

SECOND SUPPLEMENTAL TRUST DEED
OF
KASB ISLAMIC INCOME OPPORTUNITY FUND
(formerly KASB Islamic Income 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 Name and Category of the Scheme

1.1 Name of the Scheme

KASB Islamic Income Opportunity Fund(KIIOF)

1.2 Category of the Scheme

Islamic Aggressive Income

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

2. Amendment of Clause 4.5 of the Trust Deed

(i) Amendment of Clause 4.5.1

Clause 4.5.1 of the Trust Deed hereby stands substituted in its entirety as under:

4.5.1 Investment Objective

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

(ii) Amendment of Clause 4.5.2

Clause 4.5.2 of the Trust Deed hereby stands substituted in its entirety as under:

4.5.2 Investment Policy

The Fund will aim to generate a stable stream of Shariah compliant income along with capital appreciation by investing in Shariah compliant high to moderate value income products. The Fund will have the flexibility to invest both in short and long term while trading in instruments and products of various maturities. The Fund will thus seek to generate maximum risk adjusted return by investing in a portfolio of instruments having diversified duration. The Fund may also invest up to 30% of its Net Assets, subject to prior approval of SECP and a maximum amount of USD 15m (or as per prevailing regulations), outside Pakistan. All investments of the Fund would be as per the guidelines of the Shariah Advisor, any guidelines as may be specified by the SECP in relation to Shariah compliance and will be in strict conformity with the Shariah.

3. Amendment of Clause 5.1.4.2

Clause 5.1.4.2 of the Trust Deed hereby stands substituted in its entirety as under:

5.1.4.2 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.

4. Amendment of Clause 5.2.8 of the Trust Deed

Clause 5.2.8 of the Trust Deed hereby stands substituted in its entirety, as under:

5.2.8 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 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.

5. Amendment of Clause 5.2.9 of the Trust Deed

Clause 5.2.9 of the Trust Deed hereby stands substituted in its entirety, as under:

5.2.9 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 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.

6. Addition of clause 5.2.17 to the Trust Deed

In Clause 5.2, after the existing clause 5.2.16, the following new clause numbered as "5.2.17" stands incorporated as under:

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

7. Amendment of Clause 8 of the Trust Deed

(i) Deletion of Clause 8.12

Clause 8.12 of the Trust Deed hereby stands deleted in entirety.

(ii) Amendment of Clause 8.13

Clause 8.13 of the Trust Deed hereby stands substituted in its entirety, as under:

8.13 Subject to the NBFC Rules and 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 8.21

Clause 8.21 of the Trust Deed hereby stands substituted in its entirety, as under:

8.21 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.

(iv) The existing clauses 8.13 to 8.22 shall therefore stand renumbered as clauses 8.12 to 8.21 to take effect of the above changes.

(v) Addition of Clauses "8.22" and "8.23"

In Clause 8, the following new clauses numbered as "8.22" and "8.23" stand incorporated as under:

8.22 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.

8.23 The Trustee shall comply with the directions of the SECP given in the interest of the Unit Holders of the Fund

8. Amendment of Clause 9.3 of the Trust Deed

Clause 9.3 of the Trust Deed hereby stands substituted in its entirety as under:

9.3 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.

9. Amendment of Clause 11.2 of the Trust Deed

(i)Amendment of Clause 11.2.1

Clause 11.2.1 of the Trust Deed hereby stands substituted in its entirety as under:

11.2.1 The Scheme shall not invest more than thirty five (35) per cent of its Net Assets in securities of any one sector as per classification of the pertinent Stock Exchange(s) or index weight, whichever is higher, subject to maximum of 40%.

(ii)Amendment of Clause 11.2.5

Clause 11.2.5 of the Trust Deed hereby stands substituted in its entirety, as under:

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

(iii)Amendment of Clause 11.2.7

Clause 11.2.7 of the Trust Deed hereby stands substituted in its entirety as under:

11.2.7 Investment of the Scheme in any company shall not, at any time, exceed an amount equal to fifteen (15) per cent of the total Net Assets of the Scheme at the time of investment or 15% of single issue, whichever is lower.

(iv)Deletion of Clause 11.2.8

Clause 11.2.8 of the Trust Deed hereby stands deleted in entirety.

(v)Amendment of Clause 11.2.9

Clause 11.2.9 of the Trust Deed hereby stands substituted in its entirety as under:

11.2.9 The Management Company shall not take exposure of more than:

(a) thirty five per cent of Net Assets of Scheme in any single group (whereby “group” shall have the same meaning as prescribed in NBFC Regulations); and

(b) ten per cent of Net Assets of Scheme in listed group companies of the Management Company and such exposure shall only be made through the secondary market.

(vi) Deletion of Clause 11.2.10

Clause 11.2.10 of the Trust Deed hereby stands deleted in entirety

(vii) The existing clause 11.2.9 shall stand renumbered as clause 11.2.8 to take effect of the above changes.

(viii) Addition of Clauses 11.2.9, 11.2.10, 11.2.11, 11.2.12, 11.2.13 and 11.2.14

In Clause 11.2, the following new clauses numbered as “11.2.9” “11.2.10”, “11.2.11”, “11.2.12”, “11.2.13” and “11.2.14” stand incorporated as under:

11.2.9 Invest in securities of the Management Company

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

11.2.11 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

11.2.12 Both rated and unrated securities shall be eligible for investment, below investment grade rated securities shall also be eligible for investment

11.2.13 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

11.2.14 No restriction regarding time to maturity of any single security in the portfolio

10. Amendment of Clause 11.3 of the Trust Deed

Clause 11.3 of the Trust Deed hereby stands substituted in its entirety as under:

11.3 Exception to Investment Restrictions

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.

11. Addition of Clause 11.4.8 to the Trust Deed

After the existing Clause 11.4.7, a new clause numbered as "11.4.8" hereby stands incorporated as under:

11.4.8 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.

12. Amendment of Clause 12.1.3 of the Trust Deed

Clause 12.1.3 of the Trust Deed hereby stands substituted in its entirety as under:

12.1.3 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.

13. Amendment of Clause 12.1.7 of the Trust Deed

Clause 12.1.7 of the Trust Deed hereby stands substituted in its entirety, as under:

12.1.7 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.

14. Amendment of Clause 12.2.1 of the Trust Deed

Clause 12.2.1 of the Trust Deed hereby stands substituted in its entirety as under:

12.2.1 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.

15. Amendment of Clause 12.2.5 of the Trust Deed

Clause 12.2.5 of the Trust Deed hereby stands substituted in its entirety, as under:

12.2.5 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 and at the discretion of the Management Company may also be published in any newspaper circulated in Pakistan.

16. Amendment of Clause 12.3 of the Trust Deed

Clause 12.3 of the Trust Deed hereby stands substituted in its entirety, as under:

12.3 Allocation of Front-end Load

12.3.1 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 12.4 and 12.5 to the Trust Deed

After the existing Clause 12.3.3, new Clauses numbered as 12.4 and 12.5 hereby stand incorporated, as under:

12.4 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 documents 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 the 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

12.5 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 of clause 13.2.1 of the Trust Deed

Clause 13.2.1 of the Trust Deed hereby stands substituted in its entirety as under:

13.2.1 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 of clause 13.4 of the Trust Deed

Clause 13.4 of the Trust Deed hereby stands substituted in its entirety as under:

13.4 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 request are paid based on ranking of the request in a queue.

20. Amendment of Clause 14 of the Trust Deed

(i) Amendment of Clause 14.4.2

Clause 14.4.2 of the Trust Deed hereby stands substituted in its entirety as under:

14.4.2 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;

(ii) Deletion of clause 14.4.9

Clause 14.4.9 of the Trust Deed hereby stands deleted and existing clauses 14.4.10 to 14.4.17 stand renumbered as Clauses 14.4.9 to 14.4.16 respectively

21. Amendment of Clause 15 of the Trust Deed

(i) Deletion of Clause 15.2

Clause 15.2 of the Trust Deed hereby stands deleted in entirety.

(ii) Amendment of Clause 15.5

Clause 15.5 of the Trust Deed hereby stands substituted in its entirety as under:

15.5 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.

(iii) Amendment of Clause 15.7

Clause 15.7 of the Trust Deed hereby stands substituted in its entirety as under:

15.7 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 15.8

Clause 15.8 of the Trust Deed hereby stands deleted in entirety.

(v) The existing clauses 15.3 to 15.7 shall therefore stand renumbered as clauses 15.2 to 15.6 to take effect of the above changes.

22. Amendment of Clause 16.6 of the Trust Deed

Clause 16.6 of the Trust Deed hereby stands substituted in its entirety as under:

16.6 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 19.4 of the Trust Deed

Clause 19.4 of the Trust Deed hereby stands substituted in its entirety as under:

19.4 If the SECP modifies the NBFC Rules and/or NBFC Regulations or allows any relaxations to the NBFC Rules and/or NBFC Regulations or issue 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 21.7 of the Trust Deed

Clause 21.7 of the Trust Deed hereby stands substituted in its entirety as under:

21.7 Remuneration of the Management Company; Remuneration of the Trustee and all other costs and expenses as mentioned in clauses 14.3 and 14.4 shall be payable out of the Trust Property.

25. Amendment of Clause 24.1 of the Trust Deed

Clause 24.1 of the Trust Deed hereby stands substituted in its entirety as under:

24.1 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 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.

26. Amendment of Clause 26.1 of the Trust Deed

Clause 26.1 of the Trust Deed hereby stands substituted in its entirety as under:

26.1 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.

27. Amendment of Clause 28.1 of the Trust Deed

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

28.1 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.

28. Addition of Clause 28.8 to the Trust Deed

After the existing Clause 28.7, a new Clause numbered as "28.8" hereby stands incorporated as under:

28.8 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 of Clause 30.9 of the Trust Deed

Clause 30.9 of the Trust Deed hereby stands substituted in its entirety as under:

30.9 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 33.1 of the Trust Deed

Clause 33.1 of the Trust Deed hereby stands substituted in its entirety as under:

33.1 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. Addition of Clauses 38.6, 38.7 and 38.8 to the Trust Deed

In Clause 38, new clauses numbered as “38.6”, “38.7” and “38.8” stand incorporated as under:

38.6 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.

38.7 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

38.8 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 39 of the Trust Deed

(i) Amendment of Clause 39.5

Clause 39.5 of the Trust Deed hereby stands substituted in its entirety as under:

39.5 “**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 39.6

Clause 39.6 of the Trust Deed hereby stands substituted in its entirety as under:

39.6 “**Authorised Investment**” means the Investments (as per guidance of Shariah Advisor) transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:

39.6.1 Certificate of Investments based on Shariah Compliant Structures.

39.6.2 Placement of funds Contracts, securities, instruments issued by companies, organizations, and establishments issued on the Islamic principles, including but not restricted to, of Bai’ Mu’ajjal, Bai’ Salam, Istisna’, Ijarah, Mudarabah, Murabaha, and Musharakah (certificates).

- 39.6.3** Placements of funds under Mudarabah, Murabaha, and Musharakah, Istisna' and Ijarah arrangements.
- 39.6.4** Secured and unsecured, listed or privately placed Shariah compliant debt securities including Sukuks and Shariah based bonds (and other types of sovereign Islamic bonds) issued by Local governments, government agencies statutory bodies, private and/or public entities, and/or financial institutions or a Non Sovereign entity.
- 39.6.5** Shariah Compliant asset-backed securities.
- 39.6.6** Shariah Compliant Term Finance Certificates and Participation Term Finance Certificates and Sukuks
- 39.6.7** Spread transaction in Shariah Compliant local listed securities, , issued by entities, as approved by the Shariah Advisor.
- 39.6.8** Shariah compliant Continuous Funding System (CFS) or any such product subject to relevant SECP and Shariah advisor's approvals
- 39.6.9** Shariah Compliant debt/money market instruments or Government securities.
- 39.6.10** The Fund may seek to invest in other Shariah compliant investments (foreign debt or fixed income Shariah compliant securities) available outside Pakistan (issued listed or otherwise traded outside Pakistan) including shariah compliant international certificates of investment subject to applicable laws and prior SECP approval and other necessary regulatory approvals i.e. (State Bank of Pakistan's approval and Shariah Advisor's approval) and such terms guidelines and directions as may be issued by the SECP and/or State Bank of Pakistan from time to time.
- 39.6.11** The Fund may also hold assets in the form of the riba-free cash deposits with Banks and financial institutions offering Shariah compliant accounts e.g. Islamic Banks and licensed Islamic Banking windows of conventional banks.
- 39.6.12** Any other Shariah compliant instrument or non-riba based securities that may be allowed by the commission from time to time and is as per the guidelines of Shariah Advisor
- 39.6.13** Instrument and Entity Ratings and exposure limits shall be disclosed in the Offering Document.

(iii) Amendment of Clause 39.7

Clause 39.7 of the Trust Deed hereby stands substituted in its entirety as under:

39.7 "Back-end Load" means the charges (excluding Duties and Charges) not exceeding 5% (five per cent of the NAV) payable as specified under clause 12.2.1, 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 39.20.4

Clause 39.20.4 of the Trust Deed hereby stands substituted in its entirety as under:

39.20.4 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 39.21

Clause 39.21 of the Trust Deed hereby stands substituted in its entirety as under:

39.21 “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 39.24

Clause 39.24 of the Trust Deed hereby stands substituted in its entirety as under:

39.24 “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) Amendment of Clause 39.31

Clause 39.31 of the Trust Deed hereby stands substituted in its entirety as under:

39.31 “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 39.45

Clause 39.45 of the Trust Deed hereby stands deleted in its entirety

(ix) Amendment of Clause 39.56.1

Clause 39.56.1 of the Trust Deed hereby stands substituted in its entirety as under:

39.56.1 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 39.46 to 39.58 hereby stand re-numbered as 39.45 to 39.57 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.