

**SUPPLEMENT I DATED FEBRUARY 22, 2008 TO THE OFFERING DOCUMENT  
OF IGI INCOME FUND ISSUED ON APRIL 5, 2007**

**IGI INCOME FUND**

MANAGED BY

**IGI Funds Limited**

[A Non-Banking Finance Company incorporated under the Companies Ordinance, 1984 and licensed by the Securities and Exchange Commission of Pakistan to undertake investment advisory and asset management services under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003]

IGI Income Fund has been established in Pakistan by a Trust Deed dated December 18, 2006, registered under the Trusts Act 1882 (11 of 1882) between IGI Funds Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee and authorized under the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003.

**Effective from March 29, 2008, the following clauses of the Offering Document have been amended to read in their entirety as follows:**

**Clause 1.5**

The Scheme is divided into Units having an Initial Price of Rs.100 (Rupees One Hundred each). This price is applicable to such Units that are issued before close of the Initial Period. Thereafter, the Units shall be issued on the basis of the Net Asset Value (NAV) of the IGI Income Fund, which shall form the base for determining the Offer Price and the Redemption Price.

All Units and fractions thereof represent an undivided share in the Scheme and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Scheme proportionate to the Units held by such Unit Holder. However, the Management Company (while maintaining the integrity of each Unit's pari passu rights) may issue the following types 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.

Consequently, the Units issued with differing arrangements may have differing respective applicable quantum of the Front-end Load added to the NAV for determining the Offer Price thereof and differing respective applicable quantum of the Back-end Load deducted from the NAV for determining the Redemption Price.

**Clause 4.2**

The Management Company shall offer following two types of Units 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 types depending upon the class of Units in which they are issued.

The investor shall specify the type of Units in which he wants to invest at the time of investment. He can also invest in both types of Units.

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

All the Units issued up to March 28, 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 types of Units, within the above detailed Unit classes, as per the provisions of the Trust Deed and with the consent of the Trustee and prior approval of the Commission.

#### **Clause 4.13.1**

For the Classes and types of Units and the Initial Price, please refer to sub-clause 4.1, 4.2 and sub-clause 1.7 of this Offering Document.

#### **Clause 5.1**

Every year the Scheme shall distribute an amount that is required under the applicable tax laws and other regulations in force, to ensure maximum tax efficiency and benefit of the Unit Holders. 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 5.4.2**

After fixation of the rate of distribution per Unit for income Units, distribution payments shall be made by cheque or warrant by the Trustee and sent through the registered post or reliable courier service to the registered address of Holder, or in the case of joint Holders to the registered address of the joint Holder, first named (principal) on the Register. Every such cheque or warrant shall be made payable to the order of person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient, it shall transfer to the Holders' designated bank account or in case of joint Holder, to designated bank account of the joint Holder, first named (principal) in the Register. The receipt of funds by such designated bankers shall be a good discharge therefore.

#### **Clause 5.4.3**

After fixing the rate of bonus distribution per Unit for growth Units, the Management Company shall inform the Trustee who shall cause to have additional Units issued in the name of the Unit Holders as per the bonus ratio, at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period.

#### **Clause 5.5**

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.

**Clause 5.6**

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, and such issue of Certificates shall be as per sub-clause 9.7) 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 5.7**

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 distribution declaration for any relevant period. The bonus Units shall be redeemed at the ex-dividend Net Asset Value specified by the Management Company for the relevant Distribution Period, without any charge of sales load.

**Clause 9.7.3**

Confirmation statement and Certificates shall only be issued for Units that have been fully paid. Separate Certificates shall be issued for each class and type of Units.