

8<sup>th</sup> SUPPLEMENT TO THE  
OFFERING DOCUMENT OF  
ATLAS PENSION FUND (APF)  
DATED: February 17, 2022

Eighth Supplement Dated February 17, 2022 to the  
Offering Document of Atlas Pension Fund (APF)  
Issued on June 27, 2007.

(Managed by Atlas Asset Management Limited, as an Asset Management Company registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003)

Established in Pakistan under the Sindh Trusts Act, 2020 by a Trust Deed dated July 26, 2021 between Atlas Asset Management Limited, as the Pension Fund Manager and Central Depository Company of Pakistan Limited, as the Trustee, and authorized under Rule 9 of the Voluntary Pension System Rules, 2005 (Rules).

**1. Amendment in point (b) of Sub-Clause 6.2 “Application and Payment Procedure”:**

**The text of sub-clause 6.2 (b) shall be deleted**

**The text of the proviso of under Sub Clause 6.2 (2) shall be amended and read as follows:**

Along with Participant Registration Form and Allocation of Contributions Form, the Participant will be required to submit duly attested copies of his Computerized National Identity Card or any other form of identification acceptable to Pension Fund Manager.

**2. Amendment in Sub-Clause 6.9 “Individual Pension Account”:**

**Point 4 shall be amended and read as follows:**

4. At the Retirement Date or date of intimation of death of the Participant all the Units of the Sub-Funds, standing in his name shall be redeemed at the Net Asset Value notified at the close of that day and the amount shall be transferred to his individual pension account in the lower volatility scheme offered by the Pension Fund Manager.

**The proviso shall be added in point 5 of Sub clause 6.9.**

**For the sake of clarity the point 5 of Sub clause 6.9 shall be read as under:**

5. Individual Pension Account shall not be subject to any lien, pledge or encumbrance, attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and on the bankruptcy of a Participant, no sum shall pass to any trustee, official assignee or person acting on behalf of his creditors.

**“Provided that the individual pension account may be subject to be pledged, lien or encumbrance against the loan or advance given by the employer to the employee.”**

**3. Amendment in point 4 (b) (c) & 16 of Sub-Clause 6.11 “Redemption/ Withdrawal of Units and Payment of Proceeds Procedure”:**

**The text of Point 4 (b) (c) & 16 of sub-clause 6.11 shall be deleted and replaced with the following text:**

**For the sake of clarity the amended Point shall be read as under:**

**(b) Early Redemption Form:** This form is required to be submitted by the Participant (or the successor(s) of the deceased Participant) if he/she wishes to withdraw all or part of the Individual Pension Account balance.

**(c) Change of Pension Fund or Pension Fund Manager Form:** This form is required to be submitted to change the Pension Fund or Pension Fund Manager and transfer the Individual Pension Account to another pension fund or Pension Fund Manager whenever Participant wishes to do so. This form must be submitted at least seven working days before the effective date of the proposed change.

**(16) Withholding Tax:** The Trustee on the advice of the Pension Fund Manager shall withhold the tax on payments to the Participants or successor(s) as the case may be, applicable according to the Income Tax Ordinance, 2001 (XLIX of 2001), including any amendments and/or substitutions thereof and deposit the same in the Government treasury.

**4. Amendment in Sub-Clause 6.12 “Redemption of Units on Change of Pension Fund Manager or Pension Fund”**

**The text of sub-clause 6.12 (2) shall be deleted and replaced with the following text:**

The transfer of individual pension account from one Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund shall only take place as per the discretion of the participant and the notice for the change of the Pension Fund Manager or pension fund, specifying the name of the new Pension Fund Manager or the pension fund shall be sent by the participant at least seven working days before the effective date of the proposed change and the Pension Fund Managers shall record such transactions as transfer in the statement of account of the participant.

**The text of sub-clause 6.12 (5) shall be deleted.**

**5. Amendment in Sub-Clause 6.15 “Requirement for survivor/ heir nomination in case of Death of the Participant”**

**The text of sub-clause 6.15 shall be deleted and replaced with the following text:**

**Requirement for Succession Certificate in case of Death of the Participant:**

In case of the death of any Participant, successor(s) to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary under the law or under the prevailing circumstances, including disputes that may arise among the successor(s) and/or the legal heirs or legal representatives of the deceased Participant. Under no circumstances whatsoever will the Pension Fund Manager, the Trustee, the Registrar or the Distributor or any other person acting for the Pension Fund Manager shall be liable for any disputes or claims that may arise among the legal heirs or legal representatives of the deceased even after the transfer of the Units or payments to the successor(s). The Pension Fund Manager, the Trustee, the Registrar, the Distributor and other persons acting for the Pension Fund Manager shall stand indemnified in this regard.

**6. Amendment in Sub-Clause 6.17 “Retirement Age”:**

**The provision to point 1 of sub-clause 6.17 shall be added and point 3 of sub clause 6.17 shall be deleted and replaced with the following text:**

**For the sake of clarity the amended clause shall be read as under:**

- (1) The Retirement Age for the Participants shall be any age between sixty and seventy years or twenty-five since the age of first contribution to a pension fund whichever is earlier.

"Provided that the participant may change his retirement age between sixty and seventy years by giving notice in writing to the Pension Fund Manager."

- (2) If a participant suffers from any of the following disabilities, which render him unable to continue any employment he may, if he so elects, be treated as having reached the retirement age at the date of such disability and all relevant provisions shall apply accordingly, namely :-

- a) loss of two or more limbs or loss of a hand and a foot;
- b) loss of eyesight;
- c) deafness in both ears;
- d) severe facial disfigurement;
- e) loss of speech;
- f) paraplegia or hemiplegia;
- g) lunacy;
- h) advance case of an incurable disease; or
- i) wounds, injuries or any other diseases, etc., resulting in a disability due to which the participant is unable to continue any work.

- (3) A doctor's assessment certificate confirming the said disability shall be required for the provisions, specified in sub clause (2) above.

**7. Deletion of point 3 of sub clause 6.19 "Procedure for withdrawal of funds at Retirement"**

**The text of sub-clause 6.19 (3) shall be deleted and rest of the clauses shall be re-numbered accordingly.**

**In point 4 and 7 of sub clause 6.19 Procedure for withdrawal of funds at Retirement the text "twenty –five" shall be replaced by "fifty"**

**The text of sub-clause 6.19 (4) & (7) shall be amended:**

4. After verifying all the particulars, the Pension Fund Manager will instruct the Trustee to pay the fifty per cent of the amount (please refer paragraph 6.18 (2) (a)) to the Participant without deduction of income tax, as permitted in the Offering Document, Rules and Income Tax Ordinance and transfer the remaining balance to an Approved Income Payment Plan or an Approved Annuity Plan as selected by the Participant and intimated to the Pension Fund Manager.
7. The Participant may choose to receive more than fifty per cent of his accumulated balance in the Individual Pension Account in lump sum and shall inform the Pension Fund Manager of such a decision in the notice. Any excess amount, over and above the amount specified in Para 6.18 (2) (a) above shall be subject to income tax/ withholding tax, as specified in the Income Tax Ordinance, 2001, at a rate equal to Participant's average rate of tax of last three consecutive years and the Trustee shall be required to deduct that amount before making the payment of the redemption to the Participant. In order to comply with the provision of the Income Tax Ordinance, 2001, the Participant shall provide to the Pension Fund Manager, before the Retirement Date, the calculation of his Applicable Tax Rate for the last three consecutive years and such other information, including income tax returns as may be required by the Fund Manager.

**8. Amendment in point 1, 2, 3, 5 & 6 of Sub-Clause 6.20 “Procedure for redemption of Units on Death of Participant before Retirement”:**

The text of sub-clause 6.20 2 and 6 shall be deleted and 1, 3 and 5 shall be replaced with the following text:

For the sake of clarity the amended Sub-Clause 1, 3 & 5 shall be read as under:

- (1) In case of death of a participant before the retirement age, all the units of the sub-funds to his credit shall be redeemed at the net asset value notified at close of the day of intimation of death and the amount due shall be transferred to his individual pension account in the lower volatility scheme offered by the Pension Fund Manager till the date when the available options mentioned in sub-para (3) below are exercised by the successor(s).
- (3) The total amount in the Individual Pension Account of the deceased Participant shall be divided among the successor(s) according to the percentages specified in the succession certificate issued in accordance with law and each of the successor(s) shall then have the following options, namely
  - (i) withdraw his share of the amount subject to the conditions laid down in the Income Tax Ordinance; 2001 (XLIX of 2001);
  - (ii) transfer his share of the amount into his existing or new individual pension account 98[or income payment plan account] to be opened with 99[a] Pension Fund manager, according to the Rules;
  - (iii) use his share of the amount to purchase an annuity on his life from a Life Insurance Company, only if the age of the survivor is fifty five years or more; or
  - (iv) use his share of the amount to purchase a deferred annuity on his life from a Life Insurance Company to commence at age fifty five years or later.
- (5) The executors or administrators or succession certificate holders of deceased Participant shall be the only persons recognized by the Trustee and the Pension Fund Manager as having title to the Sub-Fund Units represented thereby.

**9. Amendment of sub clause 7.1.(1) “Front-end Fee”**

The text of sub-clause 7.1.(1) shall be replaced with the following text:

The Pension Fund Manager may at its discretion charge different levels of Load as per Annexure D. Any change in Front-end Load shall be done through an addendum to the Offering Document after seeking prior approval of the Commission.

**10. Amendment of Sub-Clause 7.2 “Remuneration Payable to Pension Fund Manager”:**

The text of point 1 of sub-clause 7.2 shall be replaced with the following text:

For the sake of clarity the amended Sub-Clause shall be read as under:

**7.2 Remuneration Payable to Pension Fund Manager**

- (1) The Pension Fund Manager shall be entitled to remuneration as disclosed in "Annexure D". Such remuneration shall be verified by the trustee and will be paid in arrears on monthly basis:

“Provided that pension fund manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit as disclosed in Annexure D. Pension fund manager shall also disclose actual rate of management fee charged as percentage of net asset of pension fund in the monthly fund manager report”.

**11. New Sub-Clause 7.2.A“ Maximum Expense Ratio”:**

**After sub-clause 7.2, new sub clause shall be added with the following text:**

**For the sake of clarity the new Sub-Clause 7.2.A shall be read as under:**

**7.2 (A). Maximum Expense Ratio.-**

- (1) The Total Expense Ratio of a pension fund shall be capped as follow: -
  - (a) Equity sub fund upto 4.5%;
  - (b) Debt sub fund upto 2.5%;
  - (c) Money Market sub fund upto 2%
- (2) The costs incurred in relation to any government levy on funds such as sales tax, Worker’s Welfare Fund or Commission fee etc. shall be excluded while calculating Total Expense Ratio referred to in sub-regulation (1).
- (3) A Pension Fund Manager shall prominently disclosure on a daily basis, the following information regarding all its pension funds on its website and on the website of Mutual Funds Association of Pakistan (MUFAP),-
  - i Total Expense Ratio;
  - ii Management Fee as a percentage of net assets;
  - iii Sales load as a percentage of net assets.

**12. Amendment in point 2 of Clause 7.3“ Other fees and charges of Atlas Pension Fund”:**

**Existing point 2 of Sub Clause 7.3 shall be replaced with the following text:**

- (2) Other fees and Charges that will be borne by respective Sub-Fund(s) of the Atlas Pension Fund include:
  - a. Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
  - b. All expenses incurred by the Trustee in effecting the registration of all register able property in the Trustee’s name.
  - c. Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
  - d. Bank charges and financial costs;
  - e. Auditors' Fees and related expenses.
  - f. Any printing costs and related expenses for issuing Fund’s quarterly, half yearly and annual reports
  - g. Fee pertaining to the Fund payable to the Commission.
  - h. Taxes, fees, cess, duties if any, applicable to the Fund and on its income, turnover and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for Management of Fund).
  - i. Charges and levies of stock exchanges, national clearing and settlement company, Trustee charges.
  - j. selling and marketing expenses for the purpose of opening and maintenance of

- branches; payment of salaries/commission to sales team and distributors; advertising and publicity expense; development of alternate delivery/distribution channels for Atlas Pension Fund,;
- k. fees and expenses related to registrar services, accounting, operation and valuation services related to Atlas Pension Fund;
- l. Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.

**13. Deletion of point (e) & (f) of Sub-Clause 8.3 “Investment Restrictions”:**

**Following text of sub-clause 8.3 shall be deleted:**

- (e) purchase from or sell to any Connected Person any security
- (f) enter into transactions with any single Broker, who is a Connected Person, that account for ten per cent (10%) or more of the Pension Fund’s brokerage commissions in any one Accounting Period, except that the Pension Fund Manager has requested the Commission to exempt the Pension Fund from this requirement for the first Accounting Period if that Accounting Period is of less than ten (10) months.

**14. Amendment in point xii, xiii & xv) of Clause 13.3 Information to be contained in the Register of the Participants**

**The text of point xii, xiii & xv of Clause 13.3 shall be deleted and replaced with the following text:**

**For the sake of clarity the amended Sub-Clause shall be read as under:**

The Register shall be maintained in line with the Guidelines on record keeping issued by the Commission from time to time and shall, at the minimum, contain the following information:

- (xii) Next of KIN
- (xiii) Record of specimen signatures of the Participant
- (xv) Information on death and transfer of account to successor(s)

**15. Amendment in Part Xvii Sub clause 17 TRANSACTIONS WITH CONNECTED PERSONS**

**The text of sub-clause 17.1 shall be deleted and replaced with the following text:**

**For the sake of clarity the amended Sub-Clause shall be read as under:**

- 17.1** No Pension Fund Manager on behalf of the pension fund shall purchase from or sell any security to any connected person or employee of the Pension Fund Manager except with the approval of its Board of Directors in writing and consent of trustee

**The text of sub-clause 17.3 shall be deleted and replaced with the following text:**

**For the sake of clarity the amended Sub-Clause shall be read as under:**

- 17.3** The Pension Fund Manager shall not employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any connected

broker, which shall equal or exceed twenty five per cent or more of the brokerage or commission paid by the pension fund in any one accounting year

**16. Amendment of 20.19, 20.42, 20.51 & 20.55 from Part XX “Definitions”:**

**Following text of part XX shall be amended:**

**20.19 “Connected Person”** shall have the same meaning as defined in the Regulations

**20.42 “Net Assets”**, in relation to a collective investment scheme and pension fund, means the excess of assets over liabilities of pension fund, computed in the manner provided in Regulation;”;

**20.51 “Records”** include ledgers, day books, cash books and all other manuals or magnetic records used in the business of a Pension Fund Manager

**20.55 “Regulations”** means mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it as amended/replaced from time to time..

**17. Insertion of New Clauses under Part XX “Definitions. All the existing definitions will be re-numbered accordingly.**

- (i) “Constitutive Documents” includes the trust deed, offering document, supplemental documents and other principal documents governing the formation of a Pension Fund and all other related material agreements;”;

**18. Amendment in Annexure ‘D’: Current Level of Management Fee**

**The text of Annexure D shall be deleted and replaced with the following text**

**For the sake of clarity the amended Annexure ‘D’ Fee Structure shall be read as under:**

**ANNEXURE ‘D’**

**MANAGEMENT FEE**

Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding 3.50% of average Annual Net Assets of APF Equity Sub Fund, 1.50% of average Annual Net Assets of APF Debt Sub Fund and 1.25% of average Annual Net Assets of APF Money Market Sub Fund within allowed expense ratio limit.

AMC shall disclose actual rate of management fee charged as percentage of net asset of PF in the monthly fund manager report.

**Current Level of Front End Load**

Front-end Load	Nil
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Any change in Load structure shall be done through an addendum to the Offering Document after seeking prior approval of the Commission