

**Head Office**

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CDC/T&C-S II/DH/0776/2014

September 16, 2014

Mr. Noman Ahmed Soomro  
Chief Operating Officer  
Alfalah GHP Investment Management Limited  
8 - B, 8th floor, Executive Tower  
Dolmen City Building, Block 4  
Clifton, Karachi



Dear Mr. Noman,


**REVISED TRUSTEE CONSENT ON DRAFT SECOND SUPPLEMENTARY OFFERING  
DOCUMENT - IGI STOCK FUND**

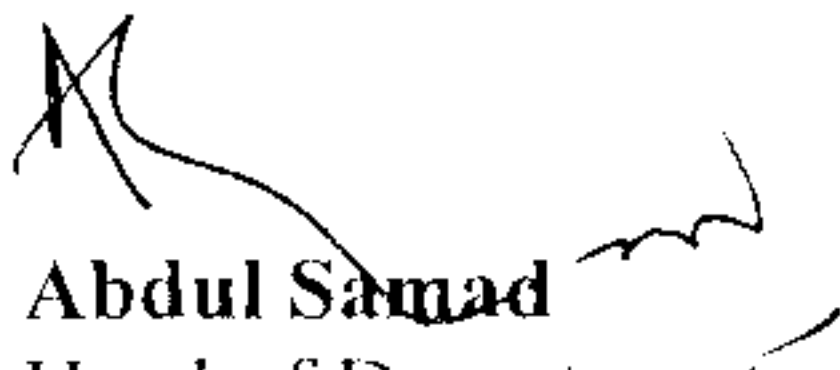
Further to our letter reference CDC/T&C-S II/DH/0760/2014 dated September 5, 2014 on captioned subject, we have no objection on the amendments made in various paragraph by SECP as informed by your good office, via email (Copy enclosed), in enclosed draft second supplementary offering document of IGI Stock Fund.

Further, any changes made subsequently in attached documents will require our fresh consent.

Looking forward for a warm and growing working relationship.

Yours truly,

  
**Iqleem uz Zaman Khan**  
Assistant General Manager  
Trustee & Custodial Operations Unit-II

  
**Abdul Samad**  
Head of Department  
Trustee & Custodial Operations Unit-II

Cc: Mr. Mohammad Rashid Safdar Piracha  
Director, Asset Management Companies Wing  
Securities and Exchange Commission of Pakistan  
NIC Building Jinnah Avenue,  
Blue Area, Islamabad.

Encl: As above

**IGI Stock Fund – Second Supplementary Offering Document**

**SECOND SUPPLEMENT**

**TO THE**

**OFFERING DOCUMENT OF**

**IGI STOCK FUND**

**MANAGED BY:**

**ALFALAH GHP INVESTMENT MANAGEMENT LTD.**

**DATED: September 16, 2014**

**Second Supplement dated September 16, 2014 to the Offering Document of IGI Stock Fund (IGISF) issued on July 8, 2008.**

**[Managed by Alfalah GHP Investment Management Ltd. an Asset Management Company Licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003]**

Established in Pakistan under the Trust Act 1882 (11 of 1882) by a Trust Deed dated 10<sup>th</sup> June 2008 between IGI Funds Limited, the Management Company (merged into Alfalah GHP Investment Limited on October 15, 2013) and Central Depository Company of Pakistan Limited, a company incorporated under the Companies Ordinance, 1984 with its registered office at CDC House, 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi, Pakistan as the Trustee.

Effective from September 5, 2014, the following clauses of the Offering Document have been amended to read in their entirety as follows:-

**1. Amendment in Clause 2.3 Investment Exposure Limits.**

The clause 2.3 is deleted and replaced with following text and table.

IGI Stock Fund is categorized as an equity scheme. Investments of the Scheme shall follow the following exposure limits expressed as percentage of Net Assets:

<b>Sr.</b>	<b>Description</b>	<b>Entity Rating</b>	<b>Instrument Rating</b>	<b>Exposure Limits</b>
1	Listed Equity Securities*	N/A	N/A	70% to 100%
2	Deposits with Commercial banks (excluding Term Deposit Receipts)*	A-	N/A	0% to 30%
3	Treasury bills (not exceeding 90 days maturity) *	N/A	N/A	0% to 30%

\* During the year on quarterly average investment calculated on daily basis.

**2. Amendment in Clause 2.6 Investment and Exposure Restrictions.**

**2.1 The sub-clause 2.6.2 is deleted and replaced with following text.**

The exposure of the Scheme to any single entity shall not exceed an amount equal to ten percent or index weight whichever is higher subject to maximum of 15% 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.

**2.2 The sub-clause 2.6.3 is deleted and replaced with following text.**

The Scheme shall not invest more than thirty per cent (30%) or index weight whichever is higher, subject to maximum of 35% of its Net Assets in securities of any one sector as per classification of the pertinent stock exchange(s).

**3. Amendment in Clause 6.2 under the sub-heading "Types of Units"**

In Clause 6, titled "CHARACTERISTICS OF UNITS", sub-clause 6.2 under the sub-heading "Types of Units" stands amended, as follows:-

**6.2.**

• **Growth Units**

- (i) *Growth Units with the option of receiving cash in case of cash dividend at the time of distribution.*
- (ii) *Growth Units with the option of receiving additional Units against cash dividend at the time of distribution.*
- (iii) *Growth Units with the Management Company's option of issuing bonus units in case the Management Company*

*decides to distribute bonus dividend after 90% distribution in cash for qualifying for exemption from income tax.*

- **Income Units**

- (i) *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.

#### **4. Amendment in sub Clause 6.7.4**

In sub Clause 6.7, titled "Determination of Offer Price", sub-clause 6.7.4 stands amended, as follows:-

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	Time
Monday to Friday	0.9.00 a.m. to 5.00 p.m.

5. **Amendment in sub Clause 6.10.4 under the sub-heading "Types of Units"**

In sub Clause 6.10, titled "Determination of Redemption Price", sub-clause 6.10.4 stands amended, as follows:-

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	Time
Monday to Friday	0.9.00 a.m. to 5.00 p.m.

6. **Amendment in Clause 7 under the heading "Distribution Policy"**

In Clause 7, titled "DISTRIBUTION POLICY", sub-clause 7.1 and sub clause 7.2 under the sub-heading "Distribution Policy" stands amended, as follows:-

**7.1 Distribution Policy**

By distributing on interim/ annual basis, the Management Company would ensure that total distribution in an Accounting Period accumulates to an amount that is required under the tax laws and other regulations in force to be distributed and that may be beneficial for its Unit Holders.

7.1.1 *The Fund on interim/annual basis shall distribute as cash dividend or bonus Units or in any other form acceptable to the SECP that may qualify for exemption under the Income Tax Ordinance, 2001 and the rules thereunder and the Regulations. Net income (after deducting all the expenses of the Fund) earned may be distributed by the Management Company.*

7.1.2 *In case of any distribution by the Management Company, the Growth Unit Holders shall be paid dividend in the form*

*of either cash or additional Units against cash dividend at the time of distribution, or bonus units in case bonus units are distributed after 90% cash distribution.*

## **7.2 Declaration of Dividend**

The Management Company may decide from time to time the Distribution Period and whether to distribute profits (if any) among the Holders. The Management Company shall decide as soon as possible but not later than forty five (45) days (or any time limitations specified in the applicable laws) after the Accounting Date whether to distribute among Holders, profits (if any) available for the distribution at the end of the Accounting Date and shall advise the Trustee accordingly.

The Management Company may also distribute an amount for an interim period that is not a full Accounting Period.

## **7. Amendment in Sub-Clause 7.4 under the heading "Distribution of Profit" sub clause 7.4.2**

In Sub Clause 7.4, titled "DISTRIBUTION of PROFIT", sub-clause 7.4.2 shall be amended, as follows:-

*7.4.2 After fixation of the rate of distribution per Unit, distribution payments shall be made by cheque or warrant by the Trustee and sent through the registered post or reliable courier service to the registered address of Holder, or in the case of joint Holders to the registered address of the joint Holder, first named (principal) on the Register. Every such cheque or warrant shall be made payable to the order of person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient, it shall transfer to the Holders  designated bank account or in case of joint Holder, to designated bank*

account of the joint Holder, first named (principal) in the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.

8. **Deletion of Sub-Clause 7.4.3 under the sub-heading "Declaration and time of Dividend"**

In sub-clause 7.2 stands deleted.

9. **Amendment in Sub-Clause 7.4 under the heading "Distribution of Profit" sub clause 7.4.4**

In Sub Clause 7.4, titled "DISTRIBUTION of PROFIT", sub-clause 7.4.4 shall be amended and numbered as follows:-

7.4.4 *Where the Units are placed under pledge, the payment of dividends shall be as per sub-clause 6.14(D).*

10. **Amendment in Sub Clause 7.6 under the heading "Bonus Units"**

In Sub Clause 7.6, titled "Bonus Units", sub-clause 7.6.1 stands amended, as follows:-

7.6.1 *In case of growth Units, bonus Units if decided would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units. The account statement or Unit Certificate (if required by the Unit Holder, and such issue of Certificates shall be as per sub-clause 11.7) shall be dispatched to the Unit Holder within fifteen (15) days of the issue of Bonus Units. The Unit Holder(s) have the option to encash the Bonus Units at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.*



11. **Amendment in Sub-Clause 7.7 under heading "Encashment of Bonus Units"**

In Clause 7.7, titled "ENCASHMENT OF BONUS UNITST", stands amended, as follows:-

A Unit Holder in case of bonus distribution may elect to receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Transfer Agent 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 Back-end Load.