

Supplementary Offering Document –II

Of

**Meezan Sovereign Fund
(MSF)**

Dated: July 19, 2013

SUPPLEMENTAL OFFERING DOCUMENT –II

OF

MEEZAN SOVEREIGN FUND

MANAGED BY

AL MEEZAN INVESTMENT MANAGEMENT LIMITED

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

Meezan Sovereign Fund (the Fund/the Scheme/the Trust/MSF) has been established through a Trust Deed entered into between Al Meezan Investment Management Limited (“Al Meezan Investments” or “Management Company”), the Asset Management Company and Central Depository Company of Pakistan Limited (“CDC”), the Trustee and is registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (the Regulations)

1. Amendments in Clause 3.11

Clause 3.11 is amended and read as follows:

The Units of MSF are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by the SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institution. The portfolio of MSF is subject to market risks and risks inherent in all such investments.

MSF’s target return/ dividend range cannot be guaranteed. MSF’s Unit price is neither guaranteed nor administered/ managed. It is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

Disclosure: “There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned ‘Category.’ This noncompliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment-specific issues. Investors are advised to study the latest Fund Manager Report specially portfolio composition and Financial Statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned Category.”

2. Amendments in Clause 4.2.9

Clause 4.2.9 is amended and read as follows:

Principal office, records and Submission of Accounts

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, amounts received by the Scheme in respect of issue of Units, payment made by the Scheme on redemption of the Units and by way of distributions and payment made from at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

The Management Company shall within one month of the closing of the first and third quarter and within two months of the closing of the second quarter of each Accounting Period, prepare as per Rules and Regulations and transmit (physically or through electronic means or on the web subject to SECP approval) to the Unit Holder(s), the Trustee and the SECP and Stock Exchange(s) (on which the Units of the Scheme are listed), whether audited or otherwise:

- (i) balance sheet as at the end of that quarter;
- (ii) income statement;
- (iii) cash flow statement;
- (iv) statement of movement in Unit Holders' fund or Net Assets or reserves and changes in equity for that quarter; and
- (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period, and the securities held at the end of such period together with the value (at carrying and at market) and the percentage in relation to Net Assets of the Scheme and the issued capital of the person whose securities are owned for that quarter.
- (vi) the Auditor's report of the Scheme; and
- (vii) the Trustee's Report (only in second quarter report)

The Management Company shall, within four months of closing of the Annual Accounting Period of the Scheme, transmit to the Unit Holders, the Trustee, the SECP and Stock Exchange(s) (on which the Units of the Scheme are listed) the annual report as per the

requirements set out in Schedule V of the Regulations, including:

- (i) copy of the balance sheet and income statement;
- (ii) cash flow statement;
- (iii) statement of movement in Unit Holders' fund or Net Assets or reserves;
- (iv) the Auditor's report of the Scheme; and
- (v) the Trustee's Report

Provided that the Commission, subject to any conditions it may impose, may allow the Management Company to transmit the said Annual Accounts to the Unit Holders by placing them on the Management Company's website (www.almeezangroup.com). However, if the investor requests the financials shall be provided to them within seven business days free of charge.

3. Amendments in Clause 10.3 (c)

Clause 10.3 (c) is amended and read as follows:

The Management Company shall ensure that the Transfer Agent shall at all reasonable times during Business Hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of the Deed, the Register shall, subject to such restrictions as may be notified by management company from time to time, be open for a period of at least two hours in each Business Day to the inspection of any Unit Holder without charge. Unit Holder will be entitled to ask for copies of his folio from the Register on any Business Day by applying to the Management Company/Transfer Agent in writing. The Management Company/Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account i.e. Units are (1) issued/subscribed, (2) redeemed (3) transferred in favor of third person (4) transferred from third person in favor of Unit Holder (5) consolidated / split (6) additional Units are issued against reinvestment of dividend and (7) Conversion. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders within 07 Business Days of the receipt of the request.

4. Amendments in Clause 10.5

Clause 10.5 is amended and read as follows:

Account Statement

The Management Company/Transfer Agent will send directly to each Unit Holder a non transferable electronic account statement or report each time there is transaction in the folio i.e. Units are (1) issued/subscribed, (2) redeemed (3) transferred in favor of third person (4) transferred from third person in favor of Unit Holder (5) consolidated / split (6) additional Units are issued against reinvestment of dividend and (7) Conversion. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders within 07 Business Days of the transaction.