



Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department

No. SCD/AMCW/AKDAIF/ /2011

August 3, 2011

Mr. Imran Motiwala,
Chief Executive Officer,
AKD Investment Management Limited,
216-217, Continental Trade Centre,
Block-8, Clifton,
Karachi - 74000

**SUBJECT: THIRD SUPPLEMENTAL TRUST DEED OF AKD INCOME FUND
(RENAMED AS AKD AGGRESSIVE INCOME FUND)**

Dear Sir,

Please refer to your letter dated July 28, 2011 whereby you have submitted draft third supplemental trust deed of AKD Aggressive Income Fund for approval of the Commission.

In this connection, I am directed to inform you that the Securities and Exchange Commission of Pakistan has no objection to the amendments made in the Trust Deed of AKD Aggressive Income Fund (AKDAIF) and subsequent registration of third supplemental trust deed under Trust Act, 1882 subject to the following conditions: -

1. The changes shall be made effective after giving notice to unit holders in accordance with the provisions of the constitutive documents of AKDAIF.
2. Copy of the notice sent to unit holders shall be submitted to this office within seven (7) days of issuance of such notice. and
3. Copy of the registered First, Second and Third Supplemental Trust Deed of AKDAIF shall be submitted to the Commission for information and record.

Yours truly,

(Javed Akhter Malik)
Deputy Director

**THIRD SUPPLEMENTAL TRUST DEED OF
AKD AGGRESSIVE INCOME FUND (Formerly AKD Income Fund)**

THIS THIRD SUPPLEMENTAL TRUST DEED OF AKD Aggressive Income Fund is made and entered into at Karachi, on this _____ day of _____, 2011.

by and between

1. **AKD Investment Management Limited an unlisted public limited company incorporated**, under the Companies Ordinance, 1984 and licensed by the Securities & Exchange Commission of Pakistan for carrying on Investment Advisory and Asset Management Services, having its registered office at 2nd^h Floor, Continental Trade Centre, Block-8, Clifton, 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

2. **Central Depository Company of Pakistan Limited (CDC)**, a company, incorporated under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (SECP) as a central depository company with its registered office at CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi.(hereinafter called "the Trustee". which expression, where the context so permits, shall include its successors-in-interest and assigns) of Other Part.

WHEREAS:

- (1) The Management Company and the Trustee executed a Trust Deed dated 02-10-2006 to constitute AKD Aggressive Income Fund (formerly AKD Income Fund), which Trust Deed was registered with the sub-Registrar-II, Saddar Town, Karachi, under Registered No.542 of Book No. IV dated 02-10-2006 and M.F. Roll No. 85409/3799 dated 03-11-2006, ("the Trust Deed").
- (2) Vide First Supplemental Trust Deed for Amendment of Trust Deed executed among the Management Company, and the Trustee, registered with Sub-Registrar II, Saddar Town, Karachi, under Registered No. 318 of Book No. IV dated 02-05-2007, M.F. Roll No. 34867/4256 dated 05-05-2007, the Management Company and the Trustee agreed to and amended certain clauses of the Trust Deed.
- (3) Vide Second Supplemental Trust Deed for Amendment of Trust Deed executed among the Management Company, and the Trustee, registered with Sub-Registrar II, Saddar Town, Karachi, under Registered No. 271 of Book No. IV dated 29-09-2008, M.F. Roll No. 82435/5459 dated 29-10-2008, the Management Company and the Trustee agreed to and amended certain clauses of the Trust Deed.
- (4) The Management Company and the Trustee have now mutually agreed to amend certain clauses of the Trust Deed in accordance with Clause 14.1 thereof regarding modifications; and
- (5) The Securities & Exchange Commission of Pakistan (SECP) has approved the amendment to the Trust Deed, vide its letter No. SCD / AMCW / AKDAIF / 350 / 2011 dated August 3, 2011 annexed hereto as Annexure "A".

NOW THIS THIRD SUPPLEMENTAL TRUST DEED OF AKD AGGRESSIVE INCOME FUND (formerly AKD Income Fund), WITNESSETH AS FOLLOWS:

1. Amendments in Existing Clause 1

The existing Clause 1 is amended and now reads as follows:

“AKD Aggressive Income Fund (AKDAIF).”

2. Addition of new Clause 1.1 under the new heading “Category of the Fund”

“Category of the Fund

The Fund shall be an ‘Aggressive Fixed Income Scheme’ as per criteria for categorization of open-end collective investment schemes specified in the Regulations or by SECP, as amended from time to time.”

3 Addition of new Clause 1.2

After the Clause 1.1 the following new Clause 1.2 is hereby added:

“Investment Objective

The AKD Aggressive Income Fund (formerly AKD Income Fund) aims to provide exposure to investors to participate in a diversified portfolio of fixed income securities and instruments. The investment objective of the Fund shall be to provide regular stream of income along with capital gains”.

4 Addition of new Clause 1.3 under the new heading “Performance Benchmark”

After the Clause 1.2, the following new Clause 1.3, be and is hereby added:

“Performance Benchmark

The performance benchmark of the Fund shall be one year KIBOR”.

5 Addition of New Clause 3.3

Under the heading ‘Governing Law and Jurisdiction’ the following paragraph is added as a new clause 3.3:

“Provided any amendments to any regulations governing the Scheme, or any specific exemptions given by the Commission to the Fund will be deemed a part of this Trust Deed.”

6 Amendments in Existing Clause 4.4.1

Clause 4.4.1 be and hereby replaced by the following text:

“The Trustee shall issue a report to the Holders as required under the Regulations.

7 Amendment in Existing Clause 5.A.3.11

In Clause 5.A.3.11 after the words ‘shall not be appointed for more than’ the word, ‘three’ has been deleted and the word ‘five’ has been added and now reads as follows:

The Management Company shall with the consent of the Trustee, appoint at the establishment of the Trust and upon any vacancy, the Auditor from the list of auditors circulated by the Commission or the State Bank of Pakistan and such Auditor shall not be appointed for more than five consecutive years and the contents of the Auditor’s report shall be in accordance with the provisions of the Rules.

8 Addition of New Clause 5.A.3.17

The following new Clause 5.A.3.17 is hereby added:

“The Asset 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.”

9 Amendment in Existing Clause 5.B.3

In Clause 5.B.3 after the words ‘under the Rules,’ the words, ‘the Trusts Act 1882’ shall be deleted and the words ‘the Regulations’ shall be added. The amended Clause now reads as follows:

The Trustee shall have all the obligations entrusted to it under the Rules, the Regulation, this Trust Deed and the Offering Document.

10 Amendment in Existing Clause 5.B.13

In Clause 5.B.13 after the words ‘All costs, charges and expenses’ the words, ‘(including reasonable legal fees)’ shall be deleted and the words ‘(including legal fees)’ shall be added. The amended Clause now reads as follows:

The Trustee shall, if requested by Management Company, and may, if it considers necessary for the protection of Fund 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 Fund 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.

11 Deletion of existing Clause 5.B.14

The existing Clause 5.B.14, be and is hereby deleted in entirety

12 Deletion of existing Clause 5.B.15

The existing Clause 5.B.15, be and is hereby deleted in entirety

13 Clause 5.B.16 is hereby renumbered as Clause 5.B.14

14 Addition of New Clause 5.B.15

The following new Clause 5.B.15 is hereby added after the renumbered Clause 5.B.14:

“Trustee shall not invest in the Units of the Fund.”

15 Amendment in Existing Clause 6.1.5

Clause 6.1.5 be and is hereby amended and now reads as follows:

The Trust shall invest in securities outside Pakistan after obtaining prior written approval of SECP, which will enable the Fund to diversify risk as well as avail opportunities to optimize returns, provided that AKDAIF shall always invest in such securities and instruments that are defined herein under Authorized Investments. In case investments are made on behalf of the Fund in any offshore countries, the same shall be subject to the limits as may be prescribed by the State Bank of Pakistan and/or the SECP. Subject to approvals from the State Bank of Pakistan (SBP) the Fund shall invest the Fund Property outside Pakistan in the following manner:

- a. Up to 30% of the Net Assets of the Fund.
- b. The above percentage is subject to a cap of US\$15.00 million

The Management Company may seek to expand this limit subject to approvals of the SBP and SECP. In case, due to the relative movement of the value of foreign investment and / or change in the limit, the value of foreign investment exceeds the above limit, the Management Company will have three months to bring the Fund into compliance.

16 Deletion of Existing Clause 6.2.2

The existing Clause 6.2.2, be and is hereby deleted in entirety

17 Deletion of existing Clause 6.2.3

The existing Clause 6.2.3, be and is hereby deleted in entirety

18 Renumbering of existing Clauses 6.2.4 to 6.2.9

The existing Clauses 6.2.4 to 6.2.9 be and are hereby renumbered as Clauses 6.2.2 to 6.2.7 respectively.

19 Amendment in Existing Clause 6.2.4(now renumbered as Clause 6.2.2)

The existing Clause 6.2.4 now renumbered 6.2.2 is amended and now reads as follows:

“If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded. However the said period of three months could be extended by the SECP on an application by the Management Company.”

20 Amendment in existing Clause 6.2.7.4 and now renumbered as 6.2.5.4

Renumbered Clause 6.2.5.4 is amended and now reads as follows:

Under no circumstances shall the Management Company buy or sell such options, without prior approval of SECP, on behalf of the Scheme in excess of 10% of the NAV (or as approved by the SECP from time to time) that result in an exposure beyond the number of underlying securities held in the portfolio of the Scheme.

21 Addition of New Clause 6.2.8 after the renumbered Clause 6.2.7

After the renumbered Clause 6.2.7 the following new Clause 6.2.8 is hereby added:

“At least 10% of the net assets shall be invested in cash or near cash instruments, which include cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 day maturity.”

22 Addition of New Clause 6.2.9

After the Clause 6.2.8 the following new Clause 6.2.9 is hereby added:

“Weighted average time to maturity of net assets shall not exceed 5 years and this condition shall not apply to securities issued by the Federal Government.”

23 Addition of New Clause 6.2.10

After the Clause 6.2.9 the following new Clause 6.2.10 is hereby added:

“The Asset Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of the Trustee, the Fund would not be able to issue payment instrument for the redemption amount to the Unit Holder within time period stipulated in the Regulations.”

24 Addition of New Clause 6.2.11

After the Clause 6.2.10 the following new Clause 6.2.11 is hereby added:

“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.”

25 Amendments in Clause 6.4.1

Clause 6.4.1 be and is hereby amended and now reads as follows:

“Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing for account of the Scheme, with the approval of the Trustee, from Banks, financial institutions, non-banking finance companies or collective investment schemes. The borrowing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days and such borrowing shall not exceed fifteen per cent of the Net Asset of the Scheme at the time of borrowing or such other limit as specified by the Commission.”

26 Amendment in existing Clause 6.4.6

Clause 6.4.6 is amended and now reads as follows:

Neither the Trustee nor the Management Company shall incur any liability, by reason of any loss to the Trust or any loss that Unit Holders may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder in good faith.

27 Amendments in Clause 7

The existing Clause 7 is hereby amended and now reads as follows:

“The valuation of asset of the Scheme shall be made in accordance with the Regulations, as amended or substituted from time to time, and SECP Directives.”

28 Amendments in Clause 7.2.2

Clause 7.2.2 be and is hereby amended and now reads as follows:

“After the Initial Offer, the Offer Price for the Unit Holder(s) shall be determined from time to time on each Business Day and announced as specified by the SECP from time to time

through our corporate website www.akdinvestment.com and shall also be forwarded to the Mutual Funds Association of Pakistan "MUFAP" pursuant to Clause 7.2.3 hereafter and Regulation 57 of the Regulations."

29 Amendments in Clause 7.2.3

Clause 7.2.3 be and is hereby amended and now reads as follows:

The Purchase (Offer) Price shall be equal to the sum of:

a) The Net Asset Value as of the close of the Business Day on which the completely and correctly filled purchase of Units form is received by the Management Company before the cut-off time to be announced by the Management Company from time to time; (Forward pricing)

b) Any Front-end Load;

c) Such amount as the Management Company may consider an appropriate provision for Duties, Charges, etc;

d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs; The Purchase (Offer) Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor or the Management Company during the business hours on the Business Day on which the completely and correctly filled purchase of units application form is received before the cut-off time to be announced by the Management Company from time to time;

and sum to be announced up to four decimal places with the fifth decimal place being rounded off upwards. Provided that the Management Company may change at its discretion with the approval of the Trustee and the SECP, the number of decimal places and the extent of rounding off such prices (if any).

30 Amendments in Clause 7.2.7

The existing Clause 7.2.7 is hereby amended and now reads as follows:

"In the event that the Management Company offers any Investment Plans after getting approval from the SECP through supplemental Offering Document and if such Investment Plans require automatic purchase/conversion / redemption of Units as required under the terms of the Investment Plan(s) the Management Company under such circumstances would deem to have received an application to purchase/convert/ redeem Units. The Trustee will thereafter service the Unit Holder at the instruction of Management Company as required by such Investment Plan(s). The prices for such purchase / conversion / redemption shall be NAV based and would be rounded in accordance to the pricing mechanism of each respective fund."

31 Amendments in Clause 7.3

The heading for Clause 7.3 be and is hereby amended and now reads as follows:

"7.3 Allocation of Front end Load"

32 Amendments in Clause 7.3.1

Clause 7.3.1 be and is hereby amended and now reads as follows:

The remuneration of Distributors shall be paid exclusively from any Front end Load received by the Trustee and/or may be paid by the Management Company when the Trustee pays the Front end Load to the Management Company or to distributors upon instructions of the Management Company, and no charges shall be made against the Fund Property or the

Distribution Account in this respect. The Management Company shall be directly responsible for payment of remuneration of Investment Facilitators. 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 the distribution services for the Trust. If the Front end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

33 Amendments in Clause 7.3.2

Clause 7.3.2 be and is hereby amended and now reads as follows:

Such payments may be made to the Distributors and the Management Company by the Trustee or may be made by the Trustee on the instructions of the Management Company on a monthly basis in arrears within thirty days of the end of the calendar month or any other period specified by the Management Company from time to time. The Management Company shall be directly responsible for making payments to Investment Facilitators after receiving the same from the Trustee.”

34 Amendments in Clause 7.3.3

Clause 7.3.3 be and is hereby amended and now reads as follows:

Distributors located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front end Load as is authorized by the Management Company and the Trustee and transfer the net amount to the Trustee, subject to the law for the time being in force.

35 Amendments in Clause 7.5.2

Clause 7.5.2 be and is hereby amended and now reads as follows:

After the First Offer the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Business Day on which a correctly and properly filled redemption of Units form is received before the cut-off time to be announced by the Management Company from time to time, less:

- a) Any Back-end Load;
- b) Any taxes imposed by the Government;
- c) Such amount as the Management Company may consider an appropriate provision for Duties, Charges, etc;
- d) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;

and sum to be announced up to four decimal places with the fifth decimal place being rounded off downward Provided that the Management Company may change at its discretion with the approval of the Trustee and the SECP, the number of decimal places and the extent of rounding off such prices (if any).

The Redemption (Repurchase) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the Business Hours (as announced by the Management Company from time to time) and before the cut-off time to be announced by the Management Company from time to time on the Business Day on which a correctly and properly filled redemption application is received or any other form that is acceptable by the Management Company.

36 Amendments in Clause 7.6.2

Clause 7.6.2 be and is hereby amended and now reads as follows:

“An application for redemption of Units shall be made by completing the prescribed Redemption of Units Form and submitting it at the authorized branch or office of the Distributor on any Business Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain Redemption of Units Form and a copy may be supplied to the Registrar, if so required by the Management Company. No person shall be entitled to redeem only part of the Units comprised in a Certificate; provided however in case where a Certificate is not issued any number of Units may be redeemed by the Unit Holders thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. In case of application for redemption by Joint Unit Holders such application should be signed by signatories as mentioned and required at the time of opening of the account within the Unit Holder Register through the Investor Account Opening Form.”

37 Amendments in Clause 7.6.10

The existing Clause 7.6.10 is amended and now reads as follows:

“The maximum interval between the receipt of a properly documented request of Redemption of Units and the issuance of payment instrument for the redemption money to the Holder shall not exceed six working days unless redemption has been suspended. The amount payable on Redemption in Pakistan shall be paid to the Unit Holder by transfer to the Unit Holders designated bank or registered address. At the request of the Unit Holder the Management Company may decide to pay redemption proceeds through some other mode of payment. The Management Company will make arrangement for redemption proceeds to Unit Holders outside Pakistan and will disclose such arrangements through its agent and Distributors and any other mode decided by the Management Company. In all cases the amount payable on Redemption shall be considered paid once the Trustee / the Management Company either:

- (i) Has dispatched a cheque, pay order, or draft for the full amount; or
- (ii) Has deposited the full amount with a bank; and/or onward payment to the Unit Holder.

38 Addition of New Clause 7.6.13 (SECP)

The following paragraph is added as a new clause 7.6.13:

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

39 Addition of New Clause 7.7 ‘Dealing in Units’

Under the heading ‘Valuation of Property and Pricing’ the following paragraph is added as a new clause 7.7:

“Dealings in Units

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, 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 cut-off timing for acceptance of applications at the designated points for issuance, redemption, conversion and transfer of Units shall be disclosed in the Offering Document.”

40 Addition of New Clause 7.7.1 (SECP)

The following paragraph is added as a new clause 7.7.1:

“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.”

41 Amendments in Clause 8.2.1

The existing Clause 8.2.1 is amended and now reads as follows:

“The redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchanges on which any of the securities invested in by the Fund are listed, 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 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. The Management Company may announce a suspension or deferral of redemption. Such a measure shall be taken to protect the interest of the Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. Under such circumstances, the Management Company shall also suspend the issuance of new Units till such time the redemption of Units is resumed. If the redemption requests on any one dealing day exceed 10% of the total number of units in issue, 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 clause 8.7 here in below.”

Circumstances of Suspension of Redemption

In the event of extra-ordinary circumstances, the Management Company may suspend or defer Redemption of Units under intimation to the Trustee and the Commission. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company or the Distributors unable to function. The Management Company shall immediately notify the SECP and the Trustee of such suspension. In case of suspension of redemption of Units due to extraordinary circumstances, the issuance of fresh Units shall also be kept suspended until such time redemption of Units is resumed.

42 Amendment of existing Clause 9.1.3

The existing Clause 9.1.3, is hereby amended:

“The Management Company shall be entitled to remuneration equal to an amount not exceeding three per cent (3%) of the average annual Net Assets of the Scheme that has been verified by the Trustee and is paid in arrears on a monthly basis in accordance with the Rules and Regulations during the first five (5) years and two per cent (2%) of the average annual Net Assets of the Scheme for the rest of the Scheme’s existence.

43 Amendments in Clause 9.2.4

The existing Clause 9.2.4 is amended and now reads as follows:

“The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services provided in accordance with the provisions of this Deed.”

44 Amendments in Clause 9.3.2

Under the heading ‘Formation Costs to be amortized against Property of the Scheme’ Clause 9.3.2 is amended and now reads as follows:

"All expenses incurred in connection with the incorporation, establishment and registration of the Fund (formation cost) as per Regulations, shall be reimbursable by the Fund to the Management Company subject to audit of expenses. The said formation cost will be amortized by the Fund over a period of not less than five years.

45 Amendments in Clause 9.4.4

The existing Clause 9.4.4 is amended and now reads as follows

"Auditors' fees and out of pocket expense billed by them."

46 Amendments in Clause 9.4.6

The existing Clause 9.4.6 is amended and now reads as follows:

"Fees payable to the Commission."

47 Deletion of Clause 9.4.8

Clause 9.4.8 be and is hereby deleted in its entirety.

48 Clause 9.4.9 – 9.4.12 renumbered as 9.4.8 – 9.4.11

49 Addition of New Clause 9.4.12

After the renumbered Clause 9.4.11, the following new Clause 9.4.12 is added as follows:

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

50 Amendments in Clause 10.2

The existing Clause 10.2 is amended and now reads as follows:

The Management Company on behalf of the Scheme shall not without the written approval the Board of Directors and the written consent of the Trustee purchase from or sell any security to, any Connected Person or employee of the Management Company.

51 Amendments in Clause 10.3 (a)

The existing Clause 10.3 (a) is amended and now reads as follows:

"Cash forming part of the property of the Scheme may be placed as deposits with the Trustee or an institution licensed to accept deposits;"

52. Addition of Clause 10.4

The following new Clause 10.4 is hereby included as follows:

"All transactions with connected persons carried out by an Asset Management Company on behalf of the Collective Investment Scheme shall be in accordance with the provisions of the Constitutive Documents, the Rules and the Regulations and shall be disclosed in the annual report of the Collective Investment Scheme."

53 Amendment in Clause 11.4

The existing Clause 11.4 is amended and now reads as follows:

“The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting:

- a) Remuneration of the Management Company for the relevant period;
 - b) Remuneration of the Trustee for the relevant period;
 - c) listing fee payable to the Stock Exchange including renewals;
 - d) charges and levies of Stock Exchange, national clearing and settlement company and e)entral depository company;
 - f) Brokerage and transaction costs related to investing and disinvesting of the Fund Property;
 - g) Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders of the Scheme;
 - h) Bank charges and borrowing/financial costs;
 - i) Audit Fees and charges;
 - j) Formation Costs, which are the lower of one percent of Pre-IPO capital or five million rupees, amortized over a period of not less than five years;
 - k) taxes, fees, cess, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, cess, duties and other charges levied by foreign jurisdiction on investments outside Pakistan;
 - l) fees payable to the SECP; and
 - m) expenses incurred by the Trustee in effecting the registration of all registerable fund property in the name of the Scheme;
 - n) rating fee of the Scheme payable to approved rating agency;
 - o) hedging costs including forward cover, forward purchase or option purchase costs; and
 - p) any printing costs and related expenses for issuing the Scheme’s quarterly, half-yearly and annual reports, etc.;
- Any other expense or charge as may be permitted by the Commission.

54 Amendments in Clause 11.5

The existing Clause 11.5 is amended and now reads as follows:

“In case of cash dividend, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account; provided that the Management Company may instruct the Trustee to issue cash dividend payment instruments from Bank Accounts of the Scheme to the Unit Holder(s) if deemed practical and economical by the Management Company and the Trustee and if so required by the Unit Holder. The amount standing to the credit of the Distribution Account shall not for any purposes be treated as part of the Fund Property but shall be held by the Trustee upon trust to distribute the same as herein provided.”

55 Amendments in Clause 16.8

The existing Clause 16.8 is amended and now reads as follows:

“Remuneration of the Management Company; Remuneration of the Trustee, custody charges including the Trustees charges in its capacity as the Central Depository Company and fee for custodial services for overseas investments; Brokerage and transaction costs related to investing and disinvesting of the Fund Property; listing fee and associate membership fee payable to the Stock Exchanges, Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holder(s), Bank charges and borrowing/financial; Hedging costs, including cost of forward cover or forward or option purchase costs; Audit fees and charges, taxes, fees, duties and other charges on investments made in foreign jurisdictions; Formation costs, Fee/Charges payable to the SECP and taxes if any applicable to the Trust shall be payable out of the Fund property.”

56 Amendments in Clause 17.1

The existing Clause 17.1 is amended and now reads as follows:

"The Trustee shall arrange to provide the Management Company statements of all the Bank Accounts being operated by the Trustee for the Unit Trust. Such statements will be arranged to be provided according to the requirements of the Management Company."

57 Amendments in Clause 17.4

The existing Clause 17.4 is amended and now reads as follows:

"The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Unit Trust. The Trustee may establish a separate Bank Account for dividend distribution and transfer the amount payable as cash dividend to such Account after deducting such Taxes and Zakat as may be required under the law. The Trustee may rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units of the Unit Trust."

58 Amendments in Clause 17.5

The existing Clause 17.5 is amended and now reads as follows:

"The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units as are representative of Front-end Loads or charges or other recoveries that are specified in the Trust Deed or Offering Document, as being payable out of the Issue or Redemption Prices.

59 Amendments in Clause 17.9

The existing Clause 17.9 is amended and now reads as follows::

"In case the Unit Holder already holding Units in an open-end scheme under the management of the Management Company wants to convert from one open-end scheme/Investment Plan to another open-end scheme/Investment Plan under the management of the Management Company, the Unit Holder will be required to complete the Conversion Form as prescribed by the Management Company. The Conversion Form will be applicable for both converting out from or in to the AKD Aggressive Income Fund (formerly AKD Income Fund) from or in to any other open-end scheme under the management of the Management Company. The prices for such purchase / conversion / redemption shall be NAV based and would be rounded in accordance to the pricing mechanism of each respective fund.

60 Amendments in Clause 20.1

The existing Clause 20.1 is amended and now reads as follows:

"All rights of voting attached to any Fund Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere."

61 Amendments in Clause 25.1

The existing Clause 25.1 is amended and now reads as follows:

Subject to exchange control, approval of SECP and the State Bank of Pakistan and other applicable laws, rules and regulations, the Management Company may make arrangements for the purchase (offer) of Units to person(s) not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Units, or any additional costs relating to

the delivery of Certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

62 Amendments in Clause 26.9

The existing Clause 26.9 is amended and now reads as follows:

“The Register may be closed with 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 Holder(s), provided that it is not closed for more than forty-five days in any calendar year and more than six working days at a time.”

63 Amendments in Clause 31.1

The existing Clause 31.1 is amended and now reads as follows:

“The Management Company shall at the establishment of the Scheme and upon vacancy with the consent of the Trustee, appoint as Auditor, a firm of chartered accountants from the list of auditors circulated by the Commission or the State Bank of Pakistan, who shall be independent of the auditor of the Management Company and the Trustee and such auditor shall not be appointed for more than five consecutive years. The Management Company may at any time, with the concurrence of the Trustee, remove the Auditors and appoint another auditor in its place.”

64 Replacement of Clause 35.8 and all its sub clauses

The existing Clause 35.8 is amended and now reads as follows

“Authorized Investment” includes government securities, cash in bank account, money market placements, deposits, certificates of deposits (COD), certificate of Musharaka (COM), TDRs, , commercial paper, reverse repo, TFC/Sukuk, MTS, spread transactions.

65 Replacement of Clause 35.8.1

The existing Clause 35.8.1 is amended and now reads as follows

“At least 10% of the net assets shall be invested in cash and near cash instruments which include cash in bank account (excluding TDRs), treasury bills not exceeding 90 days maturity.”

66 Replacement of Clause 35.8.2

The existing Clause 35.8.2 is amended and now reads as follows

“Weighted average time to maturity of net assets shall not exceed 5 years and this condition shall not apply to securities issued by the Federal Government.”

67 Deletion of Clauses 35.8.3 to 35.8.11 (both inclusive) and deletion of Clause 35.8.13 to Clause 35.8.25 (both inclusive)

The existing Clauses 35.8.3 to 35.8.11 (both inclusive) and Clauses 35.8.13 to Clause 35.8.25 are hereby deleted in their entirety.

68 Addition of New Clause 35.8.3

After the deletion of existing Clause 35.8.3 to 35.8.17 the following new Clause 35.8.3 is added as follows:

Both rated and unrated securities shall be eligible for investment, below investment grade rated securities shall also be eligible for investment.

69 Addition of New Clause 35.8.4

The following new Clause 35.8.4 is added as follows:

No restriction regarding time to maturity of any single security in the portfolio.

70 Amendments in Clause 35.9

The existing Clause 35.9 is amended and now reads as follows:

“Back-end Load” means the charge or commission (excluding Duties and Charge) not exceeding five per cent (5%) of the Net Asset Value deducted 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. Back-end Load shall form part of the Trust Property. The Management Company would charge upto a total of 5% of the Front-end and Back-end load in combination.

71 Amendments in Clause 35.8.12 now renumbered as 35.8.5

The existing Clause 35.8.12 is amended and renumbered as 35.8.5, now reads as follows:

Subject to prior written approval of SECP and other regulatory approvals the Fund may seek to invest in Foreign Securities issued, listed and traded outside Pakistan according to terms, guidelines and directions issued by SECP and the State Bank of Pakistan from time to time.

72 Deletion of Clause 35.13

Clause 35.13 be and is hereby deleted in its entirety.

73 Clause 35.14 35-59 is hereby renumbered as 35-13 – 35.58

74 Amendments in Clause 35.17

Clause 35.17 be and is hereby amended and now reads as follows:

“Constitutive Document(s)” means this Trust Deed, Offering Document and other principal documents governing the formation of the Scheme, including all related material agreements.”

75 Addition of new clause Definition of Regulations

After the existing Clause 35.48, the following new Clause numbered as 35.48(a) be and is hereby incorporated:

“Regulations” mean Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time.”

In the Trust Deed any reference to Rules (as defined in Clause 35.48) shall be deemed to include a reference to Regulations (as defined in new Clause 35.48(a)).

76 Amendments in Clause 35.29 now renumbered as 35.28

The existing Clause 35.29 is renumbered as 35.28 amended and now reads as follows:

“Front-end Load” means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five per cent (5%) of the Net Asset Value which may be included in the Offer Price of the Units; provided however that different levels of Front-end Load may be applied to different class of Units, as determined by the Management Company.

The Management Company would charge up to a total of 5% of the Front-end and Back-end load in combination.

77 Amendments in Clause 35.31 now renumbered as 35.30

Clause 35.31 is amended and now reads as follows:

"Fund Property" means the aggregate proceeds of the sale of all Units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) or Redemption (Repurchase) price after deducting there from or providing there against the value of Redemption, Front end Load, Duties and Charges (if included in the Purchase <Offer> Price or Redemption <Repurchase>Price) applicable to the Purchase or Redemption of Units and any expenses chargeable to the Fund; and includes the Back-end Load, Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable assets and properties 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 and shall include the income, profit, interest, etc earned on the amount credited to the Distribution Account.

78 Amendments in Clause 35.35 now renumbered as 35.34

Clause 35.35 is amended and now reads as follows:

Investment Facilitator" (Facilitator) means an Individual, firm, corporate or other entity appointed by the Management Company, at its sole responsibility, to identify and assist Investors in investing in the Scheme. The Management Company shall compensate the Facilitators out of the Front end Load collected by it in the Offer Price.

79 Amendments in Clause 35.39 now renumbered as 35.38

The existing Clause 35.39 is amended and now reads as follows:

"Offering Document" means a published document containing information on the AKD Aggressive Income Fund to invite the public for purchase of Units of the Fund. .

80 Amended Clause 35.49 now renumbered as 35.48

The existing Clause 35.49 is deleted in its entirety.

The word Sales Load is now replaced as Front-end load.

IN WITNESS WHEREOF, THIS THIRD SUPPLEMENTAL TRUST DEED OF **AKD AGGRESSIVE INCOME FUND (formerly AKD Income Fund)** has been executed on the date first mentioned above.

The Common Seal of AKD Investment Management Limited was hereunto fixed on, _____ 2009 in the presence of:

Seal: (1) _____

(2) _____

The Common Seal of Central Depository Company of Pakistan Limited was hereunto fixed on _____, 2009 in the presence of:

Seal: (1) _____

(2) _____

WITNESSES

1. _____

2. _____