

SECOND SUPPLEMENTAL TRUST DEED

PAKISTAN INCOME FUND

*Dated: December 5, 2008*

BY AND BETWEEN

*ARIF HABIB INVESTMENT MANAGEMENT LIMITED*

*AND*

*CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED*

drawn by:

*bawaney & partners,  
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R. No. \_\_\_\_\_  
Sub-Registrar-II  
Saddar Town, Karachi

**SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INCOME FUND**

THIS SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INCOME FUND is made and entered into at Karachi, on this 05<sup>th</sup> day of December, 2008; by and between

**BY AND BETWEEN**

(A) **Arif Habib Investment Management Limited**, a company incorporated under the Companies Ordinance, 1984, with its registered office at 2/1, R.Y. 16, Old Queens Road, Karachi (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

**AND**

(B) **Central Depository Company of Pakistan Limited**, a company incorporated under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (the "**Commission**") as a Central Depository Company, with 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.

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WHEREAS:

- (1) The Management Company and the Trustee executed a Trust Deed dated October 23, 2001, to constitute Pakistan Income Fund (defined in the said Trust Deed as the "Unit Trust"), which Trust Deed was registered with the Sub-Registrar, T Division I-B, Karachi, under Registered No.365 of Book No.IV Addl. dated 23-10-2001 and M.F. Roll No.U-44458/555/556 dated 02-11-2001 of the Photo Registrar Karachi, ("the Trust Deed").
- (2) The Management Company and the Trustee amended certain Clauses of the Trust Deed in accordance with Clauses 35.3 and 35.4 of the Trust Deed, vide a First Supplemental Trust Deed of Pakistan Income Fund dated October 20, 2006 registered with the Sub-Registrar, Jamshed Town, Karachi under Registered No.1214 of Book No.IV dated 20-10-2006 and M. F. Roll No.U-88029/3819 dated 13-11-2006.
- (3) The Management Company and the Trustee have agreed to further amend certain Clauses of the Trust Deed in accordance with Clauses 35.3 and 35.4 of the Trust Deed.
- (4) The Securities & Exchange Commission of Pakistan ("the Commission") has approved the further amendments to the Trust Deed, vide its letter No. NBFC-II/DD/AHIM/PIF/963/2008 dated December 01, 2008, annexed hereto as Annexure "A".

NOW THEREFORE THIS SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INCOME FUND, WITNESSETH AS FOLLOWS:—



1. Amendment of Clause 10 of the Trust Deed:

Clauses 10.1 and 10.2 be and are hereby replaced by the following texts:

- 10.1 "Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Management Company concur with the Management Company in making and varying arrangements with Banks, financial institutions and collective investment schemes for borrowing by the Trustee for the account of the Fund. Provided that the charges payable to such Banks, financial institutions and collective investment schemes are not higher than the prevailing market rates. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Non-Banking Finance Companies and Notified Entities, Regulations 2007, but if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 10.2 "Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks, financial

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institutions and collective investment schemes. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances".

2. Amendment of Clause 19 of the Trust Deed:

Clauses 19.1 is hereby replaced by the following texts

After the First Offer the Offer Price shall be calculated and announced by the Management Company on the following basis:  
The Offer Price shall be equal to the sum of:

- a) The Net Asset Value as of the close of the Business Day;
- b) Any Front-end Load;
- c) Such amount as the Management Company may consider 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.

The Offer Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor during the business hours on that day.

The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end Load, which may also vary according to other criteria in the Management Company's sole discretion. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors.

Amendment of Clause 22 of the Trust Deed:

Clauses 22.2 is hereby replaced by the following texts

After the First Offer 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;
- b) Any taxes imposed by the Government; and
- c) Such amount as the Management Company may consider 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 downwards to the nearest Paisa.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor during the business hours on that day.



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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 required in the Trust Deed for making additional borrowing arrangements with collective investment schemes and for introducing forward pricing for issue and redemption of Units and that in the opinion of the Management Company and the Trustee, 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 Unitholders.

IN WITNESS WHEREOF, THIS SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INCOME FUND has been executed on the date first mentioned above.

The Common Seal of Arif Habib Investment Management Limited was hereunto fixed on December 05, 2008 in the presence of:

Seal:


  
 Mr. Nasim Beg  
 Chief Executive

  
 Syed Ajaz Ahmed  
 CFO & Company Secretary



The Common Seal of Central Depository Company of Pakistan Limited was hereunto fixed on December 05, 2008 in the presence of:

Seal:

  
 Mr. Kamran Qazi  
 CFO & Company Secretary

**WITNESSES**

1.

  
 Syed Shaukat Hussain Rizvi

2.

  
 Zeeshan Qudus