

FIRST SUPPLEMENTAL TRUST DEED
IGI INCOME FUND

THIS FIRST SUPPLEMENTAL TRUST DEED OF "**IGI INCOME FUND**" is made and entered into at Karachi, on this 6th day of **August, 2010**; by and between:

- (A) **IGI Funds Limited**, a public limited company incorporated under the Companies Ordinance, 1984, having its registered office at 5 F.C.C, Syed Maratib Ali Road, Gulberg, Lahore (hereinafter called the "**Management Company**", which expression where the context so permits shall include its successors-in-interest and assigns) of the One Part; and
- (B) **Central Depository Company of Pakistan Limited**, a public limited company incorporated under the Companies Ordinance, 1984 having its registered office at CDC House, 99-B, Block "B", S.M.C.H.S. Main Shahrah-e-Faisal, Karachi, (hereinafter called the "**Trustee**", which expression where the context so permits shall include its successors-in-interest and assigns) of the Other Part.

WHEREAS:

- (1) The Management Company and the Trustee executed a Trust Deed dated 18th day of December, 2006 to constitute **IGI Income Fund**, which Trust Deed was registered with the Sub-Registrar-I, Jamshed Town, Karachi, under Registered No.1359 of Book No. IV dated 18-12-2006 and M.F. Roll No.U-104358/3949 dated 29-12-2006 ("the Trust Deed").
- (2) The Management Company and the Trustee have agreed to amend certain Clauses of the Trust Deed in compliance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations") and the Notifications and Circulars issued by the Securities & Exchange Commission of Pakistan (the "Commission").
- (3) The Commission has approved the amendments to the Trust Deed, vide its letter no. NBFC-II/JE-ZI/IGIIF/583/2010 dated July 23, 2010, annexed hereto as "**Annexure A**".

NOW THEREFORE THIS FIRST TRUST DEED OF IGI INCOME FUND, WITNESSETH AS FOLLOWS:—

1. Amendment of Clause 1 of the Trust Deed:

The text of Clause 1 of the Trust Deed be and is hereby replaced with the following text:

"Name and Category of the Scheme

1.1 Name of the Scheme

IGI Income Fund

1.2 Category of the Scheme

Income Scheme

2. Amendment to the Preamble:

In the Preamble, the texts of sub-paras (b) and (c) of Para F, be and are hereby substituted with the following texts: —

- (b) *The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management company strictly in terms of the provisions contained and the conditions stipulated in this Trust Deed, the Offering Document, the Rules, the Regulations and the conditions (if any) which may be imposed by the Commission from time to time.*
- (b) *The Management Company shall establish, manage, operate and administer the Trust in accordance with the Rules, the Regulations, this Trust Deed and the Offering Document; and any other condition which may be imposed by the Commission from time to time.*

3. Inclusion of applicability of the Regulations:

In the entire Trust Deed, wherever the word "Rules" appear, a comma and words "the Regulations" be and are hereby incorporated.

4. Amendment to Clause 3.1:

The text of Clause 3.1 be and is hereby substituted with the following text:-

- 3.1 *This Trust Deed shall be subject to and governed by the laws of Pakistan, including the Ordinance, the Rules, the Regulations and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Regulations are incorporated in this Trust Deed as a part and parcel hereof and in the event of any conflict between this Trust Deed and the provisions required to be contained in a trust deed by the Regulations, the latter shall supersede and prevail over the conflicting provisions contained in this Trust Deed. The Scheme shall also be subject to the rules and regulations framed by the State Bank of Pakistan ("SBP") with regard to foreign investments made by the Scheme and investments made in the Scheme from outside Pakistan in foreign currency. Investments made in offshore countries and Bank Accounts and custodial services accounts that may be opened by the Trustee for the Scheme in offshore countries on the instructions of the Management Company may become subject to the laws of such countries. In case the Management Company intends to seek relaxation of any condition under the Rules and/or the Regulations applicable to the Scheme, then it shall obtain prior specific written approval from the Commission for such relaxation.*

5. Change of title of Clause 4:

The title of Clause 4, be and is hereby replaced by the following:-

4. For the Trust:

6. Amendment of Clause 4.4:

The text of Clause 4.4 be and is hereby replaced with the following text:-

4.4 Trustee to report to the Unit Holders

4.4.1 *The Trustee shall report to the Unit Holders in accordance with the Regulations and the Trust Deed including a report to be included in the annual and second quarter reports to be sent to the Unit Holders as to whether in its opinion, the Management Company has in all material respect, managed the Scheme in accordance with the provisions of this Deed, the Offering Document and the Regulations, and if the Management Company has not done so, the respect in which it has not done so and the steps which the Trustee has taken in respect thereof.*

4.4.2 *The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company that may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible.*

7. Omission of Clause 4.5:

Clause 4.5 of the Trust Deed be and is hereby omitted.

8. Amendment to Clause 5.A.2:

The text of sub-clause 5.A.2.4 be and is hereby replaced with the following text:-

5.A.2.4 Distribution

The Management Company shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) and/or Sub-Distributor(s) for carrying on Distribution Function(s) at one or more location(s) on the 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, which shall clearly state the conditions for avoidance of frauds and sales based upon misleading statements. Such Distributor(s) and Sub-Distributor(s) shall be associate members of the association constituted in consultation with the Commission and shall abide by the code of conduct prescribed by such Association.

9. Amendment of Clause 5.A.3:

(i) The text of sub-clause 5.A.3.6 be and is hereby replaced with the following text:-

5.A.3.6 *The Management Company shall maintain proper accounts and records to enable a complete and accurate view to be formed of (i) the assets and liabilities of the Scheme, (ii) the income and expenditure of the Scheme, (iii) all transactions for the account of the Scheme, (iv) all amounts received by the Scheme in respect of the issuance of the Units, (v) all amounts paid out by the Scheme on redemption of Units and by way of distributions and (vi) pay out at the termination of the Scheme. Such accounts and records shall be maintained for a period of ten years or as prescribed under the provisions of the Rules, the Regulations or any other law for the time being in force. The Management Company shall inform the Commission and the Trustee where the accounts and records are kept.*

(ii) The text of sub-clause 5.A.3.7 be and is hereby replaced with the following text:-

5.A.3.7 *The Management Company shall prepare and transmit within four month of the closing of the Accounting Period of the Scheme to the Unit Holders, the Trustee, the Commission and the Stock Exchanges on which the Units are listed, an Annual Report as per the requirement set out in Schedule V of the Regulations, including (i) copy of the balance sheet and income statement, (ii) cash flow statement, (iii) statement of movement in the Unit Holders fund or the Net Assets or Reserves and (iv) the Auditor's report of the Scheme. Provided that the Commission, subject to any conditions, may allow the Management Company to transmit the said accounts to the Unit Holders by*

placing them on the Management Company's website and the Management Company shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested.

(iii) The text of sub-clause 5.A.3.8 be and is hereby replaced with the following text:-

5.A.3.8 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 second quarter (6 months) prepare and transmit to the Unit Holders, the Trustee, the Commission and the Stock Exchanges on which the Units of the Scheme are listed (i) balance sheet as at the end of that quarter, (ii) income statement (iii) cash flow statement, (iv) statement of movement in Unit Holder's fund and (v) 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 assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise. Provided that the Commission, subject to any conditions, may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the Management Company's website and the Management Company shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested.

(iv) The text of sub-clause 5.A.3.10 be and is hereby replaced with the following text:-

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 chartered accountant and independent of the auditor of the Management Company and of the Trustee and such Auditor shall not be appointed for more than five (5) consecutive years. The contents of the Auditors report shall be in accordance with the applicable provisions of Schedule V of the Regulations.

(v) Sub-clause 5.A.3.11 be and is hereby omitted and the ensuing sub-clause 5.A.3.12 be and is hereby re-numbered as 5.A.3.11.

(vi) After the existing sub-clause 5.A.3.12, now renumbered as 5.A.3.11, the following new sub-clauses be and are hereby incorporated:-

5.A.3.12 The Management Company shall develop criteria in writing for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any single Broker

5.A.3.13 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.

5.A.3.14 The Management Company shall not apply for de-listing of the Scheme from Stock Exchange (if any), unless it has obtained prior approval of the Commission in writing to the scheme of de-listing.

5.A.3.15 The Management Company shall not enter into transactions with any Broker on behalf of the Scheme which have a common director, officer or employee with the Management Company.

5.A.3.16. 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.

- (vii) The existing sub-clause 5.A.3.13 be and is hereby renumbered as 5.A.3.17 and be and is hereby amended as follows:-

5.A.3.17 The Management Company shall not:

- (a) acquire the management of another scheme, unless it has obtained the prior written approval of the Commission;*
- (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, except for collection account of the Schemes managed by it;*
- (f) apply any part of the assets of the Scheme to real estate;*
- (g) make any investment of the Scheme which will vest the management or control of the affairs of the investee company in the Management Company or its group;*
- (h) undertake brokerage services on stock exchanges or in the money market;*
- (i) enter, on behalf of the Scheme, into underwriting or sub-underwriting contracts;*
- (j) maintain its own equity portfolio except for investments made by the Management Company into the Scheme.*

10. Amendment of Clause 5.B:

- (i) The text of sub-clause 5.B.1 be and is hereby replaced with the following text:-

5.B.1 The Trustee shall stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund. The Trustee shall take into its custody or control the Trust Property and hold the same in accordance with the law and the provisions of the Constitutive Documents. The cash and the registerable assets shall be registered in the name, or to the order of, the Trustee. 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 this Trust Deed, the Offering Document, the Rules and the Regulations and the conditions, if any, which may be imposed by the Commission from time to time.

- (ii) The text of Clause 5.B.11 be and is hereby replaced by the following text:-

5.B.11. The Trustee shall issue a report to the Unit Holder(s) included in the annual and second quarter report of the Trust whether in its opinion, the Management Company has in all material respects managed the Trust Property in accordance with the provisions of the Regulations, the Offering Document and this 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.

(iii) After the existing Clause 5.B.17, the following new Clauses be and are hereby incorporated:-

5.B.18 *The Trustee shall ensure that (a) the sale, issue, repurchase, redemption, transfer and cancellation of Units are carried out in accordance with the provisions of this Deed, Offering Document and the Regulations: and (b) the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation of units are in accordance with the provisions of the Deed, the Offering Document and the Regulations. In order to get these comforts the Trustee shall have unhindered access to records and information maintained with the Management Company or its agents.*

5.B.19 *The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the Regulations and the conditions under which the Scheme was authorized are complied with.*

5.B.20 *The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by, the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any instruction of the Management Company in all such matters relating to recovery of the Trust Property.*

5.B.21 *The Trustee shall ensure the Units of the Scheme have been issued after realization of subscription money.*

5.B.22 *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 months of the close of the financial year.*

5.B.23 *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 with any Broker.*

5.B.23 *The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.*

5.B.24 *The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holders.*

5.B.25 *The Trustee shall not invest in Units of the Scheme.*

11. Amendment of Clause 6:

(i) In Clause 6, following new Clauses be and are hereby incorporated as Clauses 6.1, 6.2 and 6.3 respectively: —

6.1 *Investment Objective:*

The investment objective of the Scheme is to minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the Unit

Holder(s). The management teams shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

6.2 Investment Policy:

6.2.1 *The Scheme shall construct a diversified portfolio of income securities from the Authorized Investments, comprising the following:-*

- (a) *Investment avenues - government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs. commercial paper. reverse repo, TFC/Sukuk, CFS, spread transactions;*
- (b) *Exposure to CFS and Spreads shall not exceed 40% of the net assets*
- (c) *At least 25% of the net assets shall be invested in cash and near cash instruments which include cash in bank account (excluding TDRs), treasury bills not exceeding 90 days maturity;*
- (d) *Not more than 15% of the Net Assets shall be invested in non traded securities, including reverse repos, bank deposits. certificates of investments (COI), certificate of musharakas (COM) and anything over 6 months maturity which is not a marketable security:*
- (e) *Rating of any security in the portfolio shall not be lower than investment grade:*
- (f) *Rating of any NBFC and Modaraba with which funds are placed shall not be lower than investment grade;*
- (g) *Rating of any bank and DFI with which funds are placed should not be lower than investment grade:*
- (h) *Weighted average time to maturity of the net assets shall not exceed 4 years and this condition shall not apply to securities issued by the Federal Government; and*

6.2.2 *There shall be no restriction regarding:*

- *Time to maturity of any single asset in the portfolio:*
- *Duration of a single security in the portfolio.*

6.3 Benchmark:

The Benchmark for the return on investments shall be six (6) month KIBOR.

(ii) *The existing Clauses 6.1, 6.2 and 6.3 be and are hereby renumbered as 6.4, 6.5 and 6.6 respectively.*

(iii) *The text of the existing sub-clause 6.1.4, now renumbered as 6.4.4, be and is hereby replaced with the following text:-*

6.4.1 *The Management Company shall not enter into transactions with any Broker on behalf of the Scheme which have a common director, officer or employee with the Management Company.*

(iv) *In Clause 6.2, now renumbered as 6.5, the existing sub-clauses 6.2.2, 6.2.3, 6.2.4 and 6.2.5, now renumbered as 6.5.2, 6.5.3, 6.5.4 and 6.5.5 be and are hereby replaced with the following sub-clauses 6.5.2, 6.5.3, 6.5.4, 6.5.5, 6.5.6, 6.5.7, 6.5.8, 6.5.9, 6.5.10 and 6.5.11:-*

6.5.2 *The exposure of the Scheme to any single entity shall not exceed an amount equal to ten percent of the total Net Assets of the Scheme provided exposure to equity securities of a company shall not exceed 10% of the issued capital of that company and exposure to any debt issue of a company shall not exceed 10% of that issue.*

Provided that where exposure of the Scheme exceeds the limits so specified because of the corporate actions, including taking up of right shares or bonus issue, and due to the market price increase or decrease in Net Assets, due to the redemptions, the excess exposure shall be regularized within three (3) months of the breach of limits unless the period of three months is extended by the Commission on an application by the Management Company.

6.5.3 *The Scheme shall not invest more than twenty five per cent (25%) of its Net Assets in securities of any one sector as per classification of the pertinent Stock Exchange(s).*

6.5.4 *The Management Company shall not acquire twenty five percent or more of the voting rights or control of a company on behalf of the Scheme.*

6.5.5 *The Scheme shall not take exposure of more than thirty five percent of the Net Asset of the Scheme in any single group. For the purpose of this Clause, the terms "exposure" and "group" shall have the same meanings as assigned in Regulation 55(10) of the Regulations.*

6.5.6 *The Scheme shall not take exposure in excess of ten percent (10%) of Net Assets of the Scheme at the time of taking exposure in listed group companies of the Management Company and such exposure shall be made only through the secondary market.*

6.5.7 *The Scheme shall not purchase from or sell any security to any Connected Person or an employee of the Management Company without the written approval of its board of directors and the consent of the Trustee. Provided that this limitation shall not apply to issue, sale or redemption of Units issued by the Scheme.*

6.5.8 *The Trust Property shall not be invested in any security of a company, if any director or officer of the Management Company owns more than 5% of the total nominal value of the securities issued or collectively the directors and officers of the Management Company own 10% of those securities.*

6.5.9 *The Management Company on behalf of the Scheme shall not at any time roll over the investments, if in the opinion of the Trustee, the Fund would not be able to issue payment instrument(s) for redemption money to the Unit Holder(s) within time period stipulated in the Regulations.*

6.5.10 *The Management Company shall not make any further investment or roll over of any investment of the Scheme in case borrowing limit has already been exhausted or redemption requests are pending for more than six days.*

6.5.11 *The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment(s) of the Unit Holder(s) in the Fund.*

(v) The existing sub-clause 6.2.6 is renumbered as 6.5.12.

(vi) In sub-clause 6.2.6, now renumbered as sub-clause 6.5.12, following sub-paras be and are hereby incorporated:-

6.5.12.4 *purchase any security in a forward contract;*

6.5.12.5 *issue at any time a senior security without the prior approval of the Commission;*

- 6.5.12.6 *invest in securities of the Management Company;*
- 6.5.12.7 *apply for delisting from any stock exchange unless it has obtained a prior approval of the Commission in writing to the Scheme of De-listing;*
- 6.5.12.8 *lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any other person; provided that such prohibition shall not apply to reverse repo transactions involving Government securities or other debt securities under an agreement and spread transaction through ready buy and future sale or Continuous Funding System (CFS) or replacement thereof which are protected by the clearing company and stock exchanges;*
- 6.5.12.9 *borrow, except with the approval of the Trustee for meeting redemption request as permissible under the Regulations;*
- (vii) The existing sub-clauses 6.2.7 and 6.2.8 be and are hereby renumbered as sub-clauses 6.5.13 and 6.5.14 respectively.
- (viii) After the existing sub-clause 6.2.8, now renumbered as sub-clause 6.5.14, a new sub-clause 6.5.15 be and is hereby incorporated as follows:-
- 6.5.15 *Investments of the Scheme shall follow the exposure limits expressed as percentage of Net Assets, prescribed by the Commission under its Circular No.07 of 2009, as may be substituted or modified from time to time.*

12. **Amendment of Clause 7.1:**

The entire text of Clause 7.1 be and is hereby replaced with the following text:-

7.1 Valuation of the Trust Property

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:

- (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) *a debt security, including traded, thinly traded and non-traded securities shall be valued as per the 'Methodology or Valuation of Debt Securities' contained in Annexure-1 of the Commission's Circular No.01 of 2009 and shall be provisioned in accordance with the criteria specified in Annexure II of the said Circular and any other circular or directive issued by the Commission from time to time, in substitution or amendment thereof and otherwise as per the Regulations. The trade related information on debt securities shall be reported to Mutual Funds Association of Pakistan (MUFAP) and the Commission in accordance with the Commission's Circular No.02 of 2009 or any substitutions or amendments thereof from time to time;*
- (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) *profit, interest, income, mark-up, etc. accrued on any profit, interest, income, mark-up, etc. bearing security in the Trust Property shall be included as an asset of the Scheme;*

- (f) *the value of any dividends, bonus shares or rights which may have been declared on securities in the portfolio but not received by the Scheme as of the close of business on the valuation date shall be included as assets of the Scheme if the security upon which such dividends, bonuses or rights were declared is included in the assets and is valued ex-dividend, ex-bonus or ex-rights as the case may be;*
- (g) *any other income accrued upto the date on which computation was made shall also be included in the assets;*
- (h) *the remuneration accrued up to the date of computation payable to the Management Company 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 breakup 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 shall be applied;*
- (m) *in respect of investments held in foreign currencies, the same shall be translated in Pakistan Rupees using the closing buying spot rates declared by the State Bank of Pakistan at each balance sheet date;*
- (n) *the Scheme shall adhere to the provisioning criteria for various non-performing categories of securities as per the circulars, directives and guidelines issued by the Commission from time to time. The provisioning policy of the Management Company duly approved by its Board shall be disclosed in the Offering document of the Fund and shall also be placed on the website of the Management Company.*

13. Amendment to existing Clause 6.4

The existing Clause 6.4 be and is hereby renumbered as Clause 6A and the sub-clauses 6.4.1, 6.4.2, 6.4.3, 6.4.4, 6.4.5 and 6.4.6 be and are hereby renumbered as 6A.1, 6A.2, 6A.3, 6A.4 6A.5 and 6A.6 respectively.

14. Amendment of Clause 7.2:

The text of Clause 7.2 be and is hereby replaced with the following text:-

7.2 Determination of Offer Price

7.2.1 *During the period of Initial Offer, the Units shall be offered at the Initial Price. The offer and issuance of Units during the Initial Offer shall be conducted during the period specified in the Offering Document. After the expiry of the Initial Offer, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the Regulations.*

7.2.2 *The Offer Price shall be equal to the sum of:*

- (a) *the Net Asset Value as of the close of Business Day to be announced by the Management Company latest by 18.30 hours on that Business Day;*
- (b) *any Front-end Load, as announced in the Offering Document, but not exceeding five per cent (5%) of the Net Asset Value; provided however, where Front-end Load and Back-end Load are charged from an investor, the cumulative load shall not exceed 5% of the Net Asset Value;*

- (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 upto four decimal places.

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

7.2.4 The Offer Price so determined shall subject to realization of the Funds in the Bank Account from the investor, apply to purchase requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—

Days	Time
Monday to Friday	09:00 a.m. to 03.00 p.m.

7.2.5 All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 7.2.4 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company shall forward all the purchase requests to the Trustee within twenty four hours of the receipt thereof.

7.2.6 In case after receiving the application, funds are not realized against cheque, bank draft, or other payment instrument delivered by the applicant, no Units shall be credited or issued to him and the applicant shall be liable to reimburse the Management Company the bank charges and other costs, applicable on return or dishonor of the cheque, bank draft or other payment instrument.

7.2.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.2.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case, the excess shall be recovered from the Trust Property)

7.2.8 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.2.2(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.

7.2.9 The Offer Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and ATLs and at the discretion of the Management Company may also be published in any number of daily newspapers, one in English and one in Urdu, widely circulated in Pakistan and may be available at its website.

7.2.10 If the variation of the Net Asset Value at any time exceeds or fall short by five (5) percent of the Net Asset Value included in the current offer price, the management company may suspend any issuance of units and shall calculate for with a new offer price. The Management Company shall also inform the Commission and the Trustee of the suspension of issuance of Units along with announcement of the new Offer Price, and publish the same in newspaper in which the Unit's prices are normally published.

7.2.11 NAV of the Scheme will be announced on its subscription day at Company's as well as on MUFAP's website latest by 6.30 pm or any other time as announced by the Commission.

15. Addition of new Clause 7.3:

- (i) A new Clause 7.3 be and is hereby incorporated as follows:-

7.3 Allocation of Front End Load

- 7.3.1 *The remuneration of Distributors for the sale of Units with Front-end Load shall be paid exclusively from any Front-end Load received by the Trustee and paid to the Management Company after the Trustee pays the Front-end Load to the Management Company for onward distribution to the Distributors and no charge shall be made against the Trust Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors, the Management Company shall pay the amount necessary to pay in full such remuneration.*
- 7.3.2 *Such payments may be made to the Management Company by the Trustee on the instruction of the Management Company on any frequency as mutually agreed.*
- 7.3.3 *A Distributor located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the Law for the time being in force.*
- (ii) The existing Clauses 7.3, 7.4, 7.5 and 7.6 be and are hereby renumbered as Clauses 7.4, 7.5, 7.6 and 7.7 respectively.

16. Amendment of the renumbered Clause 7.4:

The text of the existing Clause 7.3, now renumbered as 7.4, be and is hereby replaced with the following text:-

7.4 *Issuance of Units*

- 7.4.1 *The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, compilation and publication or circulation of the Offering Document.*
- 7.4.2 *Application for issuance of Units shall be made by an investor by completing the prescribed application form and submitting it with the payment by cheque, bank draft, pay order, or credit card etc. in favor of the Trustee and crossed "Account Payee Only" at an ATL. The application for issuance of the Units and the specimen signature of each investor shall be submitted to the Registrar and a copy may be retained by the relevant ATL, if so required by the Management Company. The authorized personnel of the ATL shall verify the particulars given in the application for issuance of Units and the documents submitted therewith.*
- 7.4.3 *Units shall be issued on the Offer Price announced by the Management Company for the applications for which funds have been realized along with the completed application form(s) received at the ATL within the subscription hours (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the investor is incomplete in any aspect, the investor shall have a maximum of fifteen (15) calendar days to ensure submission of all required documents and overall completion of the application. An investor shall be provided a confirmation statement within seven (7) Business Days after the issuance of Units subject to the completion of application in all respects.*
- 7.4.4 *Each investor shall be liable to pay the Offer Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him.*
- 7.4.5 *The Units shall be issued in fractions upto four decimal points, only against receipt of full payment.*
- 7.4.6 *The issuance of fresh Units shall remain suspended during the period when the redemption of Units is suspended.*

17. Amendment of the renumbered Clause 7.5:

The text of the existing Clause 7.4, now renumbered as 7.5, be and is hereby replaced with the following text:-

7.5 *Determination Of Redemption Price*

7.5.1 *During the period of Initial Offer, , the Units shall not be redeemed.*

7.5.2 *After the expiry of the period of Initial Offer, the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day, less:*

- (a) *any Back-end Load, as announced in the Offering Document; 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 shall be adjusted upto four decimal places.

The Redemption Price shall be calculated on each Subscription Day.

7.5.3 *The Redemption Price so determined shall apply to redemption requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—*

Days	Time
Monday to Friday	09:00 a.m. to 03.00 p.m.

7.5.4 *All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 7.5.3 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company shall forward all the redemption requests to the Trustee within twenty four hours of the receipt thereof.*

7.5.5 *In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.5.2(b) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect in which case the excess will be recovered from the Trust Property after the payment has been made).*

7.5.6 *In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.5.2(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.*

7.5.7 *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 ATLs and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan and make available at its website.*

7.5.8 *The Management Company shall not flip any redemption requests which will be met in turns in accordance with the dated and timed acknowledgements.*

7.5.9 *The Management Company shall ensure that all redemption requests are paid based on their ranking in a queue.*

- 7.5.10 *The Management Company shall not net off or permit adjustment of any asset against investments of Unit Holder(s) in the Fund, without the prior written approval of the Commission and the Trustee.*
- 7.5.11 *The Management Company shall ensure that no entry and exit to the Scheme (including redemption and re-issuance of units to the same Unit Holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.*

18. Amendment of the renumbered Clause 7.6:

In the existing Clause 7.5, now renumbered as 7.6, a new sub-clause 7.6.10 be and is hereby incorporated as follows:-

- 7.6.10 *The Management Company shall ensure that no entry and exist to the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than cash settled transaction based on the formal issuance and redemption request.*

19. Amendment of the renumbered Clause 7.7:

The text of the existing Clause 7.6, now renumbered as 7.7, be and is hereby replaced with the following text:-

7.7 *Issue and Redemption of Units outside Pakistan*

- 7.7.1 *Subject to exchange control, regulatory approvals and other applicable laws and regulations, the Management Company shall make arrangements, from time to time, for receiving purchase and redemption requests from outside Pakistan and shall disclose these arrangements through its website and its Distributors and agents outside Pakistan after obtaining prior approval of the Commission .*
- 7.7.2 *The Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is within cutoff timing of a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply.*
- 7.7.3 *The Redemption Price applicable to redemption requests received from outside Pakistan shall be the Redemption Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is within cutoff timing of a Subscription Day otherwise the Redemption Price of the next Subscription Day shall apply.*
- 7.7.4 *The Offer and Redemption Price shall be in Pak rupee terms and the Scheme shall not carry any exchange risk. The investor shall invest at the exchange rate prevailing at the time of receipt of the applications for issue or redemption of Units, as the case may be. For investment in Units, the investor shall remit the proceeds in foreign exchange through normal banking channels. For redemption of Units of offshore investors, payments shall be made in Pakistani rupees and investor shall be responsible for converting it into dollars or any other foreign currency and for arranging remittance of the redemption proceeds.*
- 7.7.5 *Payments of redemption proceeds of Units shall be made to or on account of offshore Unit Holder(s) in Base Currency, but shall be convertible from the Base Currency through an authorized dealer to be appointed by the Management Company, using the authorized dealer's quoted rates (selling rate for the relevant currency) and any conversion costs, Duties and Charges and Back-end Load, if any shall be deducted from such payment. The Trustee or the Management Company shall not be responsible for arranging remittance or fulfilling any foreign exchange formalities. Furthermore, neither the Trustee, nor the Management Company shall be liable in case remittance is delayed or cannot be made due to in-availability of foreign currency from the State Bank of*

Pakistan or any other sources, including open market or due to increase in the conversion rate after the payment by the Trustee in Base Currency.

20. Amendment of the Clause 8.2:

In Clause 8.2, following new sub-clauses be and are hereby incorporated as sub-clauses 8.2.3, 8.2.4, 8.2.5 and 8.2.6, as follows:-

- 8.2.3 *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 per cent (10%) of Net Assets.*
- 8.2.4 *The Management Company shall immediately notify the Commission 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 two newspapers, one in Urdu and One in English widely circulated in Pakistan.*
- 8.2.5 *The Commission may also direct suspension of redemption of Units if it is of the opinion that it is in the interest of the Unit Holders to suspend the redemption of Units and issues a general or specific directive to that effect.*
- 8.2.6 *Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Trust Deed exists.*
- 8.2.7 *In case of suspension of redemption of Units, the Management Company shall also suspend issuance of fresh Units of the Scheme until the redemption of Units is resumed.*

21. Amendment of the Clause 8.3:

The text of the Clause 8.3 be and is hereby replaced with the following text:-

8.3 *Suspension of Fresh Issue of Units*

- 8.3.1 *The Management Company may at any time, subject to the Regulations, as may be modified from time to time and during extraordinary circumstances mentioned in clause 8.2 suspend issuance of fresh Units.*
- 8.3.2 *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.*
- 8.3.3 *The Management Company shall immediately notify the Commission if fresh issuance of Units is suspended and shall also have the same published, immediately following such decision, in the two news papers, one in Urdu and One in English widely circulated in Pakistan*

22. Amendment of the Clause 8.5:

The text of the Clause 8.5 be and is hereby replaced with the following text:-

8.5 *Winding up in View of Major Redemptions*

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

8.5.2 *The Management Company shall formally forward details of all requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests.*

8.5.3 *All the application received on the designated points for issuance, redemption, conversion etc of units of scheme will be date and time stamped to ensure timely acknowledgement of the said application.*

23. Amendment of the Clause 9.1:

In Clause 9.1, the text of sub-clause 9.1.3 be and is hereby replaced with the following text:-

9.1.3 *The remuneration due to the Management Company shall be paid within seven days after the close of each month in arrears.*

24. Amendment of the Clause 9.3:

In Clause 9.3, the text of sub-clause 9.3.1 be and is hereby replaced with the following text:-

9.3.1 *Formation Cost shall be charged to the Fund, which shall not exceed 1% of the pre-initial public offering capital or five million rupees, whichever is lower.*

9.3.2 *All expenses incurred in connection with the incorporation, establishment and registration of the Scheme (Formation Cost) in terms of Regulations 60(1) and 60 (2) of the Regulations, shall be reimbursable by the Scheme to the Management Company subject to the audit of expenses. The said Formation Cost shall be amortized by the Scheme over a period of not less than five years or within the maturity date of the Scheme.*

25. Amendment of the Clause 9.4:

The text of the Clause 9.4 be and is hereby replaced with the following text:-

9.4.1 *The following fees and charges shall be payable from the Scheme:-*

- (a) *remuneration of the Management Company;*
- (b) *remuneration of Trustee or Custodian;*
- (c) *listing fee payable to the Stock Exchange, including renewals;*
- (d) *charges and levies of Stock Exchange, National Clearing and Settlement Company and Central Depository Company;*
- (e) *rating fee of the Scheme payable to approved rating agency;*
- (f) *auditors' fees and out of pocket expenses as billed by them;*
- (g) *fees payable to the Commission;*
- (h) *Formation Cost of the Scheme not exceeding one per cent of the pre-initial public offering capital in case of the Scheme or five million rupees whichever is lower;*
- (i) *brokerage and Transaction Costs related to investing and disinvesting of the assets of the Scheme;*
- (j) *expenses incurred by Trustee in affecting registration of all registerable assets in the name of the Trustee;*

- (k) *legal and related costs incurred in protecting the interests of the Unit Holders of the Scheme;*
- (l) *bank charges, borrowing and financial costs;*
- (m) *hedging costs including forward cover, forward purchase or option purchase costs;*
- (n) *printing costs and related expenses for issuing the quarterly, half-yearly and annual reports, etcetera of the Scheme; and*
- (o) *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 a foreign jurisdiction on investments made overseas.*

9.4.2 *The expenses referred to in Clause 9.4.1 shall be reported with their break-up under separate heads by the Management Company to the Commission and the Trustee, as soon as the distribution of the securities is completed.*

Provided however, any costs associated with sales marketing and advertisement of the Scheme shall not be charged to the Scheme.

26. Amendment of the Clause 10:

The text of the Clause 10 be and is hereby replaced with the following text:-

10. Transactions with Connected Persons

- 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 of the total nominal amount of the securities issued or collectively own more than ten percent of those securities, except as may otherwise be permissible under the Regulations.*
- 10.2 *For the purposes of sub-clause 10.1 of this Trust Deed above, the term director, officer or employee shall include spouse, lineal ascendants and descendants, brothers and sisters.*
- 10.3 *The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and with the consent of trustee purchase from or sell any securities to any Connected Person or employee of the Management Company. Provided that, the above shall not apply to the issue sale or redemption of units or shares or certificates issued by the Scheme.*
- 10.4 *Cash forming part of the Trust Property of the Scheme may be placed as deposits by the Trustee with an institution licensed to accept deposits. In case cash forming part of the Scheme's assets is deposited with an institution, which is a banking company or an NBFC, return shall be paid on the deposit at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.*
- 10.5 *All transaction carried out by or on behalf of the Scheme with Connected Person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.*

27. Amendment of the Clause 11:

The text of the Clause 11 be and is hereby replaced with the following text:-

11. Distribution Policy, Determination of Distributable Income and Date of Distribution

- 11.1 *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 Regulations.

- 11.2 *The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period or such other interim period as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per Unit.*
- 11.3 *The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of;*
- a) *The total income earned on the Trust Property during such Accounting Period including all amounts in respect of dividend, mark-up, profit, interest and fee, etc.;*
- b) *Net realized appreciation as set out in this sub-clause 11.3 a) of this Trust Deed, from which shall be deducted expenses as set out in sub-clause 11.4 of this Trust Deed, adjustment as set out in sub-clause 11.5 of this Trust Deed and such other adjustment as the Management Company may determine in consultation with the Auditors, subject to the Regulations, the provisions of the Income Tax Ordinance and the rules there under.*
- 11.4 *The proceeds of all receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the bonus shares and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders and shall thereafter cease to form part of the Trust Property once transferred to the Distribution Account.*
- 11.5 *The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting all such expenses and costs as mentioned in clause 9 above.*
- 11.6 *The income qualifying for distribution in respect of the relevant period shall be adjusted as under;*
- a) *addition of a sum representing amounts included in the price of Units for income accrued up to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units during the relevant period;*
- b) *adjustment if considered necessary by the Management Company to reflect the diminution in value of Trust Property in consultation with the Trustee.*
- c) *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;*
- 11.7 *In case of cash distribution, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this 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.*
- 11.8 *After the fixation of the amount of cash distribution per Unit, distribution payments shall be made within a period of 45 Days by transfer to the Unit Holders' designated bank accounts or in the case of joint Unit Holders to designated bank account of the joint Unit Holder, first named on the Register or by dispatch of any banking instrument in the name of Unit Holder at his / her address as provided. The receipt of funds by such designated bankers or dispatch of instrument shall be a good discharge thereof.*

- 11.9 *Before making any distribution payment (such as bonus Units, cash dividend, etc.) in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the Certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.*
- 11.10 *The Management Company may offer the Unit Holder the option to receive new Units under re-investment option instead of cash dividend. The Unit Holders shall be entitled to change such option.*
- 11.11 *New Units under re-investment option shall be issued at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any charge of the Front-end Load.*
- 11.12 *In case of distribution in the form of bonus Units, the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same.*
- 11.13 *After the fixation of the rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders' accounts with the designated number of Units calculated on the basis of rate of distribution determined above against the number of Units held by them on the date of the closure of the Register.*
- 11.14 *The Management Company may offer the Unit Holder the option to encash such Units as may be entitled against distribution in form of bonus Units. The Unit Holders shall be entitled to change such option.*
- 11.15 *In case of encashment, the bonus Units will be redeemed on the first subscription day after distribution at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any charge of any Back-end Load.*
- 11.16 *Details of change of options will be given in the Offering Document.*

28. Amendment of the Clause 16:

In Clause 16, the text of sub-clauses 16.6 and 16.7 be and are hereby replaced with the following text:-

- 16.6 *All cash forming part of the Trust Property shall be deposited by the Trustee separate in Bank Account(s) having rating not lower than investment grade as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Scheme, with a bank with rating as specified in the Rules, Regulations and circulars. Such Bank shall be required to allow profit thereon, in accordance with the rules prescribed by such Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.*
- 16.7 *Remuneration of the Management Company; Remuneration of the Trustee; and all other costs and expenses as mentioned in Clause 9 shall be payable out of the Trust Property.*

29. Amendment of the Clause 21:

The text of the Clause 21 be and is hereby replaced with the following text:-

21 *Change of Management Company*

- 21.1 *The Commission may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety (90) days notice in writing to the Management Company and cause the Trustee to appoint a new management company with the approval of the Commission on the happening of any of the following events:*
- (a) *the Management Company has contravened the provisions of this Trust Deed and/or the Regulations in any material respect and has failed to rectify the*

contravention within a reasonable period after the contravention has come to its notice;

- (b) the Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);*
- (c) a receiver is appointed over any of the assets of the Management Company.*
- (d) the Management Company has become ineligible to act as Management Company under the Rules and/or the Regulations.*

- 21.2 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and the Trustee after giving at least three months notice as per the Regulations. Provided that until the new management company is appointed, the Management Company shall continue to perform its function as the management company*
- 21.3 If the Commission has cancelled the registration of the Management Company under the provisions of the Regulations, the Commission or the Trustee, (if authorized by the Commission) shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the Regulations.*
- 21.4 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee.*
- 21.5 Upon its appointment, the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new management company had originally been a party hereto.*
- 21.6 Furthermore, the Trustee may immediately in case of removal of Management Company appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.*
- 21.7 The auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.*
- 21.8 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or the Commission.*
- 21.9 The report for the audit shall be submitted by the auditors to the Trustee not later than thirty Business Days from their appointment. A copy of the report shall also be provided to the Commission, outgoing Management Company and the new management company.*
- 21.10 The costs of audit shall be shared equally by the outgoing Management Company, the new management company and the Scheme.*
- 21.11 In case of change, the Management Company shall continue to be liable for any default in or non-performance of its duties as the Management Company or for any negligence on its part or on part of its officer or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the effective date in accordance with the provision of the Trust Deed and Offering Document, the Rules and the Regulations, whereafter the new management company shall be responsible for the same. Further the Management Company shall indemnify the new management company in respect of any default, non performance or violations of the terms and conditions of this Trust Deed, Offering Document, the Rules and / or Regulations that may have taken place due to its negligence, prior to and upto the effective date and which may come to the notice of the Trustee and the new management company or the Commission at any time after the effective date.*

30. Amendment of Clause 22:

The text of the Clause 22 be and is hereby replaced with the following text:-

22. *Change of Trustee*

- 22.1 *The Trustee may, subject to prior approval of the Commission, retire from its office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Scheme by the newly appointed trustee, whichever is later.*
- 22.2 *If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Scheme under the provisions of the Regulations, the Management Company shall, with the prior approval of the Commission, appoint another entity as trustee of the Scheme.*
- 22.3 *In circumstances where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligation under the Regulations, the Commission may remove the Trustee after giving opportunity of being heard.*
- 22.4 *The Management Company may apply to the Commission giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. The Commission, if satisfied with the circumstances and reasons for the change applied for may accord approval for appointment of a new trustee after providing an opportunity of hearing to the Trustee.*
- 22.5 *Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount held in any Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.*
- 22.6 *The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.*
- 22.7 *Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Regulations, the Trustee shall remain entitled to the benefit of clauses 5.B.7, 5.B.8, 5.B.9 and 5.B.16, without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the Regulations.*
- 22.8 *In case of change in trustee, the Trustee shall continue to be liable for any default in or non-performance of its duties as trustee or for any negligence on its part or on part of its officers or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the effective time in accordance with the provisions of the Trust Deed, the Offering Document, the Rules and the Regulations, whereafter the new trustee shall be responsible for the same. Further the Trustee shall indemnify the Management Company and new trustee in respect of any default, non performance or violations of the terms and conditions of the Trust Deed, the Offering Document, the Rules and/or the Regulations that may have taken place due to its negligence, prior to and upto effective time and which may come to the notice of the Management Company or the new trustee or the Commission at any time after the effective time.*
- 22.9 *Furthermore the Management Company may immediately upon the issuance of notice of removal of Trustee appoint Auditors with the consent of Commission from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.*

- 22.10 *The Auditors so appointed shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.*
- 22.11 *The Auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or the Commission.*
- 22.12 *The report for the audit shall be submitted by the Auditors to the Management Company not later than 30 Business Days from their appointment. A copy of the report shall also be provided to the Commission, outgoing Trustee and the new trustee.*
- 22.13 *The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.*

31. Amendment of Clause 24.8:

The text of the Clause 24.8 be and is hereby replaced with the following text:-

- 24.8 *The Register of Unit Holders shall be closed for the purpose of declaration of dividend. In no case, the time period for closure of Register for dividend declaration shall exceed six (6) working days at a time and whole forty five days in a year. During the period, the Register is closed, the sale and redemption of Units, including transfer applications, shall be suspended.*

32. Amendment of Clause 29.1:

The text of the Clause 29.1 be and is hereby replaced with the following text:-

The Management Company shall at the establishment of the Trust and with the consent of the Trustee, appoint as Auditors, a firm of chartered accountants, who shall be independent of the auditors of the Management Company and the Trustee and such Auditors shall not be appointed for more than five consecutive years. The Management Company may, at any time, remove the Auditors and appoint another firm of chartered accountants as Auditors in its place.

33. Amendment of Clause 33:

- (i) *The text of sub-clause 33.5 be and is hereby replaced with the following text;*

- 33.5 *“Authorized Investments” means all transacted, issued, traded or listed investments, inside or outside Pakistan, and includes but not limited to any of the following:*
- (a) *Treasury bills and other Government Securities;*
 - (b) *money market instruments, commercial papers, certificates of deposit, certificates of investment (including all variations), letter of placement with commercial banks;*
 - (c) *deposits with Commercial banks or term deposits with financial institutions including deposits in currencies other than the Pakistani Rupee as permitted by the State Bank of Pakistan;*
 - (d) *Listed and unlisted Shariah compliant income instruments including Sukuks;*
 - (e) *Modaraba Certificates, Certificates of Musharika (CoM)*
 - (f) *Reverse REPOs against -authorized investments;*
 - (g) *Continuous Funding System (CFS) (and its -replacements).*
 - (h) *Spread Transactions subject to the Rules.*
 - (i) *Derivative instruments including options, interest rate swaps, forward Rate Agreements and any other derivative instruments permitted by SECP the*

investment in this asset class will be for hedging purpose only and subject to such other terms and conditions as may be notified by the Commission.

- (j) *secured, unsecured, privately placed and listed debt instruments including Term Finance Certificates (TFCs) issued by corporate and financial institutions.*
- (k) *Preference shares.*
- (l) *subject to the Commission or other regulatory approvals the Scheme may seek to invest in debt instruments issued, listed and traded outside Pakistan on such terms, guidelines and direction as may be issued by the Commission and the State Bank of Pakistan from time to time*
- (m) *a any other investments as the Management Company may deem appropriate from time to time with the prior approval of the Commission*

Further, a proviso be and is hereby incorporated at the end as follows:

"The investments in asset classes mentioned above shall be subject to such exposure and investment limits and minimum ratings as specified in the Regulations and the Commission's Circular No.07 of 2009 and such other notifications, circulars or directives issued by the Commission from time to time."

- (ii) The text of the existing sub-clause 33.9 be and is hereby replaced with the following text:-

33.9 ***"Back-end Load"** means the charge (excluding Duties and Charge) not exceeding five (5) percent (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 as per details given in offering document. Back end Load shall form part of Trust Property.*
- (iii) The existing sub-clause 33.17 be and is hereby deleted and ensuing sub-clauses 33.18 to 33.21 be and are hereby renumbered as 33.17 to 33.20 respectively.
- (iv) After existing sub-clause 33.21, now renumbered as 33.20, a new sub-clause 33.21 be and is hereby incorporated as follows:-

33.21 ***"Cut off Timings"** mean the commencement and closure of business hours of the Management Company for the purpose of acceptance of applications for purchase and redemption of Units of the Scheme as enunciated in sub-clauses 7.4.4 and 11.2.4 respectively.*
- (v) The text of the existing sub-clause 33.29 be and is hereby replaced with the following text:-

33.30 ***"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 modarabah, leasing company, investment bank, venture capital company, financing company, housing finance company, a non-banking finance company; and (c) such other institutions or companies authorized by law to undertake any similar business, as the Federal Government may, by notification in the official Gazette, specify for this purpose.*
- (vi) The text of the existing sub-clause 33.31 be and is hereby replaced with the following text:-

33.31 ***"Front-end Load"** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) or such other percentage (as may mutually be agreed between the Trustee and the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units.*
- (vii) After sub-clause 33.31, a new sub-clause 33.32 be and is hereby incorporated as follows:

33.32 **"Fund" or "Scheme" or "Trust"** means IGI Stock Fund constituted by this Deed.

- (viii) After the existing sub-clause 33.51, now renumbered sub-clause 33.52, a new sub-clause 33.53 be and is hereby incorporated as follows:-

33.53 **"Regulations"** means Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time.

- (ix) The existing 33.52 be and is hereby renumbered as 33.54.
- (x) The existing sub-clauses 33.53 be and is hereby deleted and the ensuing sub-clauses 33.54 to 33.63 be and are hereby renumbered as 33.55 to 33.64 respectively.
- (xi) The text of the existing sub-clause 33.61, now renumbered as sub-clause 33.62 be and is hereby replaced with the following text:-

33.62 **"Trust Property"** means the aggregate proceeds of the sale of all Units during the Initial Period at par and subsequently at the Offer Price after deducting there from or providing there against any applicable front-end load and duties and charges and transaction costs and any other expenses chargeable to the Fund and adding thereto any applicable back-end load recovered in the Redemption Price; and includes the investment and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon Trust by the Trustee for the benefit of the Holders pursuant to this Deed and any back-end load payable but does not include any amount available for distribution in the Distribution Account."

All other contents of the Trust Deed remain unchanged and the Trust Deed shall continue to remain in full force and effect, amended as above.

The Trustee and the Management Company hereby certify that the above amendments are being made in the Trust Deed to bring the Trust Deed in conformity with the Regulations and the directives issued by the Commission. The above amendments shall not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

IN WITNESS WHEREOF, THIS FIRST SUPPLEMENTAL TRUST DEED OF "IGI Income Fund" has been executed on the date first mentioned above.

The Common Seal of IGI Funds Limited was hereunto fixed on 6th day of **August, 2010** in the presence of:

Name: Maheen Rahman
CNIC No: 42301-3079259-8

The Common Seal of Central Depository Company of Pakistan Limited was hereunto fixed on 6th day of **August, 2010** in the presence of:

Name: Abdul Samad
CNIC no: 42101-1818807-7

Name: Ateeq-ur-Rehman
CNIC no: 42501-9253203-1

WITNESSES

1. _____

Name:

CNIC no:

C/o IGI Funds Limited

2. _____

Name:

CNIC no:

C/o Central Depository Company of
Pakistan Limited