,000,000/-) whichever is lower.

**14.32 "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 announced by the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units; however different levels of Front-end Load may be applied to different classes of Units. Provided in annexure A

**14.33 "Government Securities"** means monetary obligations of the Federal Government or a provincial government or of a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a provincial government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the official gazette, declare, to the extent determined from time to time, to be Government Security.

**14.34 "Holder or Unit Holder"** means an investor for the time being entered in the Register as owner of Units of the Scheme including investors jointly so registered pursuant to the provisions of the Trust Deed.

**14.35 "Initial Offer"** means Pre-IPO and Public Offering.

**14.36 "Initial Period"** means a period determined by the Management Company not exceeding ninety (90) days during which Units shall be offered at the Initial Price in terms of the Offering Document.

## LAKSON MONEY MARKET FUND

- 14.37 "Initial Price"** means the price of Rupees One Hundred (Rs. 100/-) per Unit during the Initial Period determined by the Management Company.
- 14.38 "Investment"** means any Authorized Investment forming part of the Trust Property.
- 14.39 "Investment Facilitators"** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme.
- 14.40 "Investment Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units and will be stated in the Offering Document.
- 14.41 "Management Company"** is defined in the preamble hereto;
- 14.42 "Net Assets"** shall have the same meaning as in the Regulations.
- 14.43 "Net Assets Value" or "NAV"** means per Unit value of the Scheme arrived at by dividing the Net Assets of the Scheme by the number of Units outstanding on any particular day.
- 14.44 "Offer Price"** means the sum to be paid to the Trustee for the benefit of the Scheme for issuance of one Unit, such price to be determined pursuant to Clause 4.7 of this Offering Document.
- 14.45 "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 Regulations and is circulated to invite offers by the public to invest in the Scheme.
- 14.46 "Ordinance"** means the Companies Ordinance, 1984.
- 14.47 "Par Value"** shall be Rupees One Hundred (Rs. 100/-) per Unit of the Scheme.
- 14.48 "Pledge Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units and will be stated in the Offering Document.
- 14.49 "Pre-IPO"** means the private placement of Units to investors prior to the Public Offering
- 14.50 "Public Offering"** means offering of Units to the general public through and in accordance with the Offering Document;
- 14.51 "Redemption Price"** means the amount to be paid to the relevant Unit Holder(s) upon redemption of Units, such amount to be determined pursuant to Clause 4.9 of this Offering Document.
- 14.52 "Redemption Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to redeem Units and will be stated in the Offering Document.
- 14.53 "Register"** means the Register of the Unit Holder(s) kept pursuant to the Rules and Regulations and the Trust Deed.
- 14.54 "Registrar/ 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.
- 14.55 "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 Unit Holders on re-investment of dividends
- (h) receiving applications for redemption and transfer / transmission of Units directly from Unit 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 Unit Holders; and
- (k) any other information that the Management Company deems necessary.

- 14.56 "Regulations"** is defined in the preamble hereto and includes any specific or general relaxations in respect of applicability of such Regulations granted or to be granted by the Commission and / or the Federal Government, as appropriate.
- 14.57 "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.
- 14.58 "Special Instruction Form"** means a standardized form prescribed by the Management Company to be duly filled by the investor to change his/her particulars and will be stated in the Offering Document.
- 14.59 "Stock 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
- 14.60 "Subscription Hours"** shall be from 9:00 AM to 2:30 PM on any Subscription Day or any other time as may be announced by the Management Company via the company website from time to time for transactions in Units of the Scheme.
- 14.61 "Subscription Day"** means such Business Days designated by the Management Company to be a subscription day and on which the State Bank of Pakistan is open for business in Pakistan.
- 14.62 "Sub-Distributor / Sub-Distribution Company"** means a company(s) or firm(s) or a Bank(s) or the Central Depository 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.
- 14.63 "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 divesting activity of the Scheme's portfolio, inter alia, necessitated by creation or cancellation of Units, which costs may be added to the Net Asset Value for determining the Offer Price of Units or to be deducted from the Net Asset Value 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 Unit 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 Net Asset Value. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property
- 14.64 "Transaction Location or "TL"** means branch(es) of the Management Company and Distributor / Sub-distributor and select Facilitators authorized to accept and process investment/ redemption / transfer / conversion etc requests. A list of TLs shall be maintained and updated by the Management Company.

## LAKSON MONEY MARKET FUND

---

- 14.65 "Scheme"** means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.
- 14.66 "Trust Deed"** means the trust deed dated 2 September 2009 and executed between the Management Company and the Trustee along with all the exhibits appended hereto.
- 14.67 "Trust Property"** means the aggregate proceeds of the sale of all Units at Offer Price and any Transaction Costs recovered in the Offer Price or Back end Load recovered in the Redemption Price after deducting there from or providing there against the value of Redemption, Front-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 etc earned on the amount credited to the Distribution Account but shall not include any amount standing to the credit of the Distribution Account.
- 14.68 "Trustee"** is defined in the preamble hereto.
- 14.69 "Unit"** means one undivided share in the Scheme, and where the context so indicates, a fraction thereof.
- 14.70 "Zakat"** has the same meaning as in the Zakat and Ushr Ordinance, 1980.

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

**ANNEXURE "A"**
**CURRENT LEVEL OF FEES & SUBSCRIPTION DAYS**

	<b>Current</b>	<b>Maximum</b>
Front End Load	0%	3 % of NAV
Back End Load	0%	3 % 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	The Management Company shall charge a fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis. The fee is subject to a minimum of 0.5% and maximum of 1.00% of the average annual net assets of the Scheme	1.00% of the average annual Net Assets of the Scheme thereafter
Subscription Days	Monday through Saturday	N/A

Any change in the load and fee structure, provided it is within the maximum limit, shall be notified through an addendum to this annexure and/or by publication in a widely circulated newspaper, as and how the Commission may direct.

\* Substituted by the 4th supplemental to the Offering Document.

**Annexure 'B'****CURRENT LIST OF TRANSACTION LOCATIONS**

Following is the current list Transaction Locations (TL). The Management Company may appoint new TLs or remove some of the TLs from the existing list. Any change in TLs will be communicated by the Management Company through its website.

**LAKSON INVESTMENTS LIMITED**

Lakson Square Building No. 2  
Sarwar Shaheed Road  
Karachi

**SONERI BANK LIMITED****Branches in Karachi**

Clifton Branch  
Shadman Centre  
Block 7, Clifton  
Karachi

Garden Branch  
Silver Jubilee Center  
Britto Road, Garden East  
Karachi

Federal B. Area Branch  
Hassan Mansion, Block7  
Near Ayesha Manzil Plaza, F.B. Area  
Karachi

Haidery Branch  
Plot No SF-10, Hussein Square  
Block E, Haidery  
Karachi

Defence Housing Authority Branch  
30-C10, Bader Commercial Street  
DHA  
Karachi

Gulshan-e-Iqbal Branch  
Crown Center, Block #13-C  
Main University Road, Gulshan-e-Iqbal  
Karachi

Zamzama Branch  
Shop#F/4&F/5, Zamzama Boulevard  
Zamzama Commercial Area, Phase V, DHA  
Karachi

## **LAKSON MONEY MARKET FUND**

---

Gulistan-e-Jauhar Branch  
Billy's Paradise, Block 18  
Gulistan-e-Jauhar  
Karachi

Block7, Gulshan-e-Iqbal Branch  
Gr.Floor Plot# ZC-07, KDA Scheme #24  
Gulshan-e-Iqbal, Allama Shabbir Ahmed Usmani Road  
Karachi

Bahadurabad Branch  
Shop No: 2, Qazi Court, KCHS  
Unions Area Bahadurabad  
Karachi

### **Branches in Lahore**

Defence Branch  
G-14, Commercial Area  
Defense Housing Authority  
Lahore

Gulberg Branch  
90-B-C/11, Liberty Market  
Gulberg 111  
Lahore

Model Town Branch  
Blank square Market  
1-C Model Town  
Lahore

### **Branches in Islamabad and Rawalpindi**

G-9, Markaz Branch  
Plot # 14-B  
Bank Plaza G-9 Markaz  
Islamabad

Main Branch  
68-W, Sama Plaza  
Blue Area  
Islamabad

Chandni Chowk Branch  
B-147, Block-B, Satellite Town  
Chandni Chowk, Murree Road  
Rawalpindi



**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	0.15% p.a. of Net Assets
1,000	& Above	Rs. 1.5 million plus 0.075% p.a. of Net Assets exceeding Rs. 1,000 million
Over 10,000	-	Rs. 8.25 million plus 0.06% p.a. of Net Assets exceeding Rs. 10,000 million







Please read the guidelines below before completing this form

### General Instructions

- Please fill this form in BLOCK LETTERS.
- Upon completion and submission of this form you will be provided a receipt, please retain and ensure that it is signed and stamped by the TL (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 Documents or call us at +92.21.111.534.111

### Detailed Instructions

#### Principal Account Holder Information

- Please provide either (a) your CNIC / NICOP or (b) your passport number.
- If you have selected NO in Zakat Deduction please ensure that you provide a CZ-50 form to support your instruction.

#### Only for Institutional Clients

- Please provide NTN and Registration / Incorporation Number.
- If you have selected OTHER in Nature 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 or funds may be misplaced.
- These details shall be used for both Redemption and Dividend Mandates where applicable.

#### Joint Holder Information

- In case of institutions, this section shall be used for authorized signatories and the respective institution's stamp.
- If more than three authorized signatories, please use additional form.

#### Nominee Information

- This section is not applicable in case of institutions and Joint 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 Units.

#### Dividend Mandate

- Please specify your desired dividend mandate, kindly note that the default mandate is re-investment.
- Select the desired check box, please note 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 Holders is required.
- Signatories are required to sign the declaration in the sequence indicated below the signature space provided.
- In case of Institutional clients, company stamp is required.

### Required / Support Documents

#### Institutions

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

#### Individuals

- Copy of Computerized National Identification Card (CNIC) / National Identification Card for Overseas Pakistanis (NICOP) or Passport of all Joint Holder(s).
- Zakat Declaration Form (CZ-50) for all signatories.
- Copy of Computerized National Identification Card (CNIC) of Nominee(s).

## LAKSON INVESTMENTS LIMITED

Thank you for investing with Lakson Investments Limited, please retain this receipt for your records

Lakson Square Building No 2, Sarwar Shaheed Road, Karachi 74200.

UAN: +92.21.111.534.111 Fax: +92.21.3568.1653 E-mail: info@laksoninvestments.com.pk

www.laksoninvestments.com.pk





Please read the guidelines below before completing this form

### General Instructions

- Please fill this form in BLOCK LETTERS.
- Upon completion and submission of this form you will be provided a receipt, please retain and ensure that it is signed and stamped by the TL (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 Documents or call us at +92.21.111.534.111

### Detailed Instructions

#### Principal Account Holder Information

- Please provide either (a) your CNIC / NICOP number or (b) your Passport number.
- 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 name of Fund" (e.g CDC – Trustee Lakson Income Fund).
- Cash shall NOT be accepted at any TL (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.
- If payment instrument is not realized due to any reason(s), the investment application shall be rejected after duly informing the investor.

#### 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 Holders is required.
- In case of Institutional clients, company stamp is required.

LAKSON INVESTMENTS LIMITED

Thank you for investing with Lakson Investments Limited, please retain this receipt for your records

Lakson Square Building No 2, Sarwar Shaheed Road, Karachi 74200.

UAN: +92.21.111.534.111 Fax: +92.21.3568.1653 E-mail: info@laksoninvestments.com.pk  
www.laksoninvestments.com.pk





Please read the guidelines below before completing this form

### General Instructions

- Please fill this form in BLOCK LETTERS.
- Upon completion and submission of this form you will be provided a receipt, please retain and ensure that it is signed and stamped by the TL (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 Documents or call us at 021.111.534.111

### Detailed Instructions

#### Principal Account Holder Information

- Please provide either (a) your CNIC / NICOP or (b) your passport number.

#### Redemption Details

- Please specify your redemption amount (i.e. in terms of Units or Rupees).
- Please surrender the original Certificate(s) and specify correct Certificate number on the Redemption 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.
- All bank transfers are subject to bank transfer arrangements of Lakson Investments Limited.

#### Payment Instructions

- No monetary proceeds shall be paid to any intermediary except the Unit Holder / Joint Holders or his / their authorized representative.
- Please specify correct CNIC / NICOP / Passport number and name of the person authorized to receive the Redemption proceeds.
- Redemption request shall be processed within six (6) Business Days after receipt of completed Redemption Form.

#### Declaration

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

LAKSON INVESTMENTS LIMITED

Thank you for investing with Lakson Investments Limited, please retain this receipt for your records

Lakson Square Building No 2, Sarwar Shaheed Road, Karachi 74200.

UAN: +92.21.111.534.111 Fax: +92.21.3568.1653 E-mail: info@laksoninvestments.com.pk

www.laksoninvestments.com.pk



# Lakson Investments Limited

Lakson Square Building No. 2, Sarwar Shaheed Road  
Karachi- 74200, Pakistan

UAN: + 92. 21. 111.534.111 Fax: + 92. 21. 3568.1653  
[www.laksoninvestments.com.pk](http://www.laksoninvestments.com.pk)