

**SECOND AMENDMENT TO THE TRUST DEED
OF METROBANK - PAKISTAN SOVEREIGN FUND (MSF)**

THIS SECOND AMENDMENT TO THE TRUST DEED OF METROBANK – PAKISTAN SOVEREIGN FUND is made and entered into at Karachi, on this 21st day of May, 2009;

BY AND BETWEEN

(A) **Arif Habib Investments Limited** (*formerly 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

(B) **Habib Metropolitan Bank Limited** (*formerly Metropolitan Bank Limited*), a limited liability banking company incorporated in Pakistan and licensed under the Banking Companies Ordinance 1962, having its Registered Office at Spencer's Building, I.I. Chundrigar Road, 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 December 24, 2002, to constitute Metrobank – Pakistan Sovereign Fund which Trust Deed was registered with the Sub-Registrar, T Division I-A, Karachi, under Registered No.407 of Book No. IV dated 24-12-2002 and M.F. Roll No.U-64728/1028 of the Photo Registrar, Karachi dated 27-12-2002 (hereinafter referred to as "the Trust Deed").
- (2) The Management Company and the Trustee amended certain Clauses of the Trust Deed in accordance with Clauses 35.3 of the Trust Deed vide a First Amendment to the Trust Deed of Metrobank – Pakistan Sovereign Fund dated

November 24, 2005, registered with the Sub-Registrar, T. Division I-B Karachi under Registered No.508 of Book No. IV dated 24-11-2005 and M. F. Roll No.U-108525/3021 of the Photo Registrar Karachi dated 05-12-2005.

- (3) The Management Company and the Trustee have agreed to further amend certain Clauses of the Trust Deed in accordance with Clauses 35.3 of the Trust Deed.
- (4) The Securities & Exchange Commission of Pakistan ("the SECP") has approved the further amendments to the Trust Deed, vide its letter No. SCD/NBFC-II/DD/MSF/530/2009 dated May 14, 2009, annexed hereto as Annexure "A".

NOW THEREFORE THIS SECOND AMENDMENT TO THE TRUST DEED OF METROBANK – PAKISTAN SOVEREIGN FUND, WITNESSETH AS FOLLOWS:—

1. Addition of Definition in Clause 1 of the Trust Deed:

- 1.55 “Regulations” means the Non-Banking Finance Companies and Notified Entities Regulations 2008, as may be amended or substituted from time to time.

2. Amendment in Clause 1.8 of the Trust Deed:

Clauses 1.8 be and is hereby replaced by the following text:-

- 1.8 “Back-end Load” means a Processing Charge, notified in the Offering Document, deducted by the Management Company from the NAV in determining the Redemption Price. Back-end Load shall form part of Fund Property.

3. Amendment in Clause 1.26 of the Trust Deed:

Clause 1.26 be and is hereby replaced by the following text:-

- 1.26 “Fund Property” means with respect to the individual Schemes, the aggregate proceeds of the sale of Units of the respective Schemes at Offer Price and any Transaction Costs recovered in the Offer or Redemption prices after deducting therefrom or providing thereagainst the value of Redemption, Front-end Load,

Back-end Load, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units and any expenses chargeable to the Fund, and includes the Investment and all income, profit and other benefits arising therefrom and all cash and other assets movable or immovable 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 Unitholders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account. Back-end Load shall form part of the Fund Property.

4. Amendment in Clause 1.45 of the Trust Deed:

Clause 1.45 be and is hereby replaced by the following text:-

- 1.45 “Sales Load” means the sales and processing charge or commission (excluding Duties and Charges) as prescribed in the Offering Document. The Management Company may apply different levels of Sale Load for different Plans under the Scheme. The Management Company may, at its discretion, charge different levels of the load to different investors. Back-end load shall form part of the Fund Property.

5. Amendment in Clause 4.1 of the Trust Deed:

Clause 4.1 be and is hereby replaced by the following text:

- 4.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting therefrom or providing thereagainst any applicable Front-end Load shall constitute part of the Fund Property of the respective Schemes and the Distribution Company shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time. Back-end load shall form part of the Fund Property.

6. Addition of Clauses in Clause 5.6 of the Trust Deed:

Following new clauses are added in clause no 5.6 of the deed:-

- 5.6.4 The Asset 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.

- 5.6.5 The Asset 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.

7. Addition of Clause in Clause 11 of the Trust Deed:

Following new clause is added in clause no 11 of the deed:-

- 11.12 Trustee shall not invest in the Units of the Fund.

8. Addition of Clauses in Clause 13 of the Trust Deed:

Following new clause is added in clause no 13 of the deed:-

- 13.8 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.
- 13.9 The Asset Management Company shall ensure that no entry and exit to the scheme (including redemption and re-issuance 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.

9. Amendment of Clause 19.2 of the Trust Deed:

Clauses 19.2 be and is hereby replaced by the following text:-

- 19.2 Offer Price for the Scheme 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 NAV as of the close of the Business Day;
 - (b) Any Front-end Load, not exceeding five percent of the Offer Price. The Load herein is the maximum that may be charged, however, the actual

charges applicable from time to time may be varied within this limit and shall be disclosed in the Offering Document. Any change in the maximum limit may only be applied after obtaining specific approval from the SECP and shall be subject to disclosure in the Offering Document;

- (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 expressed in Pak Rupees up to four decimal places, with the fifth decimal being rounded.

Note:- Cut off timing for receiving application forms.

	Time
Monday to Friday	09:00 am to 05:00 pm
Saturday	09:00 am to 12:15 pm

All forms shall be received at the registered address of the Management Company or at the authorized branch of the Management Company or the distributor during the above mentioned time. Updated list of the addresses of the Management Company and Authorized branches of the Management Company and Distributors is disclosed in the Offering Document.

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

Clauses 19.3 and 19.4 stand deleted and Clauses 19.5, 19.6 and 19.7 be and are hereby renumbered as 19.3, 19.4 and 19.5, respectively.

10. Addition of Clause in Clause 21 of the Trust Deed:

Following new clause is added in clause no 21 of the deed:-

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

11. Amendment of Clause 22.2 of the Trust Deed:

Clause 22.2 be and is hereby replaced by the following text:-

22.2 The Redemption Price of the respective Scheme shall be equal to the NAV as of the close of the Business Day, less:

- (a) Any Back-end Load, not exceeding five percent of the Redemption Price. The Load herein is the maximum that may be charged; however, the actual charges applicable from time to time may be varied within this limit and shall be disclosed in the Offering Document. Any change in the maximum limit may only be applied after obtaining specific approval from the SECP and shall be subject to disclosure in the Offering Document;
- (b) Any taxes imposed by the Government;
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
- (d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;

Such sum shall be expressed in Pak Rupees up to four decimal places, with the fifth decimal being rounded.

Note:- Cut off timing for receiving application forms.

	Time
Monday to Friday	09:00 am to 05:00 pm
Saturday	09:00 am to 12:15 pm

All forms shall be received at the registered address of the Management Company or at the authorized branch of the Management Company or the distributor during the above mentioned time. Updated list of the addresses of

the Management Company and Authorized branches of the Management Company and Distributors is disclosed in the Offering Document.

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.

The Management Company may announce different plans under different arrangements with differing levels of Back-end Load. Consequently, the Redemption Price may differ for Units issued under differing administrative arrangements and different investors.

Clauses 22.3 and 22.4 stand deleted and Clauses 22.5, 22.6 and 22.7 be and are hereby renumbered as Clauses 22.3, 22.4 and 22.5 respectively.

12. Addition of Clause in Clause 23.2 of the Trust Deed:

Following new clause is added in clause no 23.2 of the deed:-

23.2.1 Management Company shall ensure that in case of suspension of redemption of units of scheme due to extra ordinary circumstances in terms of provisions of the constitutive documents and Non Banking Finance Companies and Notified Entities, Regulations, 2008 (as amended or replaced) (“the “Regulations”), the issuance of fresh units shall also be kept suspended until and unless redemption of units is resumed.

13. Amendment of Clause 25.9 of the Trust Deed:

Clause 25.9 be and is hereby replaced by the following text:-

25.9 The register of unit holders shall be closed for the purpose of declaration of dividend for a period not exceeding six (6) working days. In no case, the time period for closure of register for dividend declaration shall exceed six (6) working days at a time and whole forty five days in a year.

14. Amendment of Clause 31.2 of the Trust Deed:

Clause 31.2 be and is hereby replaced by the following text:-

- 31.2 "The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of:

The total income accrued on Fund Property during such Accounting Period including all amounts accrued in respect of dividend, mark-up, profit, interest and fee;

Net realized appreciation as set out in sub-clause 31.3; from which shall be deducted expenses as set out in sub-clause 31.4, adjustments as set out in sub-clause 31.5 and such other adjustment as the Management Company may determine."

The proceeds of sales of rights and all other receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Fund Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unitholders by the Trustee and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.

15. Addition of Clause 31.3.11 in the Trust Deed:

New Clause 31.3.11 be and is hereby added in the Trust Deed-

- 31.3.11 Any cost associated with sales, marketing and advertisement of collective investments schemes shall not be charged to the collective investment schemes

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 adding more duties and responsibilities on the Management Company and the Trustee as required by the SECP, announcing and allocating Offer Price and Redemption Price in Pak Rupees upto four decimal places, introducing forward pricing for issue and redemption of Units, Cut off timing for issue and redemption of Units, to dispense with the need to consult with Auditors for the purpose of

determination of amount available for distribution and deduction of expenses and other adjustments for determining the amount available for distribution, which is not required, Clarification that marketing, selling and advertisement expenses shall not be charged to the Fund and that in the opinion of the Management Company and the Trustee, the above amendments shall not prejudice the interests of the Unitholders 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 AMENDMENT TO THE TRUST DEED OF METROBANK – PAKISTAN SOVEREIGN FUND has been executed on the date first mentioned above.

The Common Seal of Arif Habib Investments Limited (*formerly Arif Habib Investment Management Limited*) was hereunto fixed on May 21, 2009 in the presence of:

Sd: _____
Name: _____
Designation _____

Sd: _____
Name: _____
Designation _____

The Common Seal of Habib Metropolitan Bank Limited (*formerly Metropolitan Bank Limited*) was hereunto fixed on May 21, 2009 in the presence of:

Sd: _____
Name: _____
Designation _____

Sd: _____
Name: _____
Designation _____

WITNESSES

1. _____

2. _____