

KIFAYAH ADVISORY ENGAGEMENT FORM

Term of Agreement (date: dd/mm/yyyy)	From:	To:
Initial amount (Rs):		
Equity component (Rs):		
Account number (for office use):		
Quarterly Performance Review	Monthly Reporting	
Agreement renewal	(Automatic unless revoked)	

Separately Managed Accounts:		
-Fixed Income Strategy		
-Equity Investment Strategies		
-Strategy of Pension Fund		
	Profit encashment	Profit reinvestment
-Strategy of Dividend Stocks		
-Strategy of Stocks		
-Strategy of Funds		

Investment Policy Statement

Investment Purpose	Generate regular monthly income	
	Capital growth	
	Capital growth with capital preservation	
	Other _____	

Time Horizon	What is your investment time horizon?		
	-Short term (within one year)		
	-Medium term (within three years)		
	-Long Term (more than three years)		
	Do you intend to use this amount for any short-term liquidity needs?	Yes	No

Asset Allocation (Fixed Income Strategy)	Tick	Min %	Max %
Shariah Compliant Bank deposits		0	100
Money Market Funds		0	100
Income Funds		0	100

Asset Allocation (Equity Investment Strategies)	Tick	Min %	Max %
Equity Funds		0	100
Money Market Funds		0	100
Listed Stocks		0	100

KIFAYAH INVESTMENT MANAGEMENT LIMITED

Tax & legal constraints	Tax Payer status	Active Tax Payer		Inactive Tax Payer	
	Individual				
	Corporate				
	Retirement Fund				

Benchmark / Evaluation Criteria	Equity Investment Strategies	KMI-30
	Fixed Income Strategy	

To be filled after discussion by Investment advisor:

Risk assessment	Investor’s understanding of financial market – (fair/low)	
	History of transactions in equity funds – (Yes/No)	
	History of transactions in direct market – (Yes/No)	
	Reliance placed on advice from investment service providers (Yes/No)	
	Portfolio risk level - (Low/ medium/ high)	

General Clauses

1. The Investment advisor shall, in the conduct of its business, observe high standards of integrity, fairness and diligence. It shall exercise independent professional judgment and ensure proper care in all its dealings with the investors without gaining any advantage for itself, related parties, connected persons or employees which causes detriment to the investors.
2. The Investment advisor shall establish, maintain and implement written policies and procedures to preserve confidentiality of information provided by the investors and ensure fair and equitable treatment to all investors while providing investment information, making investment recommendation or taking investment actions including fair allocation of trades.
3. The Investment advisor shall determine before providing an investment advice or taking investment action on behalf of an investor, whether the investment is suitable in light of the agreement and approved IPS of the investor and after satisfying itself, recommend or effect an investment decision.
4. The Investment advisor shall ensure that all professional dealings are effected in a prompt, efficient and cost effective manner. It shall not derive any direct or indirect benefit out of the investor’s funds or securities other than the fees agreed between the investor and the Investment advisor.
5. The agreement may be voluntarily altered/terminated with mutual Consent with a prior notice period of one month by either party. The agreement will terminate in case of cancellation of license by the Investment advisor. All settlements against trades executed will remain the responsibility of the Investor. The investor will be obliged to pay the fee till the period of termination of the agreement.
6. Investor shall at all times have access to information i.e. He is entitled to inspect and get copies of the books of accounts of the Investment advisor relating to his transactions and research used as a basis for advisory.

7. All securities in the portfolio of investor will be valued at market value on the date of reporting. Gains will be calculated on first in first out basis. Performance standard and Benchmark are stated in the IPS.
8. All Investments and Products thereof as well as profits, dividends, bonus units, income etc., and cash at bank shall be registered or held in the name of the Investor and remain the Investor's own assets.
9. This Agreement shall be governed by the laws of Pakistan.

Clauses applicable to Discretionary portfolio management:

1. The Investment advisor shall manage portfolio of each investor independent from that of other investors and shall keep and maintain all relevant records, in support of every investment recommendation or transaction.
2. The Investment advisor shall, on termination of agreement with the investor, give a detailed statement of accounts to the investor and settle the account with the investor as per the Agreement.
3. Since portfolio management will be on discretionary basis, prior discussions of recommendations with the investor and obtaining written/ e-mail instructions will not be required.
4. All payments / receipts against purchase /sale of securities including brokerage to third party brokers and other relevant transaction charges will remain responsibility of the investor. The Investment advisor shall endeavor to execute at the minimum possible charges / brokerage and communicate such charges to investor at the time of entering into this agreement and on any subsequent development.
5. The investor may appoint a custodian to settle trades and execute transactions. The Investment advisor is not authorized to keep custody of assets of investor.
6. In case of any loss sustained by the Investor due to Investment advisor's negligence, maximum liability of the Investment advisor shall not in any case exceed the average performance fee received by the Investment advisor during the immediately preceding portfolio year or part thereof in case the agreement is terminated prior to the completion of the portfolio year. For avoidance of doubt, the Investment advisor shall not be liable for any delays or nonperformance of any of the terms and conditions of this Agreement or for any losses resulting there from due to any circumstances or elements beyond its reasonable control (Force Majeure). Error of judgment in making investments and disinvestments from the Schemes or stocks shall not be construed as negligence.
7. In case of any losses suffered in the portfolio, the liability of the investor is limited only to the extent of the agreed investment made and subsequent increases made by the investor thereto and shall not be liable to make any further contributions.
8. In the event of any disputes between the Parties arising out of this Agreement or any matter related thereto, including as to the respective rights and liabilities of the Parties or the interpretation of the terms and conditions of the Agreement, the Parties shall refer the matter to arbitration by two arbitrators, one to be appointed by the Investment advisor and the other to be appointed by the Investor and in the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire to be selected by the two arbitrators before the commencement of the reference. The joint decision of the arbitrators or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The venue of Arbitration shall be Karachi.

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Description	Investor	Investment advisor
Between:		Kifayah Investment Management Limited **
Address:		402, 4 th Floor, Khayaban-e-Rizwan, Phase VII, DHA, Karachi
Email:		
Cell number:		
CNIC:		
Undertaking by investor	<p>I, being an eligible investor*, understand that the Investment Advisor does not offer or issue or assume any guarantee for the protection of the principal investment or any return on such investment and my investment portfolio is subject to market and other risks. I further understand that all investments shall be made on my account and at my risk and cost with no guarantee or representation, expressed or implied by the Investment advisor as to profitability or growth and that I understand the risks involved in the management of portfolio on discretionary basis.</p> <p>The Investment advisor shall be deemed to have been authorized by the Investor to invest in, and to convert Investments from one Scheme to another, in the name of and on account of the Investor, including signing and submitting transaction application forms as prescribed by the relevant Schemes etc.</p>	
Fee and scope	<p><u>Equity investment strategies:</u> Discretionary portfolio management – Strategy of Funds, Strategy of Stocks, Strategy of Dividend Stocks, and Strategy of Pension Funds portfolio under Separately Managed Accounts (SMAs). <u>Fixed income strategy:</u> Shariah Compliant Bank deposits and other investment options, including sukuks.</p>	
	Equity Component: 1% of portfolio on achievement of 15% gross profit target; or	On achievement of target
	10% of profits; or	Quarterly in arrears
	Rs. 42,000 per annum or 1% of portfolio per annum, whichever is higher.	Quarterly in advance
	Fixed Income Component: 0.2% p.a. of monthly average of Assets Under Management (AUM).	
<p>**Kifayah Investment Management Limited is licensed to carry out Investment Advisory Services as Non-Banking Finance Company.</p>		
Signature & stamp where applicable:		
	Investor's name and signature	Investment Advisor's name and signature
Witnesses:	Name and signature:	Name and signature:
	CNIC:	CNIC:

*As per NBFC rules, an eligible investor is a person offering minimum of Rs. 3 million for investment.

Attach list of signatories (in case of corporate).

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