



**Bachat ka Doosra Naam**

24<sup>th</sup> April, 2014

The General Manager  
Karachi Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

The General Manager,  
Lahore Stock Exchange (Guarantee) Limited,  
19, Khayaban-e-Ahwan-e-Iqbal, P.O. Box 1315,  
Lahore-54000, Pakistan.

The General Manager,  
Islamabad Stock Exchange Limited,  
ISE Towers, 55-B, Jinnah Avenue,  
Islamabad, Pakistan.

**Subject: Approval of Scheme of Merger of Pakistan Premier Fund (PPF) and MCB Dynamic Stock Fund (MCB-DSF) with and into Pakistan Stock Market Fund**

Dear Sir,

In continuation of letter dated 03 March, 2014 regarding final notice to the Unit Holders of Pakistan Premier Fund (PPF), MCB Dynamic Stock Fund (MCB-DSF) and Pakistan Stock Market Fund for consideration and approval of Scheme of Merger of PPF and MCB-DSF with and into PSM.

In the above context, we hereby announce that the Securities & Exchange Commission of Pakistan vide its letter# SCD/AMCW/MCB-AHSIL/967/2014 dated April 24, 2014, received after market timings today, has granted approval on the said Scheme of Merger. The said Schemes will be merged on the basis of net assets value at the end business day on 02 May, 2014. SECP's Approval on the Scheme of Merger is attached herewith.

As instructed by the SECP, the fresh issuance of units (other than bonus units in the form of dividend) shall remain suspended till the effective date of merger. This is being submitted in compliance with the Regulation no.57 of Non Banking Finance Companies & Notified Entities Regulations, 2008.

You are requested to inform the members of the exchange accordingly.

Yours sincerely,

  
Muhammad Saqib Saleem  
COO & Company Secretary



Securities and Exchange Commission of Pakistan  
Specialized Companies Division  
Policy, Regulation and Development Department

No. SCD/AMCW/MCB-AHSIL/962/2014

April 24, 2014

Chief Executive Officer  
MCB-Arif Habib Savings and Investments Limited  
8<sup>th</sup> Floor, Techno City Corporate Tower,  
Hasrat Mohani Road,  
Karachi.

**SUBJECT: MERGER OF MCB DYNAMIC STOCK FUND AND PAKISTAN PREMIER FUND WITH AND INTO PAKISTAN STOCK MARKET FUND**

Dear Sir,

I am directed to refer to your application dated January 15, 2014 and subsequent correspondence for approval of merger of MCB Dynamic Stock Fund (MCBDSF) and Pakistan Premier Fund (PPF) with and into Pakistan Stock Market Fund (PSMF) — three open end schemes/funds under the management of MCB-Arif Habib Savings and Investments Limited (MCB-AHSIL).

The Securities and Exchange Commission of Pakistan (the Commission) is empowered to approve the merger of open end schemes/funds under Regulation 58(1)(m) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC & NE Regulations) read with Circular No. 20 of June 23, 2009. The merger in case of open end schemes results into vesting of all the rights, obligations, assets and liabilities of merging schemes/funds into merged scheme/fund which is similar in substance with respect to vesting of assets and liabilities to mergers undertaken in case of Companies.

The Commission has considered your application and hereby approves the merger of MCBDSF and PPF into PSMF in terms of Regulation 58(1)(m) of the Regulations by relaxing clause 2 (VI) of Circular No. 20 of 2009, subject to the following conditions:-

- i) The trustee and MCB-AHSIL on behalf of the funds shall comply with all the applicable laws, rules and regulations including relevant provisions of the NBFC & NE Regulations, 2008.
- ii) The swap ratio for purpose of the merger shall be calculated by taking net asset value of respective schemes/funds as of May 2, 2014 (i.e. the date immediately preceding the effective date of merger. The Swap ratio shall be duly certified by the auditors of the respective scheme/fund and the allotment of units of PSMF to eligible unit holders of PPF and MCBDSF shall be done strictly on the basis of swap ratio.
- iii) The fresh issuance of units (other than bonus units in the form of dividend) of MCBDSF, PPF and PSMF shall remain suspended from April 25, 2014 till the effective date of merger.
- iv) The whole of the undertakings of MCBDSF and PPF shall stand transferred to and vested in PSMF from May 3, 2014 ("effective date of merger").

- v) The undertaking of MCBDSF and PPF to be transferred to and vested in PSMF from the effective date of merger shall include all assets, rights, liabilities, bank balances, obligations, mandates, undertaking, securities, contracts, documents, records, etc. of MCBDSF and PPF.
- vi) As a result of the transfer to and vesting in PSMF of the undertaking of MCBDSF and PPF, PSMF shall allot and issue its units to those eligible persons who were registered as unit holders in MCBDSF and PPF as on effective date of merger without any load. The eligible unit holders of MCBDSF and PPF shall be issued appropriate number of units of PSMF based on the swap ratio which shall rank pari-passu with respect to units of PSMF already issued prior to merger.
- vii) Upon allotment of the units of PSMF to the eligible unit holders of MCBDSF and PPF, all units representing MCBDSF and PPF shall stand cancelled.
- viii) As of the effective date of merger, PSMF shall be liable to undertake, pay, discharge, perform and fulfill the liabilities, contracts, engagements, commitments and obligations whatsoever of MCBDSF and PPF.
- ix) All suits, appeals and other legal proceedings instituted in relation to MCBDSF and PPF pending till the effective date of merger shall be treated as suits, appeals and legal proceedings by or against PSMF and shall be continued, prosecuted and enforced by or against PSMF.
- x) The merger shall not absolve MCB-AHSIL as Asset Management Company for PSMF and PSMF itself of any of liabilities as either may be liable to fulfill prior to and after the effective date of merger.
- xi) MCB-AHSIL shall, with effect from the effective date of merger and within a period of one month, complete necessary formalities for revocation of the trust deed of MCBDSF and PPF and cancellation of their registration as notified entities with the Commission.
- xii) In case, NAV of the schemes/funds for which merger has been approved fluctuates and affects the Swap Ratio by 15% or more prior to the effective date of merger when compared to Swap Ratio as of the date immediately preceding the date of meeting of unit holders, the Scheme of Merger based on the latest NAVs shall again be placed before the unit holders of the concerned schemes/funds.
- xiii) No fee and expenses relating to the merger shall be charged to any scheme/fund.
- xiv) MCB-AHSIL on behalf of the surviving scheme/fund shall submit a report on the status of such scheme/fund along with the following within fifteen days from the effective date of merger:
  - a) Details of assets (including portfolio detail) and liabilities of the surviving scheme/fund along with statement of unit holders' fund as of the effective date of merger;
  - b) Post-merger asset allocation of the surviving scheme/fund;
  - c) Certificate from the auditors of the respective schemes/funds that NAV considered for calculating Swap Ratio for merger has been determined in line with the requirements of Constitutive Documents of the concerned schemes/funds and the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 and the Regulations; and

- d) Confirmation by the trustee that all conditions as specified herein have been complied with.
- xv) The conditions contained herein shall be binding on MCB-AHSIL, trustee of MCBDSF, PPF and PSMF, all unit holders of MCBDSF, PPF and PSMF and on any other person having any right or liability in relation to either of them.
- xvi) In case, subsequent to approval of merger by the Commission, any fact is found to have been misrepresented to the Commission by MCB-AHSIL, the Commission shall have the right to take any appropriate measures as it deems fit, which includes but shall not be confined to the cancellation of license of MCB-AHSIL.

Yours truly,

  
(Rashid Safdar Piracha)  
Director-AMCW

Cc

Mr. Muhammad Hanif Jakhura  
Chief Executive officer  
Central Depository Company  
Trustee- MCBDSF, PPF and PSMF  
CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi.