

**SECOND SUPPLEMENTAL TRUST DEED OF
ATLAS ISLAMIC INCOME FUND (AIIF)**

This Second Supplemental Trust Deed is made and entered into at Karachi, on this 12 day of November, 2010 by and between:

Atlas Asset Management Limited, a company incorporated under the Companies Ordinance, 1984, with its registered office at Ground Floor, Federation House, Shabrae Firdousi, Clifton, Karachi 75600, (hereinafter called "the Management Company", which expression, where the context so permit shall include its successor-in-interest and assigns) of the one part;

And

Central Depository Company of Pakistan Limited (CDC), a company incorporated under the Companies Ordinance, 1984, having its registered office at CDC House, 99-B, Block B, S.M.C.H.S, Main Shahrah-e- Faisal, Karachi, and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulation) Rules, 1996, (hereinafter called "CDC", which expression where the context so permits, shall include its successors-in-interest and assigns) of the other part.

WHEREAS:

1. The Management Company and the Trustee executed a Trust Deed dated May 07, 2008 to constitute Atlas Islamic Income Fund, which Trust Deed was registered with the Sub-Registrar-I, Jamshed Town, Karachi, under Registered No. 373 of Book No. IV, M.F. Roll No. U 34130/5049 dated 15/05/2008 of the Photo Registrar Karachi, and was amended by supplemental trust deed dated June 23, 2010.
2. The Management Company and the Trustee have mutually agreed to amend certain clauses of the Trust Deed as authorized under Clause 20.1 of the Trust Deed dated May 07, 2008; and
3. The Securities and Exchange Commission of Pakistan (hereinafter called the "SECP") has approved the amendments to the Trust Deed effectuated between the Management Company and the Trustee vide its letter No. SCD/NBFC-II/AAML-AIIF/745/2010 dated September 28, 2010 appended hereto as Annexure "A".

Now this Second Supplemental Trust Deed for Amendment of Trust Deed of Atlas Islamic Income Fund witnesseth as under:

(1) Amendment in Clause 5.7 – Definition “Authorized Investments”

In Clause 5.7(c) of authorized investments, the words “Shariah compliant” shall be added before the words “money market placements” and the word “Islamic” shall be added before the words “certificates of deposits”. Also, the word “pr” before the words “public sector entities” in the last line of clause (f) of authorized investments shall be deleted and replaced with the word “or”.

Furthermore, the words “and treasury bills” under clause (a) of the investment restrictions shall be deleted.

For the sake of clarity, after the said amendment, the Clause 5.7 shall be read as under:

Amended Clause 5.7:

“Authorized Investments” means any Shariah compliant investment instrument available within or outside Pakistan allowed under the Rules/ Regulations and that complies with the guidelines of Shariah Advisor of the Fund. These include:

- (a) Shariah Compliant Government securities;
- (b) Cash in Shariah Compliant Bank Accounts and TDRs with Islamic Banks or Islamic windows of Commercial Banks,
- (c) Certificate of Islamic Investments (COII), Shariah complaint money market placements, Islamic certificates of deposits (COD), certificates of Musharikahs (COM) and commercial paper structured under Islamic principles;
- (d) Shariah compliant spread transactions;
- (e) Placement of funds under Mudarabah, Murabaha and Musharikah arrangements;
- (f) Secured and unsecured, listed or privately placed Shariah Compliant debt securities, including Sukuks issued by local governments, government agencies, statutory bodies, private or public sector entities and/or Financial Institutions;
- (g) Contracts/Securities/Instruments issued by companies on the principles of Bai’ Mu’ajjal, Bai’ Salam, Istisna’a, Ijarah, Mudarabah, Murabaha and Musharikah;
- (h) Investments outside Pakistan as per the guidelines of Fund’s Shariah Advisor and subject to the prior approval of Commission and State Bank of Pakistan;
- (i) Any other Shariah Compliant instrument that may be allowed by the Commission from time to time and is as per the guideline of the Fund’s Shariah Advisor.

Further, the following restrictions apply on the investments of the Fund:

- a) At least 25% of the net assets shall be invested in cash and near cash instruments which include cash in bank accounts (excluding TDRs) not exceeding 90 days maturity;
- b) No more than 15% of the net assets shall be invested in non-traded securities (including reverse repo, bank deposits, certificates of investments (COI), certificate of musharaka (COM) and anything over 6 month maturity which is not a marketable security);
- c) Rating of any debt instrument in the portfolio shall not be lower than A- (A minus);

- d) Rating of any Bank, DFI, NBFC and Modaraba with which funds are placed shall not be lower than A- (A minus);
- e) The weighted average time to maturity of the net assets shall not exceed 4 years. The condition shall not apply to securities issued by the Federal Government and there is no restriction regarding the time to maturity or duration of any single asset in the portfolio.

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

The Management Company and the Trustee hereby certify that in their opinion, the above modifications, alterations and additions to the Trust Deed is required to enable the provisions of the Trust Deed to be more conveniently and economically managed and that the same shall not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

IN WITNESS WHEREOF, this Second Supplemental Trust Deed has been executed on the day and year first written above.

The Common Seal of Atlas Asset Management Limited has hereunto been fixed in the presence of:

Seal

(1) _____

(2) _____

The Common Seal of Central Depository Company of Pakistan Limited has hereunto been fixed in the presence of:

Seal

(1) _____

(2) _____

Witnesses

Name: _____

Name: _____

Occupation: _____

Occupation: _____

Address: _____

Address: _____



Securities and Exchange Commission of Pakistan
Specialized Companies Division
NBFC Department



No. SCD/NBFC-II/AAML-AIIF/ 745/2010

September 28, 2010

Chief Executive Officer,
Atlas Asset Management Limited,
Ground Floor, Federation House,
Shahra-e-Firdousi, Clifton,
Karachi - 75600

ED	CIO
CFO	MKT
IT	AUDIT
HR	RESRCH
ADMIN	PS-CEO
RECORD	SD

SUBJECT: SECOND SUPPLEMENTAL TRUST DEED AND SECOND SUPPLEMENTAL OFFERING DOCUMENT OF ATLAS ISLAMIC INCOME FUND

Dear Sir,

Please refer to your letter dated September 22, 2010 and email dated September 27, 2010 whereby you have submitted second supplemental trust deed and second supplemental offering document of Atlas Islamic Income Fund for approval of the Commission.

In this connection, I am directed to inform you that the Securities and Exchange Commission of Pakistan has no objection to the amendments made in the Trust Deed and Offering Document of Atlas Islamic Income Fund and subsequent registration of second supplemental trust deed under Trust Act, 1882.

You are advised to send us a copy of registered supplemental trust deed for our record.

Yours truly,

(Zeeshan R. Khattak)
Deputy Director

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