

**Amendment #1 in the Offering Document of Askari Income Fund  
under SECP authorization letter ref: NBFC/MF-RS/AIF/ZRK-AD/600/2007 Dated August 16, 2007**

**Clause 2.4.1 of this document should be read as:**

2.4.1 Investment in this fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. However, diversification of the investment into a number of debt securities, money market instruments and repurchase transactions tends to reduce the risk substantially. The foreign investments may expose to risks including political, economic and exchange rate that may reduce the value of investments. However, studies show that diversifying internationally would tend to reduce the overall volatility of a portfolio and thus may reduce risks of investors. The historical performance of this Fund, the financial markets or that of any one security or transaction included in the Fund’s portfolio does not necessarily indicate future performance.

**Moreover, following are the additions to the clause 14.7 of the Offering Document:**

**14.7**

Asset Class	Entity Rating	Instrument Rating	Max Exposure limit
<b>Foreign Investments</b> Foreign Government Bonds, T-Bills	BB	BB	33% per script of F.I
Listed Debt Securities	BBB+	BBB+	33% per script of F.I
Unlisted Debt Securities but does not include bearer security or any security that would involve assumption of unlimited liability.	A	If available BBB or N/A	10% per script of F.I with a total cap of 25% of total F.I.
Deposits with Banks + Deposits with Financial Institutions	BBB-	N/A	50% of F.I.
Convertible debt securities issued by corporates / financial institutions	BBB+	BBB+	33% per script of F.I.
Asset-backed or mortgage-backed debt securities	N/A	A-	50% of F.I.
Securities Traded Over the Counter Market + Securities to be traded Over the Counter	A	A- if available or N/A	50% of F.I.
Mutual Funds*	Three star	BB	33% per script of F.I
Per security / script limit			10% of the fund size or the size of the security / script, whichever is lower.

- \* a) Investment in international mutual funds can be made upto 100% of allowed limit of foreign investments.
- b) Investment restricted to only mutual funds with more than \$150 million in AUM.
- c) Minimum Morningstar rating of 3-star.
- d) Minimum five years of history of returns.
- e) Minimum AUM of \$5 billion under the fund manager in all funds.
- f) Sales Load (front-end and back-end) not to exceed 1.0%.
- g) Expense Ratio not to exceed 2%.
- h) Minimum portfolio credit rating of BB.

**Per Country Exposure Limits of Foreign Investment**

Country Rating	Exposure Limit of Foreign Portion
A thru AAA	100%
BBB thru A-	50%
BB thru BBB-	33%

- 14.7.1 Group Companies, even if registered / listed in different countries and any prescribed limit on group exposure shall apply to such Companies.
- 14.7.2 If the services of a foreign fund manager is hired for investments outside Pakistan, the fee directly charged will be responsibility of the Management Company and any fee paid out of Fund Property will be netted-off from the fee paid to the Management Company.
- 14.7.3 Ratings from Moody’s, Standard & Poor’s, Fitch, and Morningstar (For Mutual funds) only, shall be considered valid for foreign investments;
- 14.7.4 All the investments and assets shall remain under the name of trustee of the fund, the trustee may appoint sub-custodian in consultation with the Management Company;
- 14.7.5 The Management Company will have three months to bring the fund down to the cap level, incase it exceeds the international investment limit.