

**THIRD SUPPLEMENTAL TRUST DEED
OF ATLAS ISLAMIC FUND (AISF)**

The Third Supplemental Trust Deed is made and entered into at Karachi, on this ____ day of _____, 2009 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 September 12, 2006 to constitute Atlas Islamic Fund, which Trust Deed was registered with the Sub-Registrar – I Jamshed Town, Karachi, under Registered No. 1131 of Book No. IV, M.F Roll No. U 78004/3742 dated 28/09/2006 of Photo Registrar, Karachi and was amended by supplemental trust deeds dated October 29, 2007 and March 6, 2008.
2. The Management Company and the Trustee have mutually agreed to amend certain clauses of the Trust Deed as authorized under sub-clause 15.1.1 of the Trust Deed dated September 12, 2006; 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. [] dated [] appended hereto as Annexure [“ ”].

Now this Third Supplemental Trust Deed witnesseth as under:

(1) Amendment in sub-clause 2.1(c) - Recital:

In sub-clause 2.1(c), the words “Atlas Islamic Fund” in the fourth line shall be deleted and replaced with the words “Atlas Islamic Stock Fund (Formerly known as ‘Atlas Islamic Fund’)”.

Further, a new sentence “In the Trust Deed any reference to the previous title of Fund (which was “Atlas Islamic Fund”) shall be deemed to include the reference of the new title of Fund (which is “Atlas Islamic Stock Fund”).” shall be added as a new Para at the end of sub-clause 2.1(c).

For the sake of clarity, it is stated that after the said amendment, sub-clause 2.1(c) is read as under:

Amended Recital:

The Management company has been authorized by the Commission vide its letter No. SEC/NBFC-II/JD/AISF/561/2006 dated August 18, 2006 appended hereto as Annexure “B” to constitute an Islamic open-end trust scheme under the name and title of Atlas Islamic Stock Fund (Formerly known as ‘Atlas Islamic Fund’) (hereinafter referred to as the “Open-ended Scheme”, the “Scheme”, or AISF or the “Fund”, or the “Trust”) and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Trust Deed;

In the Trust Deed any reference to the previous title of Fund (which was “Atlas Islamic Fund”) shall be deemed to include the reference of the new title of Fund (which is “Atlas Islamic Stock Fund”).

(2) Amendment in sub-clause 2.2.1 – Declaration of Trust

In the first Para under sub-clause 2.2.1, a new sentence “The said Open-end Scheme shall be a Shariah Compliant equity scheme.” shall be added after the first sentence of the Para.

For the sake of clarity, it is stated that after the said amendment, the first Para of sub-clause 2.2.1 is read as under:

Amended sub-clause 2.2.1 (First Para):

An Open-end Scheme is hereby constituted as a trust under the Trusts Act, 1882, under the name of Atlas Islamic Fund. The said Open-end Scheme shall be a Shariah Compliant equity scheme. The Management Company is hereby appointed to establish, manage, operate and administer the Scheme and the Trustee is hereby nominated, constituted and appointed as the trustee of the Scheme hereby created and the Trustee hereby accepts such appointment. The Trustee and the Management Company declare that:

(3) Amendment in sub-clause 2.3.2 – Compliance with Shariah:

In sub-clause 2.3.2, the words “two” shall be deleted and replaced with “one” and the word “Advisors” shall be replaced with “Advisor(s)”.

Further, the words “with the approval of the Commission” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-clause 2.3.2 is read as under:

Amended sub-clause 2.3.2:

The Management Company will appoint a Shariah Advisory Council (the “Council”) consisting of one or more Shariah Advisor(s) under intimation to the Trustee, that will advise the Management Company regarding Shariah.

(4) Deletion of sub-clause 2.3.5 – Compliance with Shariah

The sub-clause 2.3.5 under Clause 2.3 shall be deleted.

For the sake of clarity, the deleted sub-clause 2.3.5 is as under:

Deleted sub-clause 2.3.5

The Auditor to the Trust will report on the compliance of the investments of the Trust with the investment guidelines issued by the Shariah Council in their annual report to the Unit Holders.

(5) Amendment in sub-clause 5.1.2 – Definition “Accounting Period”

The definition given for ‘Accounting Period’ in sub-clause 5.1.2 shall be deleted and replaced with the definition as under:

Amended sub-clause 5.1.2:

“Accounting Period” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid or transferred to the Trustee and (in any other case) from the first day subsequent to the end of the preceding Accounting Period.

(6) Amendment in sub-clause 5.1.4 – Definition “Authorized Branch”

The definition given for ‘Authorized Branch’ in sub-clause 5.1.4 shall be deleted and replaced with the definition as under:

Amended sub-clause 5.1.4:

“Authorized Branch” means those branches of the Distributors whose addresses have been given in the Offering Document and updated from time to time on the website of Atlas Asset Management Limited i.e. www.atlasfunds.com.pk, under intimation to the Trustee.

(7) Amendment in sub-clause 5.1.7 – Definition “Back –End Load”

The definition given for ‘Back-end Load’ in sub-clause 5.1.7 shall be deleted and replaced with the definition as under:

Amended sub-clause 5.1.7:

“Back-end Load” means Load not exceeding five (5) percent of the Net Asset Value deducted by the Management Company from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units, as may be determined by the Management Company and shall be disclosed in the Offering Document of the Fund. The amount of Back end Load shall form part of Deposited Property.

(8) Amendment in sub-clause 5.1.22 – Definition “Deposited Property”

In sub-clause 5.1.22, the words “, except any profit earned on the Distribution Account” shall be added at the end of the sub-clause.

For the sake of clarity, it is stated that after the said amendment, sub-clause 5.1.22 is read as under:

Amended sub-clause 5.1.22:

“Deposited Property” means the aggregate proceeds of the sale of all Units at Offer Price and any processing charges and Transaction Costs recovered in the Offer Prices and any expense chargeable to the Fund; and includes the Investment and all income, profit, shares, securities, deposits, right and bonus shares, cash and bank balances, dividends, fees, commission, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other assets, movable or immovable, and property of every description, whether accrued or accruing, for the time being, held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account, except any profit earned on the Distribution Account.

(9) Amendment in sub-clause 5.1.24 – Definition “Distributor”

In sub-clause 5.1.24, the words “with the approval of” before the words “the Trustee”, shall be deleted and replaced with the words “under intimation to”.

For the sake of clarity, it is stated that after the said amendment, sub-clause 5.1.24 is read as under:

Amended sub-clause 5.1.24:

“Distributor”, “Distribution Company”, “Distribution Companies” mean a company or companies, firm, or bank appointed by the Management Company, under intimation to the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company, itself, if it performs the Distribution Function.

(10) Amendment in sub-clause 5.1.25 (d) – Definition “Distribution Functions”

In sub-clause 5.1.25 (d), the word “monies” in point (d)(i) shall be deleted and replaced with the words “payment instrument” and the words “payments made” in point (d)(ii) shall be deleted and replaced with “payment instrument delivered”.

For the sake of clarity, it is stated that after the said amendment, sub-clause 5.1.25 (d) is read as under:

Amended sub-clause 5.1.25 (d):

Accounting to the Management Company for (i) payment instrument received from the applicants for the issuance of Units; (ii) payment instrument delivered to the Unit Holders on redemption of Units; (iii) expenses incurred in relation to the Distribution Function.

(11) Amendment in sub-clause 5.1.46 – Definition “Atlas Islamic Fund”

In sub-clause 5.1.46, the words “Atlas Islamic Fund” shall be deleted and replaced with the words “Atlas Islamic Stock Fund (formerly Atlas Islamic Fund)”.

For the sake of clarity, it is stated that after the said amendment, sub-clause 5.1.46 is read as under:

Amended sub-clause 5.1.46:

“Atlas Islamic Stock Fund” (formerly Atlas Islamic Fund), “Fund”, “AISF”, “Trust” or “Scheme” or “Open-end Scheme” means the Trust constituted by this Trust Deed.

(12) Amendment in Clause 5.31 – Definition “Halal”

The definition given for “Halal” in Clause 5.31 shall be deleted and replaced with the definition as under:

Amended Clause 5.31:

“Halal” means anything permitted under the Shariah and categorized as Halal by the Shariah Advisor.

(13) Amendment in Clause 5.32 – Definition “Haram”

The definition given for “Haram” in Clause 5.32 shall be deleted and replaced with the definition as under:

Amended Clause 5.32:

“Haram” means anything prohibited under the Shariah and categorized as Haram by the Shariah Advisor.

(14) Addition of new sub-clause 5.1.52A – Definition “Regulations”

After sub-clause 5.1.52, a new sub-clause 5.1.52A shall be added as under:

Additional sub-clause 5.1.52A:

“Regulations” means the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended from time to time (In this Deed, where reference is made to Rules, it shall be construed that it also refers to Regulations).

(15) Amendment in sub-clause 6.1.8 – Duties and Powers of the Management Company

In sub-clause 6.1.8, the word “IV” at the end of the sub-clause shall be deleted and replaced with the word “V”.

For the sake of clarity, it is stated that after the said amendment, sub-clause 6.1.8 is read as under:

Amendment in sub-clause 6.1.8:

The Management Company shall prepare and transmit the annual report, together with a copy of the balance sheet, income and expenditure account and the auditor’s report of a scheme within four months of closing of the accounting period to the unit holders, and the balance sheet and income and expenditure account shall comply with requirements set out in Schedule V.

(16) Amendment in sub-clause 6.1.9 – Duties and Powers of the Management Company

The text under sub-clause 6.1.9 shall be deleted and replaced with the text as under:

Amendment in sub-clause 6.1.9:

Within one month of the close of first and third quarters and within two months of the close of second quarter, prepare and transmit to the unit holders, the trustee, the Commission and the stock exchanges, on which the units of the scheme are 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’ or certificate holders’ fund or net assets or reserves;
- and

(v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the 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:

(17) Deletion of sub-clause 6.1.10 – Duties and Powers of the Management Company

The sub-clause 6.1.10 under Clause 6.1 shall be deleted.

For the sake of clarity, the deleted sub-clause 6.1.10 is as under:

Deleted sub-clause 6.1.10:

Within two months after the close of the first half of its year of account, prepare and transmit to the Unit Holders and the Commission a profit and loss account for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Rules.

(18) Deletion of sub-clause 6.1.16 – Duties and Powers of the Management Company

The sub-clause 6.1.16 under Clause 6.1 shall be deleted.

For the sake of clarity, the deleted sub-clause 6.1.16 is as under:

Deleted sub-clause 6.1.16:

The Management Company shall appoint with the consent of the Trustee, at the establishment of the Scheme and upon any vacancy, a Shariah Compliance auditor who shall be a chartered accountant and independent of the auditor of AAML and CDC and such auditor shall not be appointed for more than such consecutive terms of one year as specified under the NBFC Rules and contents of the auditor's report shall be in accordance with the provisions of the Rules.

(19) Addition of new sub-clauses 6.1.19 and 6.1.20 – Duties and Powers of the Management Company

New sub-clauses 6.1.19 and 6.1.20 shall be added after sub-clause 6.1.18, as under:

Additional sub-clauses 6.1.19 and 6.1.20

6.1.19 The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.

6.1.20 The Management Company shall ensure that no entry and exit to the scheme (including redemption and reissuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.

(20) Amendment in sub-clause 7.1.9 – Deposited Property

In sub-clause 7.1.9, the words “fee of the Shariah Advisors” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-clause 7.1.9 is read as under:

Amended sub-clause 7.1.9:

Remuneration of the Management Company; remuneration of the Trustee; Transaction Costs related to investing and disinvesting of the Deposited Property; Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders; Bank charges and other costs including foreign exchange conversion commissions and buy-sell

spreads; Audit Fees; Formation Costs; Annual Fee payable to the Commission, Listing Fee and Associate Membership Fee payable to the Stock Exchanges; Custody charges including the Trustees charges in its capacity as the Central Depository Company and fee for custodial services for overseas investment; Hedging costs including cost of forward cover or forward or option purchase costs; taxes, fees, duties & other charges in foreign jurisdictions; and domestic taxes, duties & other charges if any applicable to the Trust shall be payable out of the Deposited Property, provided that all the Formation Costs shall be borne by the Fund and will be amortized in equal instalments over a period not exceeding five years.

(21) Addition of new sub-clause 7.1.10 – Deposited Property

A new sub-clause 7.1.10 shall be added after sub-clause 7.1.9 as under:

Additional sub-clause 7.1.10:

The profit earned on the funds in dividend account shall form part of the Deposited Property.

(22) Amendment in Clause 7.2 – Investment Objective

In Clause 7.2, the words “profit bearing securities and other Shariah Compliant securities available outside Pakistan” shall be deleted and replaced with the words “cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding TDRs) and Shariah compliant government securities not exceeding 90 days maturity”.

For the sake of clarity, it is stated that after the said amendment, Clause 7.2 is read as under:

Amended Clause 7.2:

The Fund has been formed to enable Unit Holders to participate in a diversified portfolio of Shariah Compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding TDRs) and Shariah compliant government securities not exceeding 90 days maturity. The Management Company will manage the Fund with the objective of maximizing Unit Holders' returns on their Investments while at all times observing prudent Investment practices, the highest professional standards, all applicable laws, and the Islamic Shariah as advised by the Shariah Council.

(23) Addition of new Clause 7.2 A – Performance Benchmark

A new Clause 7.2 A – ‘Performance Benchmark’ shall be added after clause 7.2 as follows:

Additional Clause 7.2 A:

7.2A Performance Benchmark

The Performance Benchmark for Atlas Islamic Stock Fund shall be ‘Dow Jones – JS Pakistan Islamic Index’.

(24) Amendment in sub-clause 7.3.2 – Investment Policies

The text under sub-clause 7.3.2 shall be deleted and replaced with the text as under:

Amended sub-clause 7.3.2:

The Fund may be invested in the following asset classes:

- (a) Current and saving deposits with Shariah Compliant Banks, excluding TDR;
- (b) Shares/Stocks of listed companies;
- (c) Shariah Compliant Short term Government Securities not exceeding 90 days maturity;

- (d) Investment in any equity security not listed on the Stock Exchange, where application for listing has been accepted by the stock exchange;
- (e) Shariah Compliant investments outside Pakistan, including international listed securities and foreign currency bank deposits (excluding TDR), subject to such conditions as imposed by SECP and with prior approval of SECP and SBP;
- (f) Any other securities or instruments that may be permitted by the Commission and the Shariah Board;

The rating of any Bank or DFI with which Funds are placed should not be lower than A- (A minus). Further, the Fund shall not take exposure to Continuous Funding System (CFS)

At least 70% of the Fund's net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis.

(25) Amendment in sub-clause 7.3.5 – Investment Policy

The text under sub-clause 7.3.5 shall be deleted and replaced with the text as under:

Amended sub-clause 7.3.5:

The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner. The broker will be appointed from time to time by the Management Company under intimation to the Trustee and in accordance with the criteria developed for the appointment of broker.

(26) Amendment in sub-clause 7.3.6 – Investment Policy

The text under sub-clause 7.3.6 shall be deleted and replaced with the text as under:

Amended sub-clause 7.3.6:

The Deposited Property shall be subject to such exposure limits as are provided in the Rules/Regulations, as amended from time to time and any directives issued by the Commission in this respect.

(27) Deletion of sub-clause 7.3.7 – Investment Policy

The sub-clause 7.3.7 under Clause 7.3 shall be deleted.

For the sake of clarity, the deleted sub-clause 7.3.7 is as under:

Deleted sub-clause 7.3.7:

If and, so long as the value of the holding in a particular company shall exceed the limit imposed by the Rules, the Trustee shall not make any further investments in such company. However, this restriction on purchase shall not apply to any offer of right shares or any such other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Unit Holders.

(28) Amendment in sub-clause 7.3.8 – Investment Policy

In sub-clause 7.3.8, the words “or/and any of its Connected Person” wherever used, shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-clause 7.3.8 is read as under:

Amended sub-clause 7.3.8:

The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five percent of the total nominal amount of the securities issued or if the directors and officers of the Management Company collectively own more than ten percent of those securities.

(29) Deletion of sub-clause 7.3.9 – Investment Policies

The sub-clause 7.3.9 under Clause 7.3 shall be deleted.

For the sake of clarity, the deleted sub-clause 7.3.9 is as under:

Deleted sub-clause 7.3.9:

The Fund may engage in sale/ repurchase transactions of sovereign risk securities and listed securities provided that the transactions are regulated by a Stock Exchange or take place with a Financial Institution as counter-party or done through a Financial Institution acting as an intermediary. Such Shariah compliant Investments will be subject to approval of the Commission/ SBP/ Shariah Board. The Fund will follow risk management parameters framed under clause 73(1) of the Rules with regard to such transactions:

Risk Management with regard to securities under sale/ repurchase

- (a) There will be no limit with regard to repurchase of sovereign risk securities with a term of one year or less. Not more than 40% of the Net Assets of the Fund will be exposed at any one time to sovereign risk securities with a term of more than one year;
- (b) Not more than 10% of the Net Assets of the Fund will be exposed to any one issuer of securities;
- (c) Not more than 25% of the Net Assets of the Fund will be exposed to any one sector as defined by a stock exchange;

Risk Management with regard to counterparty under sale/ repurchase

- (d) There will be no limit with regard to Fund exposure to counterparties if the sale/repurchase transaction are regulated and/ or guaranteed by a stock exchange;
- (e) For repurchase transactions with a Financial Institution as counterparty, where the Financial Institution has an 'AA' rating or better (from a domestic rating agency licensed by the Commission), the maximum exposure of the Fund to such Financial Institution will not exceed 20% of the Net Assets of the Fund and where the Financial Institution has an 'A' rating, it will not exceed 10% of the Net Assets of the Fund. In all other cases, it will not exceed 2.5% of the net assets of the Fund. Transactions outside Pakistan will be limited to financial institutions having at least investment grade rating from Standard and Poors (or equivalent rating from reputable international rating agency) and in any case will not exceed 10% of the NAV with any one institution;

Further Restrictions

- (f) The Management Company, at its sole discretion, may impose additional risk management parameters/ restrictions.

(30) Addition of new sub-clause 7.3.11 and 7.3.12 – Investment Policies

New sub-clauses 7.3.11 and 7.3.12 shall be added after sub-clause 7.3.10, as under:

Additional sub-clauses 7.3.11 and 7.3.12:

7.3.11 The rating of any bank or DFI with which funds are placed should not be lower than A-.

7.3.12 The Fund shall not take exposure in Continuous Funding System.

(31) Amendment in sub-clause 7.4.2 – Investments Outside Pakistan

In sub-clause 7.4.2, points (b) and (c) shall be deleted. In point (d), the words “& certificates of investment” shall be deleted and replaced with “excluding Term/Time deposits”.

Further, the words “All foreign investments shall be subject to the approval of SECP and SBP.” shall be added at the end of the last sentence under the sub-clause.

For the sake of clarity, it is stated that after the said amendment, sub-clause 7.4.2 is read as under:

Amended sub-clause 7.4.2:

Deposited Property can be invested in international Investments including the following:

- a) International listed equities;
- b) Foreign currency Shariah Compliant bank deposits excluding Term/Time deposits
- c) Foreign currency Shariah Compliant bank accounts in Pakistan;
- d) Mutual funds;

provided that the above investments are Shariah Compliant as per the Shariah Advisors of the respective jurisdiction and accepted by the Shariah Advisory Council. All foreign investments shall be subject to the approval of SECP and SBP.

(32) Amendment in sub-clause 7.4.3 – Investments Outside Pakistan

In the first Para of sub-clause 7.4.3, the words “, international profit bearing securities and international money markets” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-clause 7.4.3 is read as under:

Amended sub-clause 7.4.3:

While investing in international equities, the Management Company will invest through its foreign counterpart unless it has built in-house capacity to manage international Investments and provided evidence of the same to the Trustee. However, for jurisdiction where foreign counterpart does not have operations, the Management Company may invest through following agencies:

- (a) Mutual funds;
- (b) Index funds or securities that give exposure to international equity indices;
- (c) Individually managed accounts with a reputable international fund manager; or
- (d) After acquiring the services of a reputable international fund manager through a joint venture or a service agreement.

(33) Deletion of sub-clause 7.4.6 – Investments Outside Pakistan

The sub-clause 7.4.6 under Clause 7.4 shall be deleted.

For the sake of clarity, the deleted sub-clause 7.4.6 is as under:

Deleted sub-clause 7.4.6:

Direct investments of the Fund in debt securities will only take place in 'investment grade' securities and 'sovereign risk' securities. Only up to 50% of the allowed limit of international investments shall be placed in sovereign risk securities of countries outside Pakistan and only up to 20% of the allowed limit of international investments in sovereign risk securities of any one country with the sovereign risk portion, if fully invested, divided among five different countries. The above limit will be applicable only to direct investments by the Fund.

(34) Amendment in sub-clause 7.5.8 – Restrictions:

The text under sub-clause 7.5.8 shall be deleted and replaced with the text as under:

Amended sub-clause 7.5.8:

Enter into transaction(s) with and Broker(s) that exceed thirty percent of the commission paid by the collective investment scheme in any one accounting year;

(35) Amendment in sub-clause 7.5.9 – Restrictions

The text under sub-clause 7.5.9 shall be deleted and replaced with the text as under:

Amended sub-clause 7.5.9:

Take exposure to any single entity, in excess of an amount equal to 15% of the Net Asset Value of the Fund or an amount sufficient to acquire 15% of issued capital of that entity. The above limit shall not apply to cash and Shariah Complaint Government Securities.

(36) Amendment in sub-clause 7.5.10 – Restrictions

In sub-clause 7.5.10, the word “25%” shall be replaced with “30%”.

For the sake of clarity, it is stated that after the said amendment, sub-clause 7.5.10 is read as under:

Amended sub-clause 7.5.10:

Invest more than 30% of the Net Asset Value of the Fund in securities of any one business sector as per classification of the stock exchange in which such security is listed;

(37) Deletion of sub-clause 7.5.11A – Restrictions

The sub-clause 7.5.11A under Clause 7.5 shall be deleted.

For the sake of clarity, the deleted sub-clause 7.5.11A is as under:

Deleted sub-clause 7.5.11A:

The Commission, vide its letter No.SEC/NBFC-II/AD-Jan/AISF/727/2006, dated October 10, 2006, has relaxed the limit (given in 7.5.9) of investment in any single company from 10% to 15% of the Net Asset of the Fund or the issued capital of the investee company, whichever is lower. Likewise, the Commission, vide its abovementioned letter, has also relaxed the sector limit (given in 7.5.10) from 25% of the Net Asset s of the Fund in securities of any one business sector as per classification of the stock exchange in which such security is listed, to 30%.

(38) Addition on new sub-clauses 7.5.15 and 7.5.16 – Restrictions

New sub-clauses 7.5.15 and 7.5.16 shall be added after sub-clause 7.5.14, as under:

Additional sub-clause 7.5.15 and 7.5.16

7.5.15 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 Regulations.

7.5.16 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.

(39) Amendment in sub-clause 7.6.1 – Exceptions to Investment Restrictions

The text under sub-clause 7.6.1 shall be deleted and replaced with the text as under:

Amended sub-clause 7.6.1:

In the event the exposure of the Scheme exceeds the limits specified in the Offering Document and the Rules and Regulations, because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets, the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Management Company. But in any case the Management Company shall not invest further in such shares or sectors while the deviation exists.

(40) Amendment in sub-clause 8.1.5 and 8.1.8 – Valuation of Assets

The sub-clauses 8.1.5 and 8.1.8 under Clause 8.1 shall be deleted.

For the sake of clarity, the deleted sub-clauses 8.1.5 and 8.1.8 is as under:

Amended Clause 8.1.5 and 8.1.8:

8.1.5 A security bought or sold under a repurchase or reverse repurchase transaction, which has to be settled at a future date, shall be valued by taking the net effect of the complete transaction into account. The value or loss occurring shall be recognized taking into account the allocation of such value or loss over the period between the transaction date and the settlement date.

8.1.8 A derivative shall be valued at current market price or, if it is an over-the-counter derivative, at the value quoted for it by a financial institution or the inferred value of the derivative based on the value of the commodity for which it has been written. The valuation of the derivative must be congruous to the valuation of the commodity for which it has been written.

(41) Amendment in sub-clause 9.1.5 – Dealing, Suspension and Deferral of Dealing

In sub-clause 9.1.5, the words “, under intimation to the Trustee and SECP” shall be added after the words “suspended or deferred” in the first line.

Further, a new para shall be added at the end of the sub-clause 9.1.5, as under:

“The Management Company shall ensure that in case of suspension of redemption of units of the scheme due to extra ordinary circumstances, as stated above and as per the provisions of the Regulations, the issuance of fresh units shall also be kept suspended until and unless the redemption of units is resumed.”

For the sake of clarity, it is stated that after the said amendment, the sub-clause 9.1.5 is read as under:

Amended sub-clause 9.1.5:

The redemption of Units may be suspended or deferred, under intimation to the Trustee and SECP, during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of one or more Stock Exchanges on which any of the Securities invested in by the Fund are listed, closure of the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or 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 Fund 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. 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 in issue. 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 Fund. Details of the procedure are given in Section 9.1.6 below.

The Management Company shall ensure that in case of suspension of redemption of units of the scheme due to extra ordinary circumstances, as stated above and as per the provisions of the Regulations, the issuance of fresh units shall also be kept suspended until and unless the redemption of units is resumed.

(42) Amendment in sub-clause 10.3.1 – Formation Cost

In sub-clause 10.3.1, the word “exceeding” shall be deleted and replaced with the words “less than”.

For the sake of clarity, it is stated that after the said amendment, the sub-clause 10.3.1 is read as under:

Amended sub-clause 10.3.1:

Formation Costs shall be borne by the Fund and amortized over a period not less than five years.

(43) Amendment in Clause 10.4 – Allocation of Front-End/Back-end Load

In Clause 10.4, the words “/Back End” wherever used, shall be deleted.

For the sake of clarity, it is stated that after the said amendment, Clause 10.4 is read as under:

Amended Clause 10.4:

The remuneration of Distribution Companies and Sales Agents shall be paid exclusively from any Front-end Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Front-end Load after such disbursement shall be paid by the Trustee to the Management Company as distribution support and processing charges for their distribution services for the Trust. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.

(44) Amendment in Clause 10.6 – Other Fees and Charges

In Clause 10.6, three new points shall be added as under:

- Charges and levies of Stock Exchange and National Clearing and Settlement Company;
- Printing Cost; and
- Any other expense or charge as may be allowed by the Commission.

Further, the points (e), (g) and (k) under the sub-clause 10.6 shall be deleted.

For the sake of clarity, it is stated that after the said amendment, Clause 10.6 is read as under:

Amended Clause 10.6:

Other fees and charges shall include:

- a) Brokerage and transaction costs related to investing and dis-investing of the Deposited Property;

- b) Legal and related costs (with the consent of the Trustee) incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders;
- c) Bank charges, foreign currency conversion commission & buy-sell spreads, fund transfer costs and borrowing/financial costs;
- d) Audit Fees;
- e) Annual Fee payable to the Commission;
- f) Custody charges including Central Depository Company of Pakistan charges and cost of custodial services for overseas investments;
- g) Hedging costs including forward cover, forward purchase or option purchase costs;
- h) Taxes, fees, cess, duties and other charges levied by foreign jurisdictions on investments outside Pakistan and any domestic taxes, fees, cess, duties and other charges;
- i) Charges and levies of Stock Exchange and National Clearing and Settlement Company;
- j) Printing Cost; and
- k) Any other expense or charge as may be allowed by the Commission.

(45) Addition of new Clause 10.7 – Fees and Charges

A new Clause 10.7 shall be added after sub-clause 10.6, as under:

Additional sub-clause 10.7:

Any cost associated with sales, marketing and advertisement of the schemes shall not be charged to the Fund.

(46) Amendment in Clause 11.1 – Transaction with Connected Persons

The text under Clause 11.1 shall be deleted and replaced with the text as under:

Amended Clause 11.1:

- 11.1.1 AISF shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total amount of securities issued, or, the directors and officers of the Management Company collectively own more than ten per cent (10%) of those securities.
- 11.1.2 The Management Company on behalf of the Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell any security to, any connected person or employee of the Management Company.
- 11.1.3 For the purpose of paragraph 5.7.1 and 5.7.2 above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 11.1.4 The Management Company on behalf of the scheme, shall not invest in Trustee
- 11.1.5 Cash forming part of the property of the Scheme shall be placed as deposits with the Trustee or an institution licensed to accept deposits.
- 11.1.6 Money shall be borrowed from the Financial Institutions provided that the charges are not higher than the normal bank charges.
- 11.1.7 Subject to the Rules/Regulations, any transaction involving sale or purchase of securities between the Trust and the Management Company or any of their respective Connected Persons or its employees shall only be made with the prior approval of the Commission.

(47) Amendment in sub-clause 12.2.3 – Distribution of Income

The text under sub-clause 12.2.3 shall be deleted and replaced with the text as under:

Amended sub-clause 12.2.3:

Within 45 days of the Accounting Date the Management Company shall instruct the Trustee to issue payment instruments or to transfer to the Distribution Account such amount of cash as required to effect the cash distribution of income to the Unit Holders net of re-investment of dividend as provided by 12.2.6 below. The amount standing to the credit of the Distribution Account excluding any profit earned on dividends, shall not be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute to Unit Holders as herein provided.

(48) Amendment in sub-clause 12.2.6 – Distribution of Income

The text under sub-clause 12.2.6 shall be deleted and replaced with the text as under:

Amended sub-clause 12.2.6:

Certain Unit Holders may opt to re-invest any cash distributions from the Fund into Units of the Fund. The Management Company, in such cases will not pay cash distribution but will arrange to issue Units of the Fund out of the relevant cash distribution net of any deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments. Issue of the account statement by the Transfer Agent showing an increase in Units shall be a good discharge of the obligation to pay dividends. In such cases, the Units will be issued at Net Asset Value less any Duties and Charges and will not attract any Front-end Load or Transaction Cost.

(49) Addition of new sub-clause 17.1.6A – Designated Points for Acceptance of Applications and Cut-Off Timing

A new sub-clause 17.1.6A shall be added after Clause 17.1.6 as under:

Additional sub-clause 17.1.6A:

17.1 6A Designated Points for Acceptance of Applications and Cut-Off Timings:

The Management Company shall designate and disclose the location of its official points for acceptance of application for issuance, redemption, conversion and transfer of Units and Administration Plans, in the Offering Document of the Fund, as well as on its web-site as updated from time to time. All applications shall be acknowledged noting the date and time of such application. The Management Company shall specify cut-off timings for acceptance of applications at the designated points for issuance, redemption, conversion and transfer of Units, including Administration Plans. All such designated points shall have a proper time and date stamping mechanism for timely acknowledgement of the said applications.

(50) Amendment in sub-clause 17.2.8 – Duties and Powers of the Trustee:

The text under sub-clause 17.2.6 shall be deleted and replaced with the text as under:

Amended sub-clause 17.2.8:

The Trustee shall issue a report to be included in the annual and quarterly reports to be sent to the Unit Holders which shall include:

- (1) Statement of opinion whether the Asset Management Company has managed the Collective Investment Scheme in accordance with provisions of the constitutive documents and other regulatory requirements

(2) Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

(3) Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the shortcoming(s).

(51) Amendment in sub-clause 17.2.16 – Duties and Powers of the Trustee

In sub-clause 17.2.16, the word “reasonable” before the words “legal fees” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-clause 17.2.16 is read as under:

Amended sub-clause 17.2.16:

The Trustee shall, if requested by Management Company, and may, if it considers necessary for the protection of Deposited Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders’ action in respect of the Deposited 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 authorized directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust 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 fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules. For the avoidance of doubt it is clarified that, notwithstanding anything 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 Trust 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 and other liabilities shall be borne by the Fund.

(52) Addition of new sub-clauses 17.2.18 and 17.2.19 – Duties and Powers of the Trustee

New sub-clauses 17.2.18 and 17.2.19 shall be added after Clause 17.2.17 as under:

Additional sub-clauses 17.2.18 and 17.2.19:

17.2.18 Trustee shall not invest in the Units of the Fund.

17.2.19 The Trustee shall immediately inform the Commission if any action of the Asset Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.

(53) Amendment in sub-clause 18.4.10 – Register of Unit Holders

In sub-clause 18.4.10, the words “in consultation with” in the first line shall be deleted and be replaced with the words “under intimation to”.

Further, at the end of the sub-clause, the following sentence shall be added:

“However, in no case the time period for closure of register shall exceed six (6) working days at a time.”

For the sake of clarity, after this amendment the sub-clause 18.4.10 is read as under:

Amended sub-clause 18.4.10:

The Register may be closed under intimation to the Trustee for such period as the Management Company may, from time to time, determine and after giving at least seven days notice to Unit Holders, provided that it is not closed for more than forty-five days in any calendar year. However, in no case the time period for closure of register shall exceed six (6) working days at a time.

(54) Addition of new sub-clause 18.9.11 – Redemption of Units

A new sub-clause 18.9.11 shall be added after sub-clause 18.9.10, as under:

Additional sub-clause 18.9.11:

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

(55) Deletion of Clause 19.6 – Shariah Audit

The Clause 19.6 ‘Shariah Audit’ shall be deleted.

For the sake of clarity, the deleted Clause 19.6 is as under:

Deleted Clause 19.6:

SHARIAH AUDIT

The Auditors will also act as Shariah-Compliance Auditors, and will complete a Shariah-Compliance Audit of the Scheme for each Accounting Period within four months from the relevant Accounting Data becoming available and will issue a Shariah-Compliance audit report. The report will assess the compliance of the Fund with the investment guidelines issued by the Shariah Council.

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 Third 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: _____
Occupation _____
Address: _____

Name: _____
Occupation: _____
Address: _____