

Supplement I dated October 16, 2008 to the Offering Document of
KASB Balanced Fund issued on December 27, 2007

(Managed by KASB Funds Limited, an asset management company registered under the Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2007.

Established in Pakistan by a Trust Deed dated October 25, 2007, registered under the Trusts Act 1882 (11 of 1882) between KASB Funds Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee and authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2007.

1. Amendment in Clause 2.3:

At the end of paragraph 2.3, the following has been added:

Where ratings are mentioned

- either the entity or the instrument should be rated to qualify for investment.
- either the entity or the instrument should have investment grade rating to qualify for investment

Where ratings are not available for both entity and instrument; fundamental analysis will be carried out before investing. Fundamental analysis shall include the following:

- Analysis of balance sheet and profit and loss account
- Forecasting of future cash flow generation ability
- Measuring company's financial strength
- Establishing an internal rating of the company

Further, for instruments issued by the local, provincial or federal government or one of its agencies, the rating requirement shall not apply.

Supplement II dated March 30, 2009 to the Offering Document of
KASB Balanced Fund issued on December 27, 2007

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Established in Pakistan by a Trust Deed dated October 25, 2007, registered under the Trusts Act 1882 (11 of 1882) between KASB Funds Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee and authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2007.

1) Clause 2.5.4 of the Offering Document has been amended to read in its entirety as follows:

As per the rules and regulations of SECP and SBP, the Fund will seek to invest outside Pakistan up to:

(a) 30% of the Net Assets of the Fund.

(b) The above percentage is subject to a cap of US\$ 15 million.

Not more than 50% of the allowable limit of international investment will be placed in any one country.

At some time in the future, the Management Company may expand this limit after seeking permission from the SECP and the SBP. The limit to international Investment will apply at the time of investment and it will not be necessary for the Trustee to sell any investment merely because, owing to appreciation or depreciation of any investment, change in foreign exchange parities, disposal of any investment or change in limit due to increase or decrease in Units, such limit shall be exceeded.

In case, due to the relative movement of the value of foreign investment and/or change in the limit, the value of foreign investment exceeds the above limit, the Management Company will have three months to bring the Fund into compliance.

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 five percent of the total nominal amount of the securities issued, or, the directors and officers of the Management Company own more than ten percent of those securities collectively, except as may otherwise be permissible from time to time as per NBFC Rules and NBFC Regulations.

2) Clause 2.7.1 of the Offering Document has been amended to read in its entirety as follows:

Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing on account of the Scheme, with the approval of the Trustee from banks, financial institutions, non-banking finance companies or collective investment schemes. The borrowing, however, shall not be resorted to, except for meeting redemption requests, and shall be repayable within a period of ninety days or such time as may be prescribed from time to time as per NBFC Rules and NBFC Regulations.

3) Clause 2.7.3 of the Offering Document has been amended to read in its entirety as follows:

The charges payable against borrowing on account of the Trust as permissible under clause 2.7.1 above shall not be higher than the normal prevailing market rates.

4) Clause 2.7.6 of the Offering Document has been amended to read in its entirety as follows:

No Guarantee or Security by the Management Company or the Trustee

Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.

5) Clause 6.2.4.3 of the Offering Document has been amended to read in its entirety as follows:

Bank charges, fees and duties payable on remittances and investments as well as borrowing/financial costs; provided that the charges payable against borrowings on account of the Trust as permissible under Clause 2.7 above, shall not be higher than the normal prevailing bank charges or normal market rates;

6) Clause 12.10 of the Offering Document has been amended to read in its entirety as follows:

“**Business/ Dealing Day**” means any day from Monday to Friday but does not include any day which is a gazetted Government of Pakistan holiday or on which the Stock Exchange or Banks are closed for business in Pakistan”