

FIRST SUPPLEMENTAL OFFERING DOCUMENT

IGI ISLAMIC INCOME FUND

Category
Shariah Compliant (Islamic) Income Scheme

Benchmark
Average six monthly deposit rates offered by at least three Islamic Banks

Managed By
IGI FUNDS LIMITED

[An Asset Management Company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules")]

Date of Publication of Offering Document: November 20, 2009

Initial Offer Period: December 01, 2009 to December 03, 2009

Date of Publication of this First Supplemental Offering Document: August 03, 2011

The IGI Islamic Income Fund (the "Unit Trust" or the "Trust", or "IGIIF" or the "Scheme" or ,the "Fund") has been established as an open-end scheme through a Trust Deed dated **July 03, 2008** as amended, vide First Supplemental Trust Deed dated **September 23, 2008** and Second Supplemental Trust Deed dated **September 16, 2009** (the "Trust Deed") entered into between IGI Funds Limited, (the "Management Company") and Central Depository Company of Pakistan Limited, (the "Trustee") and is authorized under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations").

Effective from August 03, 2011, the following clauses of the Offering Document have been amended to read in their entirety as follows:

2. INVESTMENT OBJECTIVE, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

2.3 Investment Exposure Limits

Investments of the Scheme shall follow the following exposure limits expressed as percentage of Net Assets:

Sr.	Description	Entity Rating	Instrument Rating	Exposure
1.	Deposits with Islamic Banks or with branches /windows of Conventional Bank (excluding Term Deposit Receipts)	A-	A-	25% - 100%

2.	Term Deposits with Islamic Bank or with Islamic branches/windows of Conventional Bank (not having over six month maturity)*	A-	A-	0% - 75%
3.	Certificates of Investment based on Shari'ah Complaint structures(not having over six month maturity)*	A-	A-	0% - 75%
4.	Placements of funds under Modaraba, Musharika, Murabaha arrangement (not having over six month maturity)*	A-	A-	0% - 75%
5.	Shari'ah Compliant Government Securities	-	-	0% - 75%
6.	Reverse Repo against Shari'ah Compliant Govt. Securities or other Shari'ah Compliant debt securities stated as authorized investments in the Offering Document (not having over six month maturity)*	-	-	0% - 75%
7.	Spread Transactions in Shari'ah Compliant local listed securities	-	-	0% - 40%
8.	Secured, unsecured, privately placed, listed and unlisted Shari'ah Compliant debt instruments including Sukuks issued by corporate and financial institutions	A-	A-	0% - 75%
9.	Shari'ah Compliant debt instruments issued, listed and traded outside Pakistan subject to regulatory approvals from the Commission and the State Bank of Pakistan (subject to a cap of fifteen million dollars (US\$ 15,000,000))	A-	A-	0% - 30%
10.	Derivatives with options, swaps (subject to the approval of SECP)	-	-	0% - 40%

* Not more than 15% for securities having maturity over six months.

Weighted average time to maturity of the net assets shall not exceed 4 year and this condition shall not apply to securities issued by the Federal Government.

6. CHARACTERISTICS OF UNITS

6.3 Minimum / Maximum Investment

6.3.3 The Management Company may alter the minimum and/or maximum amount required for opening, maintaining or adding to the account. Provided that an upward revision for maintaining the account or adding funds shall require the Management Company to give thirty (30) calendar days prior notice to Unit Holders.

~~6.3.4 In the event the investment in any Unit Holder's account falls below the minimum level as a result of the revised limits, changes in valuation, redemption, transfer or transmission, the Management Company may instruct the Registrar to inform the concerned Unit Holder(s) in writing and allowing twenty one (21) Business Days, from the date of written intimation, to meet the minimum account balance requirements. If, however, the Unit Holder(s) fails to meet the required minimum account balance then the Management Company may instruct the Registrar to proceed with redeeming the Units in such accounts at the close of any Accounting Period at the price applicable to redemptions on such date.~~

6.7 Determination of Offer Price

6.7.2 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, as announced in Offering Document;
- (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 upto four decimal places.

6.10 Determination of Redemption Price

6.10.2 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, as announced in Offering Document; 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.

Such sum shall be adjusted upto four decimal places.

7. **DISTRIBUTION POLICY**

7.9 **Closure of Register**

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.

8. **FEES AND CHARGES**

8.1 **Fees and Charges Payable by an Investor**

8.1.1 The Unit Offer Price is calculated by adding a Front-end Load not exceeding five per cent (5%) and Transaction Cost to the Net Asset Value (The current level of Front-end Load and Transaction Cost is indicated in **Annexure 'A'**). Any upward revision in current level of applicable Front-end Load requires approval of the Commission.

8.1.2 The Unit Redemption Price is calculated after deducting a Back-end Load not exceeding five per cent (5%) and Transaction Cost from the Net Asset Value of the Unit (The current level of Back-end Load and Transaction Cost is indicated in **Annexure 'A'**). Any upward revision in current level of applicable Back-end Load requires approval of the Commission.

8.3. **Fees and Charges Payable by the Scheme**

8.3.1 **Remuneration of the Management Company**

A. A remuneration of an amount not exceeding three per cent (3%) of the average annual Net Assets of the Scheme as defined under the 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. The Management Company shall acquire approval of the Commission in case of any upward revision in the current rate of remuneration as indicated in **Annexure 'A'**.

8.3.3 **Formation Cost**

A. Formation Costs shall be charged to the Scheme which are estimated at and shall not exceed one per cent (1%) of the Pre-IPO investment or Rupees five million (Rs. 5,000,000) whichever is lower.

- B. 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.

11. SERVICE TO UNIT HOLDERS

11.3 Register of Unit Holders

~~11.3.6 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.~~

15. TERMINATION OF THE SCHEME

15.1 Termination of the Scheme

15.1.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below unmanageable level. The Management Company shall give at least three (3) months notice to the Unit Holder(s) and the SECP and shall disclose the grounds of its decision.