

**SECOND SUPPLEMENTAL TRUST DEED**  
**OF**  
**KASB ASSET ALLOCATION FUND**  
**(formerly KASB Balanced Fund)**  
**Dated 28<sup>th</sup> 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.Name and Category of the Scheme**

**1.1Name of the Scheme**

KASB Asset Allocation Fund

**1.2Category of the Scheme**

Asset Allocation

(ii) In the Trust Deed all references to the name of the Scheme be and is hereby replaced from KASB Balanced Fund to "KASB Asset Allocation Fund" and the abbreviation "KBF" be and is hereby replaced by abbreviation "KAAF".

**2. Amendment of Clause 5.A.3.2 of the Trust Deed**

(i) Amendment of Clause 5.A.3.2

Clause 5.A.3.2 of the Trust Deed hereby stands substituted in its entirety as under:

**5.A.3.2** 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.

**3. Amendment of Clause 5.A.7 of the Trust Deed**

(i) Amendment of Clause 5.A.7.7

Clause 5.A.7.7 of the Trust Deed hereby stands substituted in its entirety, as under:

**5.A.7.7** The Management Company shall prepare and circulate (physically and through electronic means or 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](http://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.

(ii) Amendment of Clause 5.A.7.8

Clause 5.A.7.8 of the Trust Deed hereby stands substituted in its entirety, as under:

**5.A.7.8** 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](http://www.kasbfunds.com), printed copies thereof shall be provided to the Unit Holders as and when requested. The printed copy of 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.

**4. Addition of Clauses 5.A.7.15, 5.A.7.16 and 5.A.7.17 to the Trust Deed**

After the existing Clause 5.A.7.14, the following clauses numbered as "5.A.7.15," "5.A.7.16" and "5.A.7.17" hereby stand incorporated as under:

**5.A.7.15** The Management Company shall obtain a rating of the Scheme as per the NBFC Regulations or conditions prescribed by SECP

**5.A.7.16** 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.7.17** 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 Managers' Report shall be made available on the Management Company's website [www.kasbfunds.com](http://www.kasbfunds.com) and shall be submitted to SECP simultaneously.

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

### (i) Deletion of Clause 5.C.12

Clause 5.C.12 of the Trust Deed hereby stands deleted in entirety.

### (ii) Amendment of Clause 5.C.13

Clause 5.C.13 of the Trust Deed hereby stands substituted in its entirety, as under:

**5.C.13** 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) Amendment of Clause 5.C.19

Clause 5.C.19 of the Trust Deed hereby stands substituted in its entirety, as under:

**5.C.19** The Trustee shall ensure that Units are not issued until subscription money has been received in the Fund

### (iv) Amendment of Clause 5.C.20

Clause 5.C.20 of the Trust Deed hereby stands substituted in its entirety, as under:

**5.C.20** 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 NBFC Rules, NBFC 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.

### (v) The existing clauses 5.C.13 to 5.C.22 shall therefore stand renumbered as clauses 5.C.12 to 5.C.21 respectively to take effect of the said changes.

### (vi) Addition of clauses 5.C.22, 5.C.23, 5.C.24 and 5.C.25

In clause 5.C., the following new clauses numbered as "5.C.22", "5.C.23", "5.C.24" and "5.C.25" hereby stand incorporated as under:

**5.C.22** 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.23** 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.24** 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.25** The Trustee shall comply with the directions of the SECP given in the interest of the Unit Holders of the Fund

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

(i) Amendment of Clause 5.D.3 of the Trust Deed

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

**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) Amendment of Clause 5.D.4

Clause 5.D.4 of the Trust Deed hereby stands substituted in its entirety 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 Amendment of Clause 6.2 of the Trust Deed**

(i) Clause 6.2 of the Trust Deed hereby stands substituted in its entirety as under:

### **6.2 Investment Objective**

The objective of the Fund is to generate a positive return and long term capital appreciation for unit holders by investing in both the Equity and Debt markets.

(ii) Addition of Clause 6.2.A to the Trust Deed

After the existing Clause 6.2 the following new clause numbered as “6.2.A” hereby stands incorporated as under:

### **6.2.A Investment Policy**

To achieve the objective of generating a positive return and long term capital appreciation, the Fund can invest in equity securities or debt instruments in a range of 0-100% for each category, based on a number of factors including (but not limited to) economic outlook, equity/income market conditions, interest rate movements, sector/stock fundamentals etc. On the Income side, the Fund would invest both in shorter duration and longer duration debt instruments as well as fixed income transactions in the capital market keeping in view capital preservation. On the equity side, the Fund would invest in fundamentally undervalued stocks that have business growth prospects corresponding with good earnings growth while also considering qualitative factors such as the quality of the management.

## **8. Amendment of Clause 6.3 of the Trust Deed**

### **(i) Amendment in Clause 6.3.1**

Clause 6.3.1 of the Trust Deed hereby stands substituted in its entirety as under:

**6.3.1** The Trust Property shall be subject to such exposure limits as are provided in the 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 6.3.3 and 6.3.4**

Clauses 6.3.3 and 6.3.4 hereby stand deleted in entirety.

### **(iii) Amendment in Clause 6.3.6.2**

Clause 6.3.6.2 of the Trust deed hereby stands substituted in its entirety as under:

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

### **(iv) Amendment in Clause 6.3.6.5**

Clause 6.3.6.5 of the Trust Deed hereby stands substituted in its entirety as under:

**6.3.6.5** 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;

Provided that subject to the condition prescribed in (i) above, the exposure of the Fund to any single entity shall not exceed an amount equal to ten per cent of the Net Assets of the Fund or the index weight of the security subject to the limit of fifteen percent, whichever is higher.

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

(v) The existing clauses 6.3.5 and 6.3.6 shall therefore stand renumbered as clauses 6.3.3 and 6.3.4 respectively to take effect of the said changes.

(vi) Addition of Clause 6.3.4.6, 6.3.4.7, 6.3.4.8 and 6.3.4.9 to the Trust Deed

In Clause 6.3.4, the following new clauses numbered as “6.3.4.6”, “6.3.4.7”, “6.3.4.8” and “6.3.4.9” hereby stand incorporated as under:

**6.3.4.6** For equity portion, the Scheme shall not invest more than thirty per cent of total Net Assets of the Fund in securities of any one sector as per classification of the Karachi Stock Exchange or index weight, whichever is higher, subject to maximum of 35%.

**6.3.4.7** Enter into transactions with any Broker which exceed thirty per cent of the commission paid by Scheme in any one accounting year for the equity portion.

**6.3.4.8** Invest in securities of the Management Company

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

(vii) Addition of Clauses 6.3.5, 6.3.6, 6.3.7, 6.3.8 and 6.3.9 to the Trust Deed.

In Clause 6.3, the following new clauses numbered as “6.3.5”, “6.3.6”, “6.3.7”, “6.3.8” and “6.3.9” hereby stand incorporated as under:

**6.3.5** For Aggressive Income portion, both rated and unrated securities shall be eligible for investment, below investment grade rated securities shall also be eligible for investment

**6.3.6** The weighted average time to maturity of non-equity assets shall not exceed five years and this condition shall not apply to securities issued by the Federal Government.

**6.3.7** For Aggressive Income portion, no restriction regarding time to maturity of any single security in the portfolio

**6.3.8** For Aggressive Income portion, no restriction regarding time to maturity of any single security in the portfolio

**6.3.9** The investment in each asset class shall be governed by the criteria applicable in the schemes of that asset class

## **9. Amendment of Clause 6.4.1 of the Trust Deed**

Clause 6.4.1 of the Trust Deed hereby stands substituted in its entirety as under:

**6.4.1** 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 in such manner and 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 6.5.7 to the Trust Deed**

After the existing Clause 6.5.6, a new clause numbered as "6.5.7" hereby stands incorporated as under:

**6.5.7** 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 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 upwards to the nearest Paisa.

#### **12. 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 under:

**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 [www.kasbfunds.com](http://www.kasbfunds.com) of the Management Company and at the discretion of the Management Company may also be published in any newspaper circulated in Pakistan.

#### **13. 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 downwards to the nearest Paisa. 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.

#### **14. 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** 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.

#### **15. Amendment of Clause 7.2.5 of the Trust Deed**

Clause 7.2.5 of the Trust Deed hereby stands substituted in its entirety, as under:

**7.2.5** 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](http://www.kasbfunds.com) and at the discretion of the Management Company may also be published in any newspaper circulated in Pakistan.

## 16. Amendment of Clause 7.3

Clause 7.3 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

## 17. Addition of Clauses 7.4 and 7.5 in the Trust Deed

After the existing Clause 7.3.3, new Clauses numbered as Clause "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](http://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 shall be forwarded to the Trustee within 24 hours of receipt of such applications

## 18. 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 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.

#### **19. 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.

#### **20. 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.

#### **21. 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.

## **22. Amendment of Clause 9.4.2 of the Trust Deed**

Clause 9.4.2 of the Trust Deed hereby stands substituted in its entirety as under:

**9.4.2** Legal and related costs incurred in protecting or enhancing the interest of the Scheme and its investments or the collective interest of the Unit Holders

## **23. Amendment of Clause 10 of the Trust Deed**

(i) Deletion of Clause 10.2

Clause 10.2 of the Trust Deed hereby stands deleted in entirety.

(ii) Amendment of Clause 10.5

Clause 10.5 of the Trust Deed hereby stands substituted in its entirety as under:

**10.5** 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.

(iv) Deletion of Clause 10.6

Clause 10.6 of the Trust deed hereby stands deleted in entirety.

(v) Amendment in Clause 10.7

Clause 10.7 of the Trust deed hereby stands substituted in its entirety as under:

**10.7** 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.

(vi) The existing clauses 10.3 to 10.5 stand renumbered as 10.2 to 10.4 respectively, and existing Clause 10.7 stands renumbered as 10.5 to take effect of the above changes.

## **24. Amendment in Clause 11.6 of Trust Deed**

Clause 11.6 of the Trust deed hereby stands substituted in its entirety as under:

**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.

## **25. Amendment of Clause 14.4 of the Trust Deed**

Clause 14.4 of the Trust Deed hereby stands substituted in its entirety as under:

**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.

## **26. Amendment of Clause 19.1 of 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, and 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](http://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 Trust Deed**

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

**21.1** Units shall be of Par Value of Rs. 50/- (Rupees fifty 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 23.1 of Trust Deed**

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

**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.

## **29. Addition of Clause 23.8 to Trust Deed**

After the existing 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.

## **30. Amendment of Clause 25.9 of 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.

## **31. Amendment of Clause 28.1 of Trust Deed**

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

**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.

### **32. Addition of Clauses 33.6, 33.7 and 33.8 to the Trust Deed**

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

**33.6** In all respects, the Scheme shall be governed by NBFC Regulations as may be substituted or amended 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.

### **33. Amendment of Clause 34 of the Trust Deed**

(i) Amendment of Clause 34.4

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) Amendment of Clause 34.5

Clause 34.5 of 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 Listed securities, shares, preference shares, convertible instruments and any form of equity. Such investments shall include those for ready settlement as well as those for future settlement;
- 34.5.12 Any other equity security in respect of which permission to deal on a Stock Exchange is effective subject to the criteria that may be laid down by SECP;
- 34.5.13 Investment in Derivative instruments, other than future contracts, shall be made with the approval of SECP. Derivative instruments shall include options, warrants, equity derivatives, convertibles, interest rate swaps, forward Rate Agreements subject to prior approval of SECP and any other derivative instruments as 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 SECP.
- 34.5.14 Subject to prior approval of SECP and other regulatory approvals the Scheme may seek to invest in foreign securities issued, listed or 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.
- 34.5.15 Any other security and / or instruments and / or transactions that may be allowed by SECP, the NBFC Rules, the NBFC Regulations, or any other regulatory authority from time to time
- 34.5.16 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 under:

**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 34.20.4

Clause 34.20.4 of the Trust Deed hereby stands substituted in its entirety as under:

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

(v) Amendment of Clause 34.21

Clause 34.21 of the Trust Deed hereby stands substituted in its entirety as under:

**34.21“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 34.24

Clause 34.24 of the Trust Deed hereby stands substituted in its entirety as under:

**34.24“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 34.30 in the Trust Deed

After the existing clause 34.29, a new clause 34.30 stands incorporated as under:

**34.30** "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 34.44

Clause 34.44 of the Trust Deed hereby stands deleted in its entirety.

(ix) Amendment of Clause 34.50.1

Clause 34.50.1 of the Trust Deed hereby stands substituted in its entirety as under:

**34.50.1** 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 34.30 to 34.43 stand renumbered as clauses 34.31 to 34.44, 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.