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Transaction Structure of Alhamra Islamic Investment Savings Fund - II

(Open End Shariah Compliant Income Scheme (Wakalatul Istithmar based Fund)

Managed by MCB Investment Management Limited

Introduction:

The objective of Alhamra Islamic Investment Savings Fund - II is to generate halal income by investing in a diversified portfolio of Shariah-compliant income instruments.

Appointment of MCB Investment Management Limited as Wakeel:

The Unit Holders will appoint MCBIML ("Wakeel") to act as Wakeel for managing the funds invested in the Alhamra Islamic Investment Savings Fund - II in accordance with the terms and conditions outlined in Trust Deed and Offering Document under an Investment Agency Agreement (Wakalat us Istithmar).

Appointment of Trustee:

Wakeel will appoint a financial institution licensed to act as Trustee, to hold and safeguard the funds invested in Alhamra Islamic Investment Savings Fund - II in accordance with the terms and conditions outlined in Trust Deed.

Appointment of Shariah Supervisory Board:

The Management Company has appointed Shariah Supervisory Board as the Shariah Advisor for the Fund and underlying plans comprised of the following Shariah Advisors.

(a) Justice (Rtd.) Muhammad Taqi Usmani (Chairman)

(b) Dr. Muhammad Zubari Usmani

(c) Dr. Ejaz Ahmed Samadani

Shariah Compliance:

Key points of Shariah Compliance:

I. Guidelines: The parties acknowledge that the investment activities of the Fund undertaken by Investment Agent (Wakeel) are subject to compliance with Shariah principles and guidelines issued by the Shariah Advisor appointed by the Fund.

II. Investment Restrictions: Investment Agent (Wakeel) agrees to ensure that all investment decisions made on behalf of Alhamra Islamic Investment Savings Fund - II are in accordance with Shariah principles and adhere to the investment restrictions outlined by the Shariah Advisor and as per investment policy outlined in the Constitutive Documents of the Fund.

III. Purification of Non-Compliant Income: Upon identification, any non-compliant income generated by the Alhamra Islamic Investment Savings Fund - II shall be segregated from the Fund's assets and

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shall be kept in separate bank account. Any income earned on the said bank account shall also be paid out in charity.

IV. Disbursement of Non-Compliant Income: The Non-Complaint income amount shall be paid to charitable causes or charitable organizations approved by the Shariah Advisor to purify the non-compliant income earned by the Fund.

V. Shariah Compliance Oversight: MCBIML shall establish and maintain a Shariah compliance framework to monitor and ensure ongoing compliance with Shariah principles throughout the investment process.

VI. Reporting: Investment Agent (Wakeel) shall provide regular reports to the Unit Holders and the Shariah Advisor regarding the Shariah compliance status of the Alhamra Islamic Investment Savings Fund - II, including details of investments made, screening process, and any compliance issues identified.

VII. Audit and Verification: Investment Agent (Wakeel) shall engage independent Shariah auditors to conduct regular audits and verifications of the Alhamra Islamic Investment Savings Fund - II 's compliance with Shariah principles, as required by regulatory authorities and industry best practices.

VIII. Notification of Non-Compliance: In the event of any non-compliance with Shariah principles or guidelines, Investment Agent (Wakeel) shall promptly notify the Shariah Advisor, take corrective actions as necessary, and seek guidance from the Shariah Advisors on remedial measures.

Approval from Shariah Supervisory Board:

Any changes in the Constitutive Documents, structure of the fund or agreement with stakeholders shall require prior approval from the Shariah Advisor.

Opinion of the Shariah Supervisory Board:

Keeping in view the above-mentioned points, it is resolved that the structure of Alhamra Islamic Investment Savings Fund - II based on wakala arrangement managed by MCBIML is Shariah compliant and does not have any element repugnant to Shariah principles and the guidelines issued by Shariah Advisor and the Securities and Exchange Commission of Pakistan from time to time.

- There is no involvement of Riba because the return is derived from the Shariah Compliant Investment avenues.
- There is no involvement of Gharar because the units are assigned on same day once the payment is realized in Trustee bank account.
- Investment Agent (Wakeel) will ensure compliance with shariah guidelines and will update if any Non-Compliance occurs.
- A shariah audit procedure has also been developed to monitor the ongoing transactions of the fund to ensure shariah compliance.

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- Upon identification of any non-compliant income generated by the Alhamra Islamic Investment Savings Fund - II; it shall be segregated from the Fund's assets and shall be kept in separate bank accounts.
- The non-complaint income amount shall be paid to charitable causes or charitable organizations approved by the Shariah Advisor to purify the non-compliant income earned by the Fund.
- Trust Deed and Offering Document are based on Investment Agency Agreement (Aqd ul Wakalat us Istithmar) and are consistent with the Shariah Principles.

For and on behalf of Shariah Supervisory Board of MCB Investment Management Limited.

Mufti Ejaz Ahmed Samadani or
Mufti Zubair Usmani

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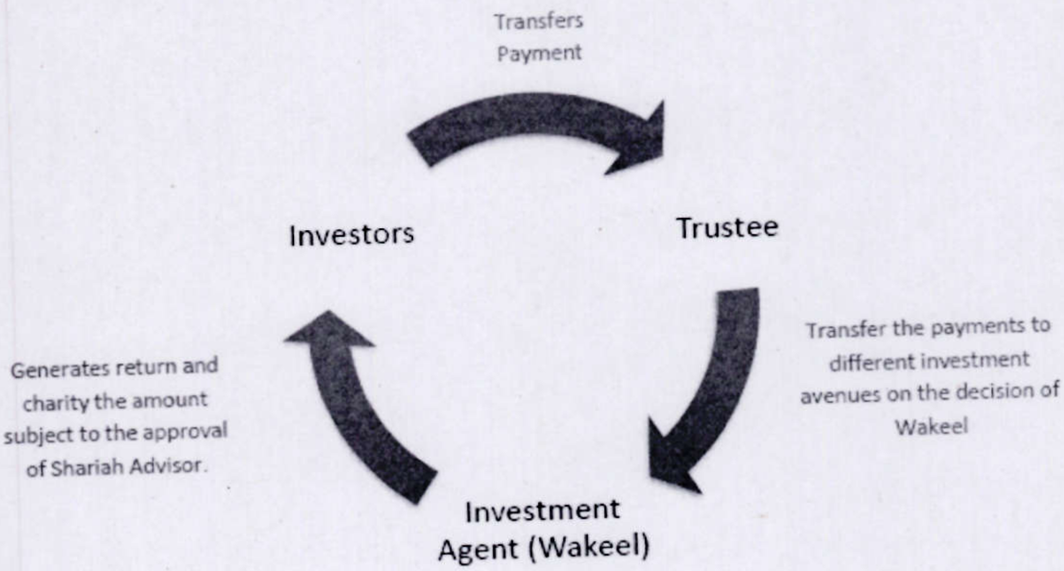
Wakala Structure of Alhamra Islamic Investment Savings Fund - II



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