

THIRD SUPPLEMENTAL TRUST DEED
OF
KASB INCOME OPPORTUNITY FUND
(formerly KASB Liquid Fund)
Dated 28th September, 2010

(Managed by KASB Funds Limited, an asset management company registered under the Companies Ordinance 1984 and licensed under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003)

Established in Pakistan by a Trust Deed dated February 20, 2006, 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 authorised under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003.

1. Amendment of Clause 1 of the Trust Deed

(i) Clause 1 of the Trust Deed hereby stands substituted in its entirety as under:

1.1 NAME OF SCHEME

KASB Income Opportunity Fund (KIOF)

1.2 CATEGORY OF THE SCHEME

Aggressive Income

(ii) In the Trust Deed all references to the name of the Scheme be and is hereby replaced from KASB Liquid Fund to "KASB Income Opportunity Fund" and the abbreviation "KLF" be and is hereby replaced by abbreviation "KIOF".

2. Amendment of Declaration of Trust

The text of the main para of the Clause titled "DECLARATION OF TRUST" be and is hereby replaced in entirety with the following text:

It is hereby declared, that an Open-end Scheme in the form of a trust in the name and title of KASB Income Opportunity Fund hereby created. The Management Company is hereby appointed to establish, manage, operate and administer the Trust and the Trustee is hereby nominated, constituted and appointed as the trustee of the Trust. The Management Company and the Trustee hereby agree to such appointment and subject always to the provisions of this Deed and the NBFC Rules and NBFC Regulations, further declare that:

(Sub- paragraphs a. b. and c. of the Clause titled "Declaration of Trust" shall remain unchanged)

3. Amendment of Clause 5.A of the Trust Deed

(i) Amendment of Clause 5.A.4.2

Clause 5.A.4.2 of the Trust Deed hereby stands substituted in its entirety as follows:

5.A.4.2 The Management Company shall maintain the books of accounts and other records of the Trust for a period of not less than ten (10) years. The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of SECP and the Trustee.

(ii) Amendment of Clause 5.A.8.7

Clause 5.A.8.7 of the Trust Deed hereby stands substituted in its entirety as follows:

5.A.8.7 The Management Company shall prepare and circulate (physically and on the web subject to the SECP's approval) an annual report as per the requirements set out in the NBFC Regulations, to the Trustee, SECP, Stock Exchange on which Units are listed and the Unit Holders within four months of the closing of the Accounting Period, including:

- (i) copy of the balance sheet and income statement;
- (ii) cash flow statement;
- (iii) statement of movement in Unit Holders fund or Net Assets or reserves; and
- (iv) the auditors' report and the Trustee's report of the Scheme

Annual Reports shall be posted on the website, www.kasbfunds.com and shall also be provided to Unit Holders, free of charge, at their registered address.

Details of non-compliant investments, if any, shall also be disclosed in the annual statement as required under NBFC Regulations and related circulars as amended from time to time.

(iii) Amendment of Clause 5.A.8.8

Clause 5.A.8.8 of the Trust Deed hereby stands substituted in its entirety as follows:

5.A.8.8 The Management Company shall within one month of the closing of first and third quarters and within two months of the closing of second quarter of each Accounting Period, prepare and circulate (physically or through electronic means or on the web subject to the SECP's approval) to the Unit Holder(s), the Trustee, the SECP and Stock Exchanges on which the Units of the Scheme may be listed,

- (i) balance sheet as at the end of that quarter ,
- (ii) income statement,
- (iii) cash flow statement,
- (iv) statement of movement in Unit Holders' fund or Net Assets or reserves; and
- (v) statement showing securities owned at the beginning at the relevant period, securities purchased or sold during such period and securities held at the end of such period together with the value (at carrying and at market) and percentage in relation to its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise and Trustee report , whether audited or otherwise.

Where the quarterly accounts and statements mentioned above are placed on the Management Company's website www.kasbfunds.com, printed copies thereof shall be provided to the Unit Holders as and when requested,. The printed copy pf the quarterly accounts shall be provided to Unit Holders, free of charge, at their registered address, within seven (7) Business Days of such request.

Details of non-compliant investments, if any, shall also be disclosed in the quarterly statement as required under NBFC Regulations and related circulars as amended from time to time.

(iv) Addition of Clauses 5.A.8.14, 5.A.8.15, 5.A.8.16 to the Trust Deed

After the existing Clause 5.A.8.13, the following clauses numbered as "5.A.8.14," "5.A.8.15" and "5.A.8.16" hereby stand incorporated as follows:

5.A.8.14 The Management Company shall obtain a rating of the Scheme as per the NBFC Regulations or conditions prescribed by SECP.

5.A.8.15 The Management Company shall appoint brokers in compliance with the NBFC Regulations and such other conditions and criteria as it may decide from time to time and shall also ensure that it has been diligent in appointing brokers to avoid undue concentration of business with any broker

5.A.8.16 The Management Company shall ensure minimum disclosure in the Fund Managers' Report, as prescribed under NBFC Regulations, SECP circulars and directives issued from time to time. These may include but are not limited to details of non-compliant investments, credit quality / asset quality of the debt portfolio etc.

The Fund Manager's Report shall be made available on the Management Company's website www.kasbfunds.com and shall be submitted to SECP simultaneously.

4. Amendment of Clause 5.B.1 of the Trust Deed

(i) Amendment of Clause 5.B.1

Clause 5.B.1 hereby stands substituted in its entirety as follows:

5.B.1 The SECP may either on its own or on the recommendation of the Trustee, remove the Management Company by giving at least ninety (90) days notice for sub-clause (a) hereunder and immediate notice for sub-clauses (b) and (c) hereunder in writing to the Management Company, if any of the following has occurred :

a) The Management Company has willfully contravened the provisions of this Deed 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); a receiver is appointed over any of the assets of the Management Company; and

(c) If Management Company becomes ineligible to act as a Management Company of the Trust under the provisions of the NBFC Rules and/or NBFC Regulations or any other law for the time being in force.

5. Amendment of Clause 5.C of the Trust Deed

(i) Amendment of Clause 5.C.3

Clause 5.C.3 hereby stands substituted in its entirety as follows:

5.C.3 The Trustee shall have all the obligations entrusted to it under the NBFC Rules, NBFC Regulations, this Deed, the Offering Document (as may be amended from time to time with the approval of the SECP) and directives issued by the SECP.

(ii) Amendment of Clause 5.C.7

Clause 5.C.7 of the Trust Deed hereby stands substituted in its entirety as follows:

5.C.7 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Scheme, if the Trustee had acted in good faith and not negligently, in accordance with or in pursuance of any request of the Management Company, provided they were not in conflict with the provisions of this Deed or the NBFC Rules /NBFC Regulations. Whenever pursuant to any provisions of this Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:

i) A document signed or purporting to be signed on behalf of the Management Company by any person(s), whose signature the Trustee has for the time being authorised in writing by the Management Company to accept.

ii) Any instructions received Online through the software solution adopted by the Management Company or the Trustee for managing and keeping records of the Scheme to the satisfaction of the Trustee or the Management Company, as the case may be.

(iii) Amendment of Clause 5.C.11

Clause 5.C.11 of the Trust Deed hereby stands substituted in its entirety as follows:

5.C.11 The Trustee shall, if requested by the Management Company or if it considers necessary for the protection of the Trust Property or safeguarding the interest of Unit Holders institute or defend any suit, proceedings, arbitration or enquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorised directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Scheme and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of its duties in connection with the Scheme under this Deed or the NBFC Rules. For the avoidance of doubt it is clarified that notwithstanding any thing contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages or other liabilities shall be borne by the Scheme.

(iv) Deletion of Clause 5.C.12

Clause 5.C.12 of the Trust Deed hereby stands deleted in entirety. The existing clause 5.C.13 shall stand renumbered as 5.C.12.

(v) Addition of Clauses 5.C.13, 5.C.14, 5.C.15, 5.C.16, 5.C.17 and 5.C.18

In Clause 5.C, the following new clauses numbered as "5.C.13", "5.C.14", "5.C.15", "5.C.16", "5.C.17" and "5.C.18 hereby stand incorporated as under:

5.C.13 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers and shall also ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration with any Broker.

5.C.14 The Trustee shall arrange for an annual system audit and provide respective report to the SECP and the Management Company in accordance with the NBFC Regulations.

5.C.15 The Trustee shall immediately inform the SECP if any action of the Management Company contravenes the Ordinance, the NBFC Rules, the NBFC Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.

5.C.16 The Trustee shall comply with the directions of the SECP given in the interest of the Unit Holders of the Fund

5.C.17 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents pursuant to the NBFC Regulations and the conditions under which the Scheme was authorized are complied with.

5.C.18 The Trustee shall ensure that Units are not issued until subscription money has been received in the Fund

6. Amendment of Clause 5.D of the Trust Deed

i) Clause 5.D.3 of the Trust Deed hereby stands substituted in its entirety as follows:

5.D.3 The Management Company may by giving reasons in writing apply to the SECP for change of the Trustee and propose a new trustee.

ii) Addition of Clause 5.D.4

In Clause 5.D, a new clause numbered as “5.D.4”, hereby stand incorporated as under:

5.D.4 SECP may remove the Trustee by giving atleast ninety (90) days notice in writing to the Trustee and under intimation to the Management Company, if in its opinion, any of the following has occurred:

(a) The Trustee has willfully contravened the provisions of NBFC Rules and NBFC Regulations or this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;

(b) If the Trustee is guilty of misconduct or becomes ineligible to act as a Trustee of the Trust under the provisions of the NBFC Rules and NBFC Regulations, or any other law for the time being in force.

Provided that the Trustee is given an opportunity of being heard.

7. Addition of Clause 6.A and 6.B to the Trust Deed

In Clause 6, before clause 6.1, the following new clauses numbered as “6.A” and “6.B” hereby stand incorporated as under:

6.A Investment Objective

The Investment objective of the portfolio is to provide an efficient investment medium whereby investors can participate in a portfolio that will seek to generate high level of current income, as well as the potential for capital growth.

6.B Investment Policy

The Fund will invest in various debt and fixed income instruments and capital market transactions of diverse maturities. The Fund will seek to maximise current income by investing in high yield fixed income opportunities along with seeking capital appreciation by investing in high value debt securities. The strategy will include taking positions both in short and long term avenues by taking active trading as well as passive hold approaches.

8. Amendment of Clause 6.2 of the Trust Deed

(i) Amendment of Clause 6.2.1 of the Trust Deed

Clause 6.2.1 of the Trust Deed hereby stands substituted in its entirety as under:

6.2.1 The Trust Property shall be subject to such exposure limits as are provided in the NBFC Rules and NBFC Regulations (subject to any exemptions or relaxations that may be specifically given to the Fund by the SECP) and Circulars issued by the SECP.

(ii) Deletion of Clauses 6.2.3 and 6.2.4 of the Trust Deed

Clause 6.2.3 and 6.2.4 of the Trust Deed hereby stand deleted in entirety.

(iii) Amendment of Clause 6.2.6.2

Clause 6.2.6.2 of the Trust Deed hereby stands substituted in its entirety as follows:

6.2.6.2 Participate in a joint account with others in any transaction on behalf of the Scheme, except for collection account

(iv) Amendment of Clause 6.2.6.5

Clause 6.2.6.5 of the Trust Deed hereby stands substituted in its entirety as under:

6.2.6.5 Investment of the Scheme in any entity shall not exceed an amount equal to ten percent of total Net Assets of the Scheme subject to the following:

(i) Exposure to equity securities of a company shall not exceed ten percent of the issued capital of that company;

(ii) Exposure to any debt issue of a company shall not exceed ten percent of that issue

(v) The existing clauses 6.2.5 and 6.2.6 shall stand renumbered as 6.2.3 and 6.2.4 respectively.

(vi) Addition of Clauses 6.2.4.6, 6.2.4.7, 6.2.4.8, 6.2.4.9, 6.2.4.10 and 6.2.4.11

In Clause 6.2.4 the following new clauses “6.2.4.6” “6.2.4.7” “6.2.4.8” and “6.2.4.9” hereby stand incorporated as under:

6.2.4.6 Apply for de-listing from Stock Exchange unless it has obtained prior written approval of the SECP

6.2.4.7 Invest in securities of the Management Company

6.2.4.8 The Fund shall invest at least 10% of the Net Assets in cash and near cash instruments which include cash in bank account (excluding TDRs), treasury bills not exceeding 90 days maturity

6.2.4.9 Weighted average time to maturity of the Net Assets shall not exceed five years, however, this shall not apply to securities issued by the Federal Government

9. Amendment of Clause 6.3 of the Trust Deed

Clause 6.3 of the Trust Deed hereby stands substituted in its entirety as under:

6.3 In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue, owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized within three months of the event as specified in the NBFC Regulations and prescribed by SECP. The period to regularize excess exposure may be extended by the SECP on the Management Company's request.

10. Addition of Clause 6.4.7 to the Trust Deed

After the existing Clause 6.4.6, a new Clause numbered as "6.4.7" hereby stands incorporated as follows:

6.4.7 The Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of Trustee, the Fund would not be able to issue payment instrument for the redemption money to the Unit Holder within time period stipulated in the NBFC Regulations.

11. Amendment in Clause 7.1.of the Trust Deed

(i) Amendment of Clause 7.1.3 of the Trust Deed

Clause 7.1.3 of the Trust Deed hereby stands substituted in its entirety, as under:

7.1.3 Offer Price shall be equal to the sum of:

- a) The Net Asset Value as of the close of the Business Day.
- b) Any Front-end Load, not exceeding 5 % (five per cent) of the Net Asset Value (the applicable Front-end Load shall be disclosed in the Offering Document).
- c) Such amount as the Management Company may consider an appropriate provision for Duties, Charges and levies etc;
- d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;

Such sum shall be adjusted upto four decimal places.

(ii) Amendment of Clause 7.1.7 of the Trust Deed

Clause 7.1.7 of the Trust Deed hereby stands substituted in its entirety, as follows:

7.1.7 The Offer Price determined by the Management Company shall be made available to the public at the offices of the Management Company and the offices and branches of the Distribution Companies as well as at the official website of the Management Company, www.kasbfunds.com and at the discretion of the Management Company may also be published in any newspaper circulated in Pakistan.

(iii) Deletion of Clause 7.1.8

Clause 7.1.8 of the Trust Deed hereby stands deleted in entirety.

12. Amendment of Clause 7.2 of the Trust Deed

(i) Amendment of Clause 7.2.1 of the Trust Deed

Clause 7.2.1 of the Trust Deed hereby stands substituted in its entirety, as under:

7.2.1 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 not exceeding 5% (five per cent) of the Net Asset Value(the applicable Back-end Load shall be disclosed in the Offering Document);
- 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 so determined shall apply to redemption requests, complete in all respects, received by the Distributor during the business hours on a Business Day. Any taxes imposed by the Government may however be deducted from the respective redemption proceeds.

(ii) Amendment of Clause 7.2.3 of the Trust Deed

Clause 7.2.3 of the Trust Deed hereby stands substituted in its entirety as under:

7.2.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 7.2.1 exceeds the relevant amount of Duties and Charges, excess amount shall become part of the Trust Property.

(iii) Amendment of Clause 7.2.4 of the Trust Deed

Clause 7.2.4 of the Trust Deed hereby stands substituted in its entirety, as under:

7.2.4 The Redemption Price determined by the Management Company shall be made available to the public at the offices of the Management Company and the offices and branches of the Distribution Companies as well as at the official website of the Management Company, www.kasbfunds.com and at the discretion of the Management Company may also be published in any newspaper circulated in Pakistan.

(iv) Deletion of Clause 7.2.5

Clause 7.2.5 of the Trust Deed hereby stands deleted in entirety.

13. Amendment of Clause 7.3 of the Trust Deed

i) Amendment of Clause 7.3.1 of the Trust Deed

Clause 7.3.1 of the Trust Deed hereby stands substituted in its entirety, as under:

7.3 Allocation of Front-end Load

7.3.1 The remuneration of Distributors, and Investment Facilitators shall be paid from applicable Front-end Load received by the Trustee upon the decision of the Management Company and/ or may be paid by the Management Company when the Trustee pays the Front-end Load to the Management Company for onward distribution to the Distributors and Investment Facilitators, and no charges 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. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration. The Front-end Load charged shall be clearly disclosed in the Offering Document.

ii) Amendment of Clause 7.3.3 of the Trust Deed

Clause 7.3.3 of the Trust Deed hereby stands substituted in its entirety, as under:

7.3.3 A Distributor located outside Pakistan may if so authorized by the Management Company, retain such portion of the Front-end Load as is authorised by the Management Company and transfer the net amount to the Trustee, subject to the obtention of the permission of the State Bank, if required and the law for the time being in force.

14. Addition of Clauses 7.4 and 7.5 to the Trust Deed

After the existing clause 7.3.3, the following new Clauses numbered as “7.4” and “7.5” hereby stand incorporated as under:

7.4 Cut off timing

The cut off timings for issuance, redemption, conversion etc. of Units for all Business Days shall be disclosed in the Offering Document or supplementary offering document and shall also be announced on the company website www.kasbfunds.com from time to time. Such cut-off timings shall uniformly apply on all Unit Holders.

“Cut-Off Timing” means any time as may be determined by the Management Company and disclosed in the Offering Document and communicated to the Trustee and the Unit Holders applicable for each Business Day, before which Unit transactions shall be effectuated. The Management Company may change the Cut-off Time under prior intimation to the Unit Holders and the Trustee

7.5 Time Stamping

The Management Company will ensure that all applications received by Distributors (including Management Company itself) and all other designated points for issuance, redemption, conversion etc of Units, have date and time stamping mechanism in place for timely acknowledgement of applications. All information regarding issuance, redemption, conversion etc. of Units applications shall be forwarded to the Trustee within 24 hours of receipt of such applications.

15. Amendment in clause 8.2.1 of the Trust Deed

Clause 8.2.1 of the Trust Deed hereby stands substituted in its entirety as under:

8.2.1 The redemption of Units may be suspended by the Management Company with the approval of its Board of Directors during extraordinary circumstances including closure of one or more Stock Exchange(s) on which any of the Securities invested in by the Scheme are listed, the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value, the Management Company with the approval of its Board of Directors may announce a suspension or deferral of redemption and inform the SECP and the Trustee. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units outstanding or 10% of the Scheme's Net Assets. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Scheme. Details of the procedure are given herein below.

In case of suspension of redemption of Units the issuance of fresh Units shall also be kept suspended until and unless redemption of Units is resumed. The suspension of redemption of units shall end on the day the cause of such suspension ceases to exist. The issue of fresh Units shall be resumed on the day the suspension on redemption of Units is revoked by the Management Company. In the event of extra-ordinary circumstances, the Management Company may suspend or defer redemption of Units, with the approval of its Board of Directors and intimate such decision to the Trustee and the SECP. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company or the Distributors unable to function. The Management Company shall immediately notify the SECP and the Trustee of such suspension.

16 Amendment in clause 8.4 of the Trust Deed

Clause 8.4 of the Trust Deed hereby stands substituted in its entirety as under:

8.4 Queue System

In the event redemption requests on any day exceed ten percent of the number of Units outstanding or 10% of the Net Assets of Scheme, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for upto ten percent of the Units outstanding. The Management Company shall proceed to sell adequate assets of the Scheme and/ or arrange borrowing as it deems fit in the best interest of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system. The requests in excess of the ten-percent shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Business Day still exceed-ten percent of the Units outstanding, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then outstanding.

The Management Company shall ensure all valid redemption requests are paid based on ranking of the request in queue.

17. Amendment of Clause 9.2.4 of the Trust Deed

Clause 9.2.4 of the Trust Deed hereby stands substituted in its entirety as under:

9.2.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional services provided in accordance with the provisions of this Deed.

18. Amendment of Clause 9.3.1 of the Trust Deed

Clause 9.3.1 of the Trust Deed hereby stands substituted in its entirety as under:

9.3.1 Formation Cost shall be charged to the Scheme which are estimated at and shall not exceed one (1%) percent of Pre-IPO capital or Rupees five million, whichever is lower.

19. Amendment of Clause 9.3.2 of the Trust Deed

Clause 9.3.2 of the Trust Deed hereby stands substituted in its entirety as under:

9.3.2 The Formation Cost shall be reimbursable by the Fund to the Management Company subject to audit of expenses. The said Formation Cost will be amortized by the Fund over a period of not less than five years.

20. Deletion of Clauses 9.4.8 and 9.4.14 of the Trust Deed

Clauses 9.4.8 and 9.4.14 hereby stand deleted in entirety. The existing clauses 9.4.9 to 9.4.13 hereby stand renumbered as 9.4.8 to 9.4.12.

21. Amendment of Clause 10 of the Trust Deed

(i) Deletion of Clause 10.2

Clause 10.2 hereby stands deleted in its entirety.

(ii) Amendment of Clause 10.6

Clause 10.6 of the Trust Deed hereby stands substituted in its entirety as under:

10.6 Subject to the NBFC Rules and the NBFC Regulations, any transaction between the Trust and the Management Company or any of the Connected Persons as principal shall only be made with the approval of the Board of Directors in writing and the consent of the Trustee or as may be specified by the SECP from time to time.

(iii) The existing clauses 10.3 to 10.6 hereby stand renumbered as 10.2 to 10.5

(iv) Addition of Clause 10.6

In Clause 10, new clause numbered as “10.6” hereby stands incorporated as under:

10.6 All transactions 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. However no investment shall be made into the Units of the Fund by the Trustee.

22. Amendment of Clause 11.6 of the Trust Deed

Clause 11.6 hereby stands substituted in its entirety as follows:

11.6 After determining the amount available for the cash distribution, the Management Company shall instruct the Trustee to issue payment instrument(s) to the Unit Holders or 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.

23 Amendment of Clause 14.4 of the Trust Deed

Clause 14.4 hereby stands substituted in its entirety as follows:

14.4 If the SECP modifies the NBFC Rules and/or NBFC Regulations or allows any relaxations to the NBFC Rules and/or NBFC Regulations or issues any directive(s), guideline(s) or circular(s) there under, these shall deem to have been included in this Trust Deed without requiring any modifications in this Deed and shall prevail in case of any conflict with the provisions of the Trust Deed.

24. Amendment of Clause 17.9 of the Trust Deed

Clause 17.9 hereby stands substituted in its entirety as follows:

17.9 Where any loss is caused to the Trust Property by the Management Company and /or the Trustee due to Management Company's failure and/or Trustee's failure to comply with regulatory framework, the Management Company and/or the Trustee shall make good that loss by depositing a sum equivalent to the loss in the Trust Property.

25. Deletion of Clause 17.10 of the Trust Deed

Clauses 17.10 hereby stands deleted in entirety.

26. Amendment of Clause 19.1 of the Trust Deed

Clause 19.1 of the Trust Deed hereby stands substituted in its entirety as under:

19.1 Declaration of Net Asset Value based prices

The Management Company shall, at such frequencies as are prescribed in the NBFC Rules, NBFC Regulations this deed and the Offering Document, determine or otherwise, as may be directed by the SECP from time to time announce the Net Asset Value based prices. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the announcement of the prices. The Management Company will announce the applicable prices of the Fund on its website www.kasbfunds.com as well as on MUFAP's website by 6:30 pm on all Business Days, or any other such time as may be specified by the SECP for announcement of prices from time to time.

27. Amendment of Clause 21.1 of the Trust Deed

Clause 21.1 of the Trust Deed hereby stands substituted in its entirety as follows:

21.1 Units shall be of Par Value of Rs. 100/- (Rupees one hundred only). The Management Company may issue Units with Front-end Load and/or Back-end Load as disclosed in the Offering Document.

28. Amendment of Clause 23 of the Trust Deed

(i) Amendment of Clause 23.1

Clause 23.1 of the Trust Deed hereby stands substituted in its entirety as follows:

23.1 The Trustee shall at any time during the life of the Trust on the instructions of the Management Company authorize redemption of Units out of the Trust Property

(ii) Addition of Clause 23.8

After the existing Clause 23.7, a new Clause numbered as "23.8" hereby stands incorporated as under:

23.8 The Management Company shall not use flipping mechanism (i.e. redemption and re-issuance of units to the same unit holders based on different applicable prices without cash settlement). Further the Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.

29. Amendment in Clause 25.9 of the Trust Deed

Clause 25.9 of the Trust Deed hereby stands substituted in its entirety as under:

25.9 The Register may be closed under intimation to the Trustee after giving at least seven days notice to Unit Holders, provided that it is not closed for more than six Business Days at a time and forty five days in any Accounting Period.

30. Amendment of Clause 28.1 of the Trust Deed

Clause 28.1 of the Trust Deed hereby stands substituted in its entirety as follows:

28.1 Every Unit Holder(s) shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe under intimation to the Trustee.

31. Amendment of Clause 33 of the Trust Deed

- (i) Amendment of Clause 33.3 of the Trust Deed

Clause 33.3 of the Trust Deed hereby stands substituted in its entirety as follows:

33.3 The Management Company may advertise any such notice in two leading daily newspapers in Pakistan having their wide circulation in the country and this will be a good discharge of requirements of service of notice provided hereinabove.

- (ii) Addition of new clauses 33.6, 33.7 and 33.8

In Clause 33, new clauses numbered as “33.6”, “33.7” and “33.8” hereby stand incorporated as follows:

33.6 In all respects, the Scheme shall be governed by NBFC Regulations, as may be amended or substituted from time to time and also by circulars, notifications and directives issued by the SECP from time to time, which shall be deemed to be incorporated in the Trust Deed without the need to amend the Trust Deed

33.7 The Management Company may offer “Administrative Plans” approved by the SECP, where such plans allow investors a specific investment strategy in any one or a combination of Schemes managed by the Management Company in accordance with the conditions specified by SECP.

33.8 The Trustee and Management Company shall not be liable for any losses resulting from any element of force majeure. For the purposes of this Deed, the term "force majeure" shall mean any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any Party and which occurs after the execution of this Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

32. Amendment of Clause 34 of the Trust Deed

- (i) Clause 34.4 of the Trust Deed hereby stands substituted in its entirety as under:

34.4 "Authorised Branch(es)" means those branches of the Distributors which are authorised to perform the Distribution Functions by the Management Company. The list of Authorised Branches will be disclosed in the Offering Document as Annexure “D”.

(ii) **Clause 34.5 of the Trust Deed** hereby stands substituted in its entirety as under:

34.5 “Authorised Investment” means investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:

34.5.1 Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Government issued or Government backed Securities

34.5.2 Certificates of Musharika (COMs)

34.5.3 Deposits with banks or financial institutions as per the criteria that may be laid down by SECP.

34.5.4 Debt Securities which includes TFCs, PPTFCs, Sukuks. Securities issued by local governments, government agencies

34.5.5 Certificates of Investment / Deposits, TDR, Letter of Placements issued by financial institutions and NBFCs

34.5.6 Debt Securities traded Over- the- Counter (OTC) markets.

34.5.7 Reverse REPOs against Government securities or such debt securities that are listed on the stock exchanges.

34.5.8 Commercial Papers and money market placements

34.5.9 Continuous Funding System (CFS) or any such replacements subject to relevant SECP approvals.

34.5.10 Spread Transactions. The Fund may enter into transactions aimed at earning a spread in the price of securities resulting from the timing difference between settlements. The Scheme may for this purpose purchase or sell a security, for ready settlement and the reverse thereof (sale or purchase, as the case may be) for future settlement; these transactions will be carried out simultaneously so as to avoid any risk emanating from the movement in the prices of underlying securities.

34.5.11 Subject to prior approval SECP and other regulatory approvals, the Scheme may seek to invest in foreign fixed income securities issued, listed or otherwise traded outside Pakistan on such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan from time to time.

34.5.12 Any other security and/ or instruments and/ or transactions that may be allowed by SECP, the NBFC Rules or the NBFC Regulations from time to time.

34.5.13 The investments in above asset classes shall be subject to such Exposure limits and minimum ratings, where applicable, as specified in the Offering Document of the Fund, SECP directives, the NBFC Rules and the NBFC Regulations as amended or substituted from time to time.

(iii) Amendment of Clause 34.6

Clause 34.6 of the Trust Deed hereby stands substituted in its entirety as follows:

34.6 "Back-end Load" means the charges (excluding Duties and Charges) not exceeding 5% (five per cent of the NAV) payable as specified under clause 7.2.1, which are deducted from NAV for determining Redemption Price, on redemption of Units. Any such charges shall be

treated as part of the Trust Property. Provided however that different level of Back-end Load may be applied to different classes of Units and disclosed in the Offering Document.

(iv) Amendment of Clause 34.19.4

Clause **34.19.4 of the Trust Deed** hereby stands substituted in its entirety as under:

34.19.4 Accounting to the Management Company for (i) payment instruments received from the applicants for issuance of Units (ii) payments instruments delivered to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.

(v) Amendment of Clause 34.20

Clause 34.20 of the Trust Deed hereby stands substituted in its entirety as under:

34.20 "Duties and Charges" means in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other Duties and Charges in connection with the issue, sale, transfer, redemption or purchase of Units or the sale or purchase of investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such Duties and Charges are payable but do not include any Front-end Load, Back-end Load, the remuneration payable to the Distribution Company or any commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

(vi) Amendment of Clause 34.23

Clause 34.23 of the Trust Deed hereby stands substituted in its entirety as follows:

34.23 "Front-end Load" means the sales and processing charges (excluding Duties and Charges) that is received by the Management Company and/ or its Distributors that may be included in the Initial Price or Offer Price of the Units not exceeding five percent (5%) of the Par Value or Net Asset Value, whichever is applicable. The details of Front-end Load applicable to the Offer Price shall be specified in the Offering Document. Provided however that different levels of Front-end Load may be applied to different investors.

(vii) Addition of new Clause 34.29

After the existing clause 34.28, a new clause 34.29 stands incorporated as follows:

34.29 "NBFC Regulations" mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 and shall include any amendments to or substitutions thereof from time to time.

(viii) Deletion of Clause 34.43

Clause 34.43 of the Trust Deed hereby stands deleted in its entirety.

(ix) Amendment of Clause 34.49.1

Clause 34.49.1 of the Trust Deed hereby stands substituted in its entirety as follows:

34.49.1 The aggregate proceeds of all Units issued from time to time after deducting applicable Front-end Load as charged by the Management Company and after adding thereto transaction costs and charges for redemption in the form of Back-end Load.

(x) The existing clauses 34.29 to 34.42 stand renumbered as clauses 34.30 to 34.43 respectively.

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.