

FIRST SUPPLEMENTAL TRUST DEED
IGI STOCK FUND

THIS FIRST SUPPLEMENTAL TRUST DEED OF "IGI STOCK FUND" is made and entered into at Karachi, on this 6th day of **August, 2010**; by and between:

- (A) **IGI Funds Limited**, a public limited company incorporated under the Companies Ordinance, 1984, having its registered office at 5 F.C.C, Syed Maratib Ali Road, Gulberg, Lahore (hereinafter called the "**Management Company**", which expression where the context so permits shall include its successors-in-interest and assigns) of the One Part; and
- (B) **Central Depository Company of Pakistan Limited**, a public limited 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, (hereinafter called the "**Trustee**", 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 10th day of June, 2008 to constitute **IGI Stock Fund**, which Trust Deed was registered with the Sub-Registrar-I, Jamshed Town, Karachi, under Registered No.436 of Book no. IV dated 10-06-2008 and M.F. Roll No.U-43559/5129 dated 14-06-2008 ("the Trust Deed").
- (2) The Management Company and the Trustee have agreed to amend certain Clauses of the Trust Deed in accordance with Clause 19 of the Trust Deed.
- (3) The Securities & Exchange Commission of Pakistan ("the Commission") has approved the amendments to the Trust Deed, vide its letter no. NBFC-II/JE-ZI/IGISF/584/2010 dated July 23, 2010, annexed hereto as "**Annexure A**".

NOW THEREFORE THIS FIRST TRUST DEED OF IGI STOCK FUND, WITNESSETH AS FOLLOWS:—

1. Amendment to Clause 1:

The text of Clause 1 of the Trust Deed be and is hereby replaced with the following:—

"NAME AND CATEGORY OF THE SCHEME

1.1 Name of the Scheme

IGI Stock Fund

1.2 Category of the Scheme

Equity Scheme

2. Amendment to Recital B:

In Recital B of the Trust Deed, the words "*Non-Banking Finance Companies and Notified Entities Regulations, 2007*", be and are hereby replaced with "*Non-Banking Finance Companies and Notified Entities Regulations, 2008 (hereinafter referred to as "the Regulations")*".

3. Amendment to Clause 2.2:

After existing sub-clause 2.2.3, the following new sub-clause 2.2.4 be and is hereby incorporated:–

2.2.4. *In case the Management Company intends to seek relaxation of any condition under the Rules and/or the Regulations applicable to the Scheme, then it shall obtain prior specific written approval from the Commission for such relaxation.*

4. Amendment to Clause 4.3:

In sub-clause 4.3.2, reference to "*Regulation 61(2)(e)(ii)*" be and is hereby replaced with reference to "*Regulation 44(3)(e)(ii)*".

5. Amendment to Clause 5.1:

- (i) The text of the first para of sub-clause 5.1.5 be and is hereby replaced with the following text:–

"Distribution

The Management Company shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) and/or Sub-Distributor(s) for carrying on Distribution Function(s) at one or more location(s) on the terms and conditions to be incorporated in distribution and/or sub-distribution agreement(s) to be entered into between the Distributor(s) and/or Sub-Distributor(s) and the Management Company, which shall clearly state the conditions for avoidance of frauds and sales based upon misleading statements. Such Distributor(s) and Sub-Distributor(s) shall be associate members of the association constituted in consultation with the Commission and shall abide by the code of conduct prescribed by such Association."

- (ii) In the existing sub-clause 5.1.7 under the heading "*Record Keeping*", the following new para be and is hereby incorporated:–

"The Management Company shall maintain proper accounts and records to enable a complete and accurate view to be formed of (i) the assets and liabilities of the Scheme, (ii) the income and expenditure of the Scheme, (iii) all transactions for the account of the Scheme, (iv) all amounts received by the Scheme in respect of the issuance of the Units, (v) all amounts paid out by the Scheme on redemption of Units and by way of distributions and (vi) pay out at the termination of the Scheme. Such accounts and records shall be maintained for a period of ten years or as prescribed under the provisions of the Rules, the Regulations or any other law for the time being in force."

6. Amendment to Clause 5.2:

(i) In Clause 5.2, sub-clause 5.2.6 be and is hereby omitted and the ensuing sub-clause 5.2.7 be and is hereby renumbered as sub-clause 5.2.6.

(ii) The text of existing sub-clause 5.2.7, now renumbered as 5.2.6 be and is hereby replaced with the following text:

5.2.6 The Management Company shall prepare and transmit within four month of the closing of the Accounting Period of the Scheme to the Unit Holders, the Trustee, the Commission and the Stock Exchanges on which the Units are listed, an Annual Report as per the requirement set out in Schedule V of the Regulations, including (i) copy of the balance sheet and income statement, (ii) cash flow statement, (iii) statement of movement in the Unit Holders fund or the Net Assets or Reserves and (iv) the Auditor's report of the Scheme.

(iii) The existing sub-clause 5.2.8 be and is hereby omitted and the ensuing sub-clauses 5.2.9, to 5.2.17 be and are hereby re-numbered as 5.2.7 to 5.2.15 respectively.

(iv) The text of the existing sub-clause 5.2.9, now renumbered as 5.2.7 be and is hereby replaced by the following:

"The Management Company shall within one (1) month of the closing of the first quarter (3 months) and third quarter (9 months) and within two (2) months of the closing of the second quarter (6 months) 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 Holder's fund 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 value (at carrying and at market) and the percentage in relation to its own assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise: Provided that the Commission, subject to any conditions, may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the Management Company's website and the Management Company shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested."

(v) In sub-clause 5.2.11, now renumbered as 5.2.9, "Schedule IV" be and is hereby replaced with "Schedule V".

(vi) In the sub-clause 5.1.17, now renumbered as 5.1.15, in the second line cross-reference to "clause 5.2.16" be and is hereby replaced by "clause 5.2.14".

7. Amendment to Clause 5.3:

(i) Sub-para (h) of Clause 5.3, be and is hereby replaced with the following text:

(h) enter into transactions with any Broker on behalf of the Scheme which exceeds thirty percent of the commission paid by the Scheme in any one accounting year; subject however, that such Broker shall not have a common director, officer or employee with the Management Company.

(ii) After sub-para (k) of Clause 5.3, a new sub-para (l) be and is hereby incorporated as follows:—

(l) open or close or arrange to open or close any account with a Bank, Broker or depository for the Scheme without the approval of its board of directors.

8. Amendment to Clause 6.1

The text of Clause 6.1 be and is hereby replaced with the following text:

6.1 *The Commission may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least three months notice in writing to the Management Company and cause the Trustee to appoint a new Management Company with the approval of the Commission if the Management Company has willfully contravened any of the provisions of this Deed or the Rules or the Regulations in material respects after such contravention has come to its notice.*

9. Amendment to Clause 6.2:

The text of Clause 6.2 be and is hereby replaced with the following text:-

6.2 *If the Commission has cancelled the licence of the Management Company under the provisions of the Regulations/Rules/ the Ordinance, or if the Management Company goes into liquidation (other than voluntarily liquidation on terms previously agreed to with the Trustee for purposes of re-construction and amalgamation), or a receiver is appointed over any of the assets of the Management Company or the Management Company has become ineligible to act as management company under the Rules and/or the Regulations, the Trustee shall, with the prior written approval of the Commission, appoint another asset management company as the management company for the Scheme in accordance with the provisions of the Regulations.*

10. Incorporation of new Clause 6.8

(i) After the existing Clause 6.7, a new Clause numbered as 6.8 be and is hereby incorporated as follows:-

6.8 *In case of change, the Management Company shall continue be liable for any default in or non-performance of its duties as the Management Company or for any negligence on its part or on part of its officer or officials, nominees or agents and for any acts or omissions effectuated prior to and up to the effective date in accordance with the provision of the Trust Deed and Offering Document, the Rules and the Regulations, whereafter the new management company shall be responsible for the same. Further the Management Company shall indemnify the new management company in respect of any default, non performance or violations of the terms and conditions of this Trust Deed, Offering Document, the Rules and / or Regulations that may have taken place due to its negligence, prior to and upto the effective date and which may come to the notice of the Trustee and the new management company or the Commission at any time after the effective date.*

(ii) The existing Clause 6.8 to 6.12 be and are hereby renumbered as 6.9 to 6.13 respectively.

11. Amendment to Clause 7:

(i) Clause 7.1 be and is hereby amended as follows:-

The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund. The Trustee shall take into its custody or control the Trust Property and hold the same in accordance with the law and the provisions of the Constitutive Documents. The cash and the registerable assets shall be registered in the name, or to the order of, the Trustee. The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Trust Deed, the Offering Document, the Rules and the Regulations and the conditions, if any, which may be imposed by the Commission from time to time.

(ii) After the existing Clause 7.21, the following new Clauses, 7.22, 7.23, 7.24 and 7.25 be and are hereby incorporated:—

7.22 *The Trustee shall ensure that the conditions under which the Scheme has been registered are complied with.*

- 7.23 *The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.*
- 7.24 *The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holders."*
- 7.25 *The Trustee shall not invest in the Units of the Fund.*

12. Amendment to Clause 8:

- (i) After the existing Clause 8.7, a new Clause numbered as 8.8 be and is hereby incorporated as follows:-
- 8.8 *In case of change in trustee, the Trustee shall continue to be liable for any default in or non-performance of its duties as trustee or for any negligence on its part or on part of its officers or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the effective time in accordance with the provisions of the Trust Deed, the Offering Document, the Rules and the Regulations, whereafter the new trustee shall be responsible for the same. Further the Trustee shall indemnify the Management Company and new trustee in respect of any default, non performance or violations of the terms and conditions of the Trust Deed, the Offering Document, the Rules and/or the Regulations that may have taken place due to its negligence, prior to and upto effective time and which may come to the notice of the Management Company or the new trustee or the Commission at any time after the effective time.*
- (ii) The existing Clause 8.8 to 8.13 be and are hereby renumbered as 8.9 to 6.14 respectively.

13. Amendment to Clause 9.2

The text of first para of Clause 9.2 be and is hereby replaced with the following text:—

"The Scheme shall construct a diversified portfolio of equity and other Authorized Investments. At least 70% of the Net Assets of the Scheme shall remain invested in listed equity securities during the year on quarterly average investment calculated on daily basis. The remaining Net Assets shall be invested in cash and/or near cash instruments which shall include cash in bank account (excluding TDRs) and treasury bills not exceeding 90 days maturity. The Scheme shall not take exposure to Continuous Funding System (CFS)."

14. Amendment to Clause 9.3:

In sub-clause 9.3.4, reference to "Regulation 45(5)(h)" be and is hereby replaced with reference to "Regulation 37(7)(h)".

15. Amendment to Clause 9.4:

- (i) The text of sub-clause 9.4.2 be and is hereby replaced with the following text:

"the exposure of the Scheme to any single entity shall not exceed an amount equal to ten percent of the total Net Assets of the Scheme provided exposure to equity securities of a company shall not exceed 10% of the issued capital of that company and exposure to any debt issue of a company shall not exceed 10% of that issue."

Provided that where exposure of the Scheme exceeds the limits so specified because of the corporate actions, including taking up of right shares or bonus issue, and due to the market price increase or decrease in Net Assets, due to the redemptions, the excess exposure shall be regularized within three (3) months of the breach of limits unless the period of three months is extended by the Commission on an application by the Management Company."

- (ii) Sub-clause 9.4.3 stands deleted and the ensuing sub-clauses 9.4.4 to 9.4.10 be and are hereby re-numbered as sub-clauses 9.4.3 to 9.4.9 respectively.
- (iii) The text of para (b) of sub-clause 9.4.5, now re-numbered as 9.4.4, be and is hereby replaced with the following text:—
- "ten percent (10%) of Net Assets of the Scheme at the time of taking exposure in listed group companies of the Management company and such exposure shall be made only through the secondary market."*
- (iv) The text of sub-clause 9.4.6, now re-numbered as 9.4.5, be and is hereby replaced with the following text:—
- "The Scheme shall not invest in unlisted securities unless an application for listing of such securities has been accepted by the pertinent Stock Exchange(s). Provided the Scheme may make total investments in pre-initial public offering (Pre-IPO) upto fifteen per cent of its Net Assets, subject to investment limits prescribed under the Regulations."*
- (v) In sub-clause 9.4.7, now re-numbered as 9.4.6, after the term "*Management Company*", appearing for the first as well as for the second time, words "*or any of their Connected Persons*" be and are hereby deleted.
- (vi) The text of sub-clause 9.4.8, now re-numbered as 9.4.7, be and is hereby replaced with the following text:—
- "The Scheme shall not purchase from or sell any security to any Connected Person or an employee of the Management Company without the written approval of its board of directors and the consent of the Trustee. Provided that this limitation shall not apply to issue, sale or redemption of Units issued by the Scheme."*
- (vii) The text of the existing sub-clause 9.4.10, now re-numbered as 9.4.9, be and is hereby replaced by the following text:
- "The Management Company on behalf of the Scheme shall not at any time roll over the investments, if in the opinion of the Trustee, the Fund would not be able to issue payment instrument(s) for redemption money to the Unit Holder(s) within time period stipulated in the Regulations."*
- (viii) After the existing sub-clause 9.4.9 (replaced as above), the following new sub-clauses 9.4.10, 9.4.11 and 9.4.12 be and are hereby incorporated as follows:-
- 9.4.10 *At least 70% of the Net Assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining Net Assets shall be invested in cash and/or near cash instruments which include cash in Bank Accounts (excluding TDRs) and treasury bills, not exceeding 90 days maturity. The Scheme shall not take exposure to Continuous Funding System (CFS).*
- 9.4.11 *The Management Company shall not make any further investment or roll over of any investment of the Scheme in case borrowing limit has already been exhausted or redemption requests are pending for more than six days.*
- 9.4.12 *The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment(s) of the Unit Holder(s) in the Fund.*

16. Addition of new Clauses 9.5:

- (i) In Clause 9, after the existing Clause 9.4, a new Clause numbered as Clause 9.5 be and is hereby incorporated as follows:

9.5 *Investment Exposure Limits*

Investments of the Scheme shall follow exposure limits expressed as percentage of Net Assets, prescribed by the Commission under its Circular No.07 of 2009, as may be substituted or modified from time to time.

- (ii) The existing Clauses 9.5 and 9.6 be and are hereby renumbered as Clauses 9.6 and 9.7 respectively.

17. Replacement of the Existing Clause 9.6:

The entire existing Clause 9.6, now renumbered as Clause 9.7 and its title "Risk Disclosure" be and is hereby omitted and substituted by new Clauses 9.6 and 9.7 under headings "Classification of Investment" and "Benchmark" as follows:

9.6 *Classification of Investment*

The Fund shall invest in various classes of assets covered under the definition of "Authorized Investments" under Clause 36.5, provided these are permissible under the Regulations or by notifications, circulars and directions issued by the Commission from time to time."

9.7 *Benchmark*

The Benchmark for the return on investments shall be KSE-100 Index.

18. Amendment to Clause 11.1 :

In Clause 11.1, the text of sub-para (b) be and is hereby deleted and the ensuing sub-paras (c) to (m) be and are hereby renumbered as (b) to (l) respectively.

19. Amendment to Clause 11.2 :

The text of Clause 11.2 be and is hereby replaced with the following text:—

11.2 *Determination of Offer Price*

11.2.1 *During the Initial Offer, the Units shall be offered at the Initial Offer Price. The offer and issuance of Units during the Public Offering shall be conducted during the period specified in the Offering Document. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the Regulations.*

11.2.2 *The Offer Price shall be equal to the sum of:*

- (a) *the Net Asset Value as of the close of Business Day to be announced by the Management Company latest by 18.30 hours on that Business Day;*
- (b) *any Front-end Load;*
- (c) *such amount as the Management Company may consider being an appropriate provision for Duties and Charges;*
- (d) *such amount as the Management Company may consider an appropriate provision for Transaction Costs.*

such sum shall be adjusted upwards to the nearest Paisa.

11.2.3 *The Offer Price shall be calculated on each Subscription Day.*

11.2.4 *The Offer Price so determined shall subject to realization of the Funds in the Bank Account from the investor, apply to purchase requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—*

Day
Monday to Friday

Time
0.9.00 a.m. to 3.00 p.m.

- 11.2.5 *All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 11.2.4 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company shall forward all the purchase requests to the Trustee within twenty four hours of the receipt thereof.*
- 11.2.6 *In case after receiving the application, funds are not realized against cheque, bank draft, or other payment instrument delivered by the applicant, no Unit shall be credited or issued to him and the applicant shall be liable to reimburse the Management Company the bank charges applicable on return or dishonour of the cheque, bank draft or other payment instrument.*
- 11.2.7 *In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.2.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).*
- 11.2.8 *In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.2.2(c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application.*
- 11.2.9 *The Offer Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan.*

20. Amendment to Clause 11.4 :

The text of Clause 11.4 be and is hereby replaced with the following text:—

11.4 Determination Of Redemption Price

- 11.4.1 *During the Initial Offer, the Units shall be offered at Initial Price. The offer and issuance of Units during the Initial Period shall be conducted during the period specified in the Offering Document. During the Initial Period, Units shall not be redeemed. After the Initial Period, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the Regulations.*
- 11.4.2 *After the Initial Period, 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; and*
- (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 to be adjusted downwards to the nearest paisa.*
- 11.4.3 *The Redemption Price shall be calculated on each Subscription Day.*
- 11.4.4 *The Redemption Price so determined shall apply to redemption requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—*

Day
Monday to Friday

Time
0.9.00 a.m. to 3.00 p.m.

- 11.4.5 *All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 11.4.4 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company shall forward all the redemption requests to the Trustee within twenty four hours of the receipt thereof.*
- 11.4.6 *In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.4.2(b) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (including where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment).*
- 11.4.7 *In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 11.4.2(b) above exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.*
- 11.4.8 *The Redemption Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan.*
- 11.4.9 *In the event the Units are redeemed by any major Unit Holder in such period of time that the Management Company believes, may adversely affect the interest of other Unit Holder(s), it shall charge Contingent Load on such redemption.*
- 11.4.10 *The Management Company shall not flip any redemption requests which will be met in turns in accordance with the dated and timed acknowledgements.*
- 11.4.11 *The Management Company shall ensure that all redemption requests are paid based on their ranking in a queue.*
- 11.4.12 *The Management Company shall not net off or permit adjustment of any asset against investments of Unit Holder(s) in the Fund.*

21. Amendment to Clause 12.1:

After sub-clause 12.1.5, a new sub-clause 12.1.6 be and is hereby incorporated as follows:

"The issuance of Units shall remain suspended during the period when the redemption of Units is suspended."

22. Amendment to Clause 12.3:

After existing sub-clause 12.3.4, a new sub-clause numbered as 12.3.5 be and is hereby incorporated as follows:

12.3.5 *Payments of redemption proceeds of Units shall be made to or on account of offshore Unit Holder(s) in Base Currency, but shall be convertible from the Base Currency through an authorized dealer to be appointed by the Management Company, using the authorized dealer's quoted rates (selling rate for the relevant currency) and any conversion costs, Duties and Charges and Back-end Load, if any shall be deducted from such payment. The Trustee or the Management Company shall not be responsible for arranging remittance or fulfilling any foreign exchange formalities. Furthermore, neither the Trustee, nor the Management Company shall be liable in case remittance is delayed or cannot be made due to in-availability of foreign currency from the State Bank of Pakistan or any other sources, including open market or due to increase in the conversion rate after the payment by the Trustee in Base Currency.*

23. Amendment to Clause 12.5:

Sub-clause 12.5.1 be and is hereby amended as follows:—

"The redemption of Units may be suspended with the approval of the board of directors of the Management Company during extra-ordinary circumstances, including:"

24. Amendment to Clause 13.1:

The text of Clause 13.1 be and is hereby replaced with the following text:

13.1 Maximum Front-end Load

13.1.1 The Management Company may charge a maximum of five per cent (5%) of the Net Asset Value as Front-end Load included in the Offer Price of the Scheme.

13.1.2 The Management Company may charge a maximum of five per cent (5%) of the Net Asset Value as Back-end Load deducted from the Net Asset Value of the Scheme in determination of the Redemption Price of the Scheme.

25. Amendment to Clause 13.4:

The text of Clause 13.4 be and is hereby replaced with the following text:

13.4 Formation Costs:

13.4.1 Formation Cost shall be charged to the Fund, which shall not exceed 1% of the pre-initial public offering capital or five million rupees, whichever is lower.

13.4.2 All expenses incurred in connection with the incorporation, establishment and registration of the Scheme (Formation Cost) in terms of Regulations 60(1) and 60 (2) of the Regulations, shall be reimbursable by the Scheme to the Management Company subject to the audit of expenses. The said Formation Cost shall be amortized by the Scheme over a period of not less than five years or within the maturity date of the Scheme.

26. Amendment to Clause 13.5:

After sub-para (n), a proviso be and is hereby incorporated as follows:

"provided however, any costs associated with sales marketing and advertisement of the Scheme, shall not be charged to the Scheme."

27. Amendment to Clause 14.2:

The text of Clause 14.2 be and is hereby replaced with the following text:

14.2 The Management Company on behalf of the Scheme shall not without the prior approval of its Board of Directors and the consent of the Trustee, purchase from, or sell to any securities to any Connected Person or an employee of the Management Company. This restriction shall not apply to issue, sale or redemption of Units issued by the Scheme.

28. Deletion of Clause 14.3 and renumbering of Clauses 14.4 to 14.9:

- (i) Clause 14.3 is omitted and the existing Clauses "14.4 to 14.9" be and are hereby renumbered as Clauses "14.3 to 14.8" respectively.
- (ii) The text of the existing Clause 14.9, now re-numbered as Clause 14.8, be and hereby replaced with the following text:

14.8 *The Management Company shall not be allowed to enter on behalf of the Scheme into underwriting or sub-underwriting contracts.*

29. Amendment to Clause 15.2:

The text of sub-clause 15.2.1 be and is hereby replaced with the following text:—

15.2.1 The Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains, as reduced by such expenses as are chargeable to the Scheme under the Regulations.

30. Amendment to Sub-Clause 15.2.4:

The text of sub-clause 15.2.4 be and is hereby replaced with the following text:

15.2.4 In case of bonus distribution, the Management Company shall inform the Trustee who shall cause to have additional Units issued in the names of the Units Holders as per the bonus ratio, at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period. A Unit Holder of Growth Units may elect to receive the cash value of the bonus Units provided that such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Registrar in writing prior to the distribution declaration for any relevant period. The bonus Units shall be redeemed at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period without any charge of Front-end Load.

31. Amendment of Clause 23.8

The text of Clause 23.8 be and is hereby replaced by the following text:

23.8 The Management Company shall exercise due caution and diligence in appointing and arranging of such Bank, brokerage house and custodian/sub-custodian in offshore countries. The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, brokerage accounts and/or custodial/sub-custodial services accounts.

32. Amendment to Clause 27.1:

The text of Clause 27.1 be and is hereby replaced by the following text:

27.1 The Management Company may initial issue the following classes and types of Units:

Classes of Units

The Management Company shall initially issue the following classes of Units:

- i. Class 'A' Units (Core Units) issued to the Core Investors with no Front-end Load or Back-end load. These Units cannot be redeemed for a period of two (2) years from the date of closure of the Initial Offer. However, such Units are transferable with this condition.*
- ii. Class 'A' Units being offered and issued during the period of the Initial Offer [with no Front end-Load or Back-end Load].*
- iii. Class 'B' Units, shall be offered after the period of the Initial Offer. These Units shall carry a Front-end Load and no Back-end Load*
- iv. Class 'C' Units, may be offered after the period of Initial Offer to institutional and retail clients. These Units shall carry a Back-end Load only*

The Management Company may with the prior approval of the Commission suspend issuance of certain class(s) of Units.

Types of Units

- *Growth Units which shall be entitled to bonus Units in case of any distribution by the Scheme. Bonus Units issued to growth Unit Holders shall also be the growth Units.*
- *Income Units which shall be entitled to cash dividend in case of any distribution by the Scheme.*

Front-end Load and Back-end Load shall be charged on these Unit types depending upon the class of Units in which they are issued. The investor shall specify the type of Units in which he wants to invest at the time of investment. He can also invest in both types of Units.

The Unit Holders shall be allowed to switch from one type of Units to the other type of Units in the same Unit class without any fee.

The Management Company may offer different types of Units, within the above detailed Unit classes, as per the provisions of the Trust Deed and with the consent of the Trustee and prior approval of the Commission.

33. Amendment to Clause 28.8:

The text of Clause 28.8 be and is hereby replaced with the following text:

28.8 The Register of Unit Holder(s) shall be closed for the purpose of declaration of dividend under intimation to the Trustee from time to time for a period not exceeding six (6) working days at a time and whole forty five days in a year.

34. Amendment to Clause 36:

(i) The text of Clause 36.5 be and is hereby replaced with the following text:

- 36.5 “**Authorized Investments**” means all transacted, issued, traded, listed and unlisted investments, inside or outside Pakistan and may include any of the following:*
- (a) listed equity securities;*
 - (b) unlisted equity securities for the listing of which an application has been accepted by the Stock Exchange;*
 - (c) cash and/or near cash instruments which include cash in bank accounts (excluding TDRs);*
 - (d) Treasury bills not exceeding 90 days;*
 - (e) any other security and / or instruments that may be allowed by the Commission and, the Regulations from time to time; and*
 - (f) Authorized Investments in overseas markets to the extent of thirty per cent (30%) of the Net Assets, subject to a cap of fifteen million dollars (US\$ 15,000,000/-) or such cap as may be defined in the Regulations from time to time. Overseas investments would be subject to prior written approvals / guidelines of the Commission and the State Bank of Pakistan.*

The investments in asset classes mentioned above, shall be subject to such exposure and investment limits and minimum ratings as specified in the Regulations and the

Commission's Circular No.07 of 2009 and such other notifications, circulars or directives issued by the Commission from time to time.

- (ii) The text of Clause 36.15 be and is hereby replaced by the following text:-

36.15 *"Contingent Load or Deferred Sales Load" means processing charges deductible from the Net Asset Value of the Unit to determine the Redemption Price in case of redemption of Units within a certain period of time or at a decreasing rate for every period the Units are held and shall be charged to unit holders in instances where no front-end load is charged. Such charges shall not exceed five percent (5%) of the Net Asset Value and shall be determined by the Management Company from time to time and disclosed in the Offering Document. Any such charges shall be payable to the Management Company and/or its Distributors, as the case may be."*

- (iii) After the existing Clause 36.19, the following new Clause 36.20 be and is hereby incorporated to define Cut off Timings are incorporated

36.20 *"Cut off Timings" mean the commencement and closure of business hours of the Management Company for the purpose of acceptance of applications for purchase and redemption of Units of the Scheme as enunciated in sub-clauses 11.2.4 and 11.4.4 respectively.*

- (iv) The ensuing Clauses 36.20 to 36.29 be and are hereby renumbered as 36.21 to 36.30 respectively.

- (v) The text of Clause 36.27, now renumbered as 36.28 be and is hereby replaced with the following text:

36.28 *"Financial Institution" means (a) a company or an institution whether established under any special enactment and operating within or outside Pakistan which transacts the business of banking or any associated or ancillary business through its branches; (b) a modarabah, leasing company, investment bank, venture capital company, financing company, housing finance company, a non-banking finance company; and (c) such other institutions or companies authorized by law to undertake any similar business, as the Federal Government may, by notification in the official Gazette, specify for this purpose.*

- (v) The text of Clause 36.29, now renumbered as 36.30 be and is hereby replaced with the following text:

36.30 *"Front-end Load" means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) or such other percentage (as may mutually be agreed between the Trustee and the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units.*

- (vi) After the existing Clause 36.29, now renumbered as 36.30, a new Clause 36.31 be and is hereby incorporated as follows:

36.31 *"Fund" or "Scheme" or "Trust" means IGI Stock Fund constituted by this Deed.*

- (vii) The existing Clauses 36.30 to 37.52 be and are hereby renumbered as 36.32 to 36.54 respectively.

- (viii) The existing Clauses 36.53 be and is hereby deleted and the ensuing Clauses 36.54 to 36.63 be and are hereby renumbered as 36.55 to 36.64 respectively.

- (ix) The text of the existing sub-clause 36.60, now renumbered as sub-clause 33.61 be and is hereby replaced with the following text:-

33.61 *"Trust Property" means the aggregate proceeds of the sale of all Units during the Initial Period at par and subsequently at the Offer Price after deducting there from or providing there against any applicable front-end load and duties and charges and transaction costs and any other expenses chargeable to the Fund and adding thereto any applicable back-end load recovered in the Redemption Price; and includes the*

investment and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon Trust by the Trustee for the benefit of the Holders pursuant to this Deed and any back-end load payable but does not include any amount available for distribution in the Distribution Account."

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 Trustee and the Management Company hereby certify that the above amendments are being made in the Trust Deed to bring the Trust Deed in conformity with the Regulations and the directives issued by the Commission. The above amendments 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 FIRST SUPPLEMENTAL TRUST DEED OF "**IGI Stock Fund**" has been executed on the date first mentioned above.

The Common Seal of IGI Funds Limited was hereunto fixed on **6th** day of **August, 2010** in the presence of:

 Name: Maheen Rahman
 CNIC No: 42301-3079259-8

The Common Seal of Central Depository Company of Pakistan Limited was hereunto fixed on **6th** day of **August, 2010** in the presence of:

 Name: Abdul Samad
 CNIC no: 42101-1818807-7

 Name: Ateeq-ur-Rehman
 CNIC no: 42501-9253203-1

WITNESSES

1. _____

Name:

CNIC no:

C/o IGI Funds Limited

2. _____

Name:

CNIC no:

C/o Central Depository Company of Pakistan Limited