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**SUPPLEMENTAL OFFERING DOCUMENT - II**

**MEEZAN ISLAMIC FUND**  
(MIF)



**Under Management of**





**SUPPLEMENT OFFERING DOCUMENT - II DATED May 06, 2008 OF MEEZAN ISLAMIC FUND ISSUED ON OCTOBER 6, 2003**

**MEEZAN ISLAMIC FUND  
MANAGED BY**

**Al Meezan Investment Management Limited**

[An Investment Advisory and Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003]

Established in Pakistan by a Trust Deed dated June 1, 2003, under the Trust Act 1882 (II of 1882) between Al Meezan Investment Management Limited, as the Management Company and, Central Depository Company of Pakistan as the Trustee and Authorized under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (now replaced with Regulation 61 of Non-Banking Finance Companies and Notified Entities Regulations, 2007).

**Clause 2.5**

MIF is divided into Units having par value of Rs.50 each. All Units and fractions thereof rank pari passu as to the assets, earnings and receipt of the dividend or distribution, as may be declared by the Management Company. Each Unit Holder has interest in MIF proportionate to the Units held by such Unit Holder. Four types of the Units can be offered under the provisions of the Deed, which are differentiated only on the basis of the Sales Load.

- Type "A" Units do not carry any Sales Load;
- Type "B" Units carry Front-end Load;
- Type "C" Units carry Back-end Load; and
- Type "D" Units carry Contingent Load.

However, the Management Company (while maintaining the integrity of each Unit's pari passu rights) may issue the following classes of Units:

- **Growth Units** which shall be entitled to bonus units in case of any distribution by the Fund. Bonus Units issued to growth Unit holders shall also be the growth Units.
- **Income Units** which shall be entitled to cash dividend in case of any distribution by the Fund.

The Units shall be fully paid-up before they are issued. Notwithstanding that various types of Units will be issued, it is clarified that MIF is one scheme.

The Unit holder may change the classes of Units within each Unit Type.

**Clause 5.2 (Various Types of Units to be offered and their Features):**

- (a) Type "A" Units have been offered to core investors. These Units carry no Load. The Units are non-redeemable for a period of two years commencing from the date of such subscription, however, they will be fully transferable after the initial public offering.

After the IPO, there will be no public sale of Type "A" Units. However, Unit Holders will have the option to convert their dividend amount into Type "A" Units.



- After the IPO, Type "B", "C" and "D" Units may be offered.
- (b) Type "B" Units will carry a Front-end Load calculated at 2% of the NAV, which will be included in the Offer Price.
  - (c) Type "C" Units will carry a Back-end Load calculated at 2% of the NAV which will be deducted from the Redemption Price at the time of redemption.
  - (d) Type "D" Units will carry a Contingent Load applicable on the NAV according to the following schedule, and will be deducted from the Redemption price at the time of redemption of the Units:

Time of Redemption	Contingent Load Applicable
Within 2 years of purchase	2%
Between 2 – 5 years	1%
Beyond 5 years of purchase	0%

Sales Load is intended to cover the cost of providing distribution, transfer and redemption related services to the Unit Holders.

The Management Company shall offer following two classes of Units within the Types of Units mentioned above to the investors:

- Growth Units which shall be entitled to bonus Units in case of any distribution by the Fund. Bonus Units issued to Growth Unit Holders shall also be the Growth Units.
- Income Units which shall be entitled to cash dividend in case of any distribution by the Fund.

Sales load shall be charged on these Unit classes depending upon the types of Units in which they are issued. The investor shall specify the class of Units in which he wants to invest at the time of investment. He can also invest in both classes of Units.

The Unit Holders shall be allowed to switch from one class of Units to the other class of Units in the same Unit Type without any fee.

All the Units issued up to June 30, 2008 shall be the Growth Units however the existing Unit Holders shall have the option to switch to the Income Units by applying to the Management Company.

The Management Company may offer different Classes of Units, within the above detailed Unit Types, as per the provisions of the Trust Deed and with prior approval of the Commission.

Units shall be accounted for in fractions up to four decimal places, with the fifth decimal place being rounded up if it has a value of five or higher, or rounded down if it has a value below five.

**Clause 6.2(Declaration of Dividends):**

The Management Company shall decide not later than forty-five days after the end of the Accounting Period whether to distribute profits if any, available for distribution in the form of dividends/bonus to the Unit Holders. The balance of the net income will be retained for reinvestment in MIF. The Management Company may at its discretion, pay the Unit Holders



interim dividends, if it considers that the income for the relevant Accounting Period would justify such distribution.

In case of any distribution by the Management Company, the Growth Unit Holders shall be paid the dividend in the form of bonus Units and the Income Unit Holders shall be paid the dividend in the form of cash. The Scheme shall comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

**Clause 6.5 (a) (Reinvestment of Dividends):**

In case of Income Units, a Unit Holder may in writing at the time of purchase of Units or at a later date instruct the Management Company to reinvest the future cash dividends to which he shall be entitled into Units of the Scheme. The Offer Price for the Units to be issued shall be the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.

In case of Growth Units, bonus Units issued would rank *pari passu* as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these bonus Units. The account statement or Unit Certificate (if required by the Unit Holder) shall be dispatched to the Unit Holder within fifteen (15) days of the issue of Bonus Units. The Unit Holder(s) have the option to en-cash the Bonus Units at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.

**Clause 6.6 (Encashment of Bonus Units):**

In the event a dividend is declared in the form of bonus Units, such Units shall be added to the holding of the Unit Holders. A Unit Holder of Growth Units may elect to receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Transfer Agent in writing prior to the book closure for any relevant period.

**Clause 9.6 (a) (Certificates)**

- (a) Unit Certificates will be issued only if requested by the Unit Holder. Separate Certificates shall be issued for each class and type of Units.