



**2nd SUPPLEMENT TO THE
OFFERING DOCUMENT OF
ATLAS INCOME FUND
DATED: October 29, 2007**

**Second Supplement Dated October 29, 2007 to the
Offering Document of Atlas Income Fund (AIF) issued on
March 09, 2004**

(Managed by Atlas Asset Management Limited, as an asset management company registered under the Asset Management Companies Rules,1995 now replaced by the Non Banking Finance Companies(Establishment and Regulation) Rules, 2003)

Established in Pakistan under the Trusts Act 1882 (11 of 1882) by a Trust Deed dated February 20, 2003 and as amended vide Deed of Change of Trustee and First Supplemental Trust Deed dated June 11,2005 and authorized under Rule 67 of the Non Banking Finance Companies (Establishment and Regulation) Rules,2003 (Rules).

Effective from October 29, 2007, the following paragraphs in the Offering Document are revised. It is also mentioned for clarification that the information contained in the paragraphs 6.1, 6.2, 6.4, 6.5, 6.9, 13.1, 13.2, 17.2 and part XXI of the Offering Document are as of March 22, 2004 and are not amended through the First Supplement dated June 21, 2005 or this Second Supplement to Offering Document. For latest information, please refer to latest financial reports or visit the web site www.atlasfunds.com.pk

(1) Addition of Definition 3.16(A)- Collection Account:

The definition of “Collection Account” is included as 3.16(A) after the definition of “Certificate”.

For the sake of clarity, it is stated that after the said amendment, Definitions would include 3.16 (A) as:

“Collection Account(s)” means such temporary bank account(s), being maintained by the Trustee, where the amounts received for investment through Administrative Plans are deposited prior to the amount being transferred to the respective Funds accounts in proportion to the Units being allocated in both and the accounts where the redemption proceeds from the funds are transferred prior to the payment of the redemption proceeds to the Unit Holders.

(2) Amendment of Para 5.8:

It is proposed that after the last sentence ending on the words “if so requested by the Unit Holder”, the following sentence may be added:

“Certificates shall not be issued under certain Administrative Plans governed by Supplementary Offering Documents. The Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.”

For the sake of clarity, it is stated that after the said amendment, Para 5.8 shall be read as under:

Amended Para 5.8:

AIF shall offer and redeem Units to investors on a continuous basis. There is no lower or upper limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. All Units and fractions thereof represent an undivided share in the Fund and rank *pari passu* as to their rights in the net assets, earnings and the receipt of dividends and distributions. The Units shall be fully paid before they are issued. The liability of Unit Holders shall be limited to the extent of unpaid amount (if any) on Units. Units or fractions thereof may be redeemed for cash by redeeming to AIF. Units are also transferable. Units will be issued in registered uncertificated form and will be confirmed to investors by means of an account statement issued by Transfer Agent. Certificates will be issued if so requested by Unit Holder. Certificates shall not be issued under certain Administrative Plans governed by Supplementary Offering Documents. The Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.

(3) Amendment of Para 7.1 (b):

It is proposed that the existing Para 7.1(b) is deleted and replaced with the following text:

“The Management Company may issue any of the following classes of Units of AIF:

(1) Class “A” Units that shall be charged with No Sales Load and shall include any Units issued as a result of re-investment of distributable income or any Units issued as Bonus Units pursuant to the Trust Deed and the Offering Document and shall also include the Units that have been subscribed by the Core Investors, subject to the condition mentioned in Para 6.4 that these cannot be redeemed before the lapse of two years from the date of issue.”.

(2) Class “B” Units that shall be charged with Front-end Load of 2% and can be redeemed any time as provided in the Trust Deed and Offering Document. No Back-end Load is applicable on these Units.

(3) Class “C” Units that shall be issued for specific allocation schemes/investment plans which have a defined time frame/period and these Units shall have a Front-end Load of 2% and a Back-end Load of 2% if redeemed before the period of maturity. No Back-end Load will be applicable after maturity.

(4) Class “D” Units that shall be issued to such investors who hold a minimum investment of Rupees 100 million, wherein the investors shall have the option to receive distribution income in the form of cash or stock dividend. Other than this option, these Units shall have the same structure as Class “B” Units.

Irrespective of the different classes of Units as set out in this clause, all Units issued from time to time shall rank *pari passu* with each other as to their rights in assets, earnings and the receipt of dividends or distributions as may be declared by the Management Company”.

For the sake of clarity, it is stated that after the said amendment, Para 7.1 (b) is read as under:

Amended Para 7.1 (b):

The Management Company may issue any of the following classes of Units of AIF:

(1) Class “A” Units that shall be charged with No Sales Load and shall include any Units issued as a result of re-investment of distributable income or any Units issued as Bonus Units pursuant to the Trust Deed and the Offering Document and shall also include the Units that have been subscribed by the Core Investors, subject to the condition mentioned in Para 6.4 that these cannot be redeemed before the lapse of two years from the date of issue.”.

(2) Class “B” Units that shall be charged with Front-end Load and can be redeemed any time as provided in the Trust Deed and Offering Document. No back-end load is applicable on these Units.

(3) Class “C” Units that shall be issued for specific allocation schemes/investment plans which have a defined time frame/period and these Units shall have a Front-end Load and as well as a Back-end Load if redeemed before the period of maturity. No Back-end Load will be applicable after maturity.

(4) Class “D” Units that shall be issued to such investors who hold a minimum investment of Rupees 100 million, wherein the investors shall have the option to receive distribution income in the form of cash or stock dividend. Other than this option, these Units shall have the same structure as Class “B” Units.

Irrespective of the different classes of Units as set out in this clause, all Units issued from time to time shall rank *pari passu* with each other as to their rights in assets, earnings and the receipt of dividends or distributions as may be declared by the Management Company”.

(4) Amendment of Para 7.1 (d):

It is proposed that in the third line of Para 7.1 (d), after the words “on the basis of the NAV of the”, the word “previous” stands deleted and replaced with the words “close of Business”.

It is also proposed that the first sentence of this sub-clause beginning with the words “The Units will be issued” and ending on the words “are received from the investors” be deleted.

For the sake of clarity, it is stated that after the said amendment, Para 7.1 (d) is read as under:

Amended Para 7.1 (d):

The Units can be purchased at their respective Offer Price and redeemed at their respective Redemption Price, which shall be calculated on the basis of the NAV at the close of the Business day. AIF shall announce the Offer and Redemption prices on a daily basis.

(5) Amendment of Para 7.1 (f):

It is proposed that in the sentence in the first line after the words “After the Initial Period, Units issued”, the following text may be added:

“of Class “B”, “C” and “D”.

It is also proposed that in the sentence in the third line after the word “Units”, the following text may be added:

“of Class “B”, “C” and “D”.

It is also proposed that in the sentence in the third line after the words “redeemed at NAV less any back-end load”, the following text may be added:

“if applicable”.

For the sake of clarity, it is stated that after the said amendment, Para 7.1(f) is read as under:

Amended Para 7.1 (f):

After the Initial Period, Units issued of Class “B”, “C” and “D” will carry a Front end Load amounting to two percent (2%) of the Net Asset Value (NAV), which shall be added to the Net Asset Value to calculate the Offer Price. Units of Class “B”, “C” and “D” will be redeemed at NAV less any back end load, if applicable, any zakat/tax imposed by the Government and any amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places.

(6)Addition of Para 7.1(i):

It is proposed that a new Para should be added as 7.1 (i).

For the sake of clarity, it is stated that after the said amendment, the new Para 7.1 (i) shall be as under:

New Para 7.1 (i):

The Management Company may offer the Holder(s) of Class D Units the option to receive distribution income in the form of cash or stock dividend. Please refer to paragraph 11.9 of this Offering Document.

(7)Addition of Para 7.1(j):

It is proposed that a new Para should be added as 7.1 (j).

For the sake of clarity, it is stated that after the said amendment, the new Para 7.1 (j) shall be as under:

New Para 7.1 (j):

The Management Company may market the Fund/ any Administrative Plan in conjunction with group life or other insurance schemes or any other scheme subject to approval of the Commission. These supplementary schemes would not be compulsory for all the Unit Holders to join and the Trustee would be authorized to deduct the premiums only from the payment amounts of those Unit Holders who have opted to join such schemes. The details of such arrangements shall be provided through a Supplementary Offering Document. The Front-end Load shall be deducted from the amount received after the deduction of the premium amount and only then the Units shall be issued. The

Trustee would, on the instructions of the Management Company, directly deposit the deducted premium with the relevant company. Only the net amount received for issuance of Units after deduction of the premium and Sales Load would form part of the Deposited Property. The Holder may also provide the premium amount in addition to the payment through a separate cheque in favour of the life insurance or other insurance company.

(8) Addition of Para 7.1(k):

It is proposed that a new Para of Conversion of Units should be added as 7.1 (k).

For the sake of clarity, it is stated that after the said amendment, the new Para 7.1 (k) shall be as under:

New Para 7.1 (k):

A Unit Holder may convert the Units held by him in the Fund/ a Unit Trust Scheme/ Administrative Plan managed by the Management Company into units of another Unit Trust Scheme/ Administrative Plan managed by the Management Company subject to the terms of the respective Offering Documents/ Supplementary Offering Documents of the Fund(s) or the terms stated in the Supplementary Offering Document(s) relating to the respective Administrative Plan(s).

The request for conversion may be made by filling out a Form titled “Application Form for the Conversion of Plans/Funds” and lodging it with a Distributor/ Management Company/ Transfer Agent. The Transfer Agent shall carry out the conversion after satisfying himself that all the requisite formalities have been completed and payment of the applicable taxes and fees, if any, has been received.

Such conversions shall be at the NAV of the respective Fund(s)/ Unit Trust Scheme(s) plus a processing charge not exceeding one half of one percent. The Management Company at its discretion charge reduced or no processing charge for such conversions.

(9) Amendment of Para 7.2(a):

It is proposed that in the second line the word “Friday” should be deleted and be replaced with the word “Saturday”.

For the sake of clarity, it is stated that after the said amendment, Para 7.2(a) is read as under:

Amended Para 7.2(a):

Units can be purchased at the Offer Price and redeemed at the Redemption Price at any one of the Authorized Distribution Offices on any Business Day, which will be from Monday to Saturday of each week in accordance with the procedure set out in Parts VIII and IX of this Offering Document.

(10) Amendment of Para 7.3(b):

It is proposed that in the second line after the words “shall remain in effect for the”, the word “Business” shall be added.

It is also proposed that in the third line of Para 7.3 (b), the sentence beginning with the words “If a day is not” and ending with the words “on the preceding Business Day” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, Para 7.3 (b) is read as under:

Amended Para 7.3 (b):

After the Initial Period, the Management Company shall in consultation with the Trustee announce the Offer and Redemption Prices on a daily basis and such prices shall remain in effect for the Business Day.

(11) Amendment of Para 7.3 (c):

It is proposed that in the first sentence after the words “The Offer Price”, the following text may be added:

“of Class B, C and D Units”.

It is also proposed that in the second line, after the words “Business Day”, the words “immediately preceding the day of the announcement” shall be deleted.

It is also proposed that after the last sentence ending on the words, “nearest two decimal places.”, the following sentence may be added:

“The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end Load. The Management Company may, at its discretion, charge different levels of the Front-end Load to different investors”.

For the sake of clarity, it is stated that after the said amendment, Para 7.3 (c) is read as under:

Amended Para 7.3 (c):

The Offer Price of Class B, C and D Units shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day and will carry Front-end Load at the rate of two percent (2%) of NAV (subject to revisions by the Management Company from time to time, with prior approval of the Commission) and such amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted upwards to the nearest two decimal places. The Management Company may announce different plans under different administrative arrangements with differing levels of Front-end Load. The Management Company may, at its discretion, charge different levels of Front-end Load to different investors.

(12) Amendment of Para 7.3 (d):

It is proposed that in the first sentence, after the words “Redemption Price”, the following text may be added:

“of Class B and D Units”.

It is also proposed that in the first line after the words “Business Day”, the words “immediately preceding the day of the announcement” shall be deleted.

It is also proposed that after the last sentence ending on the words “nearest two decimal places”, the following text may be added:

“The Redemption Price of Class C Units shall be equal to NAV as of the close of the Business Day on the day of announcement less a Back-end Load at the rate of two percent (2%) of NAV if redeemed prior to the specified maturity date (subject to revisions by the Management Company from time to time, with prior approval of SECP) and such amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places. The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load.”

For the sake of clarity, it is stated that after the said amendment, Para 7.3 (d) is read as under:

Amended Para 7.3 (d):

The Redemption Price of Class B and D Units shall be equal to NAV as of the close of the Business Day, less an amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places. The Redemption Price of Class C Units shall be equal to NAV as of the close of the Business Day on the day of announcement less a Back-end Load at the rate of two percent (2%) of NAV if redeemed prior to the specified maturity date (subject to revisions by the Management Company from time to time, with prior approval of SECP) and such amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places. The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load.

(13) Amendment of Para 7.3 (e):

It is proposed that after the words “the Management Company shall”, the words “publish the Offer and Redemption Prices of Class B Units in atleast one English newspaper having prime circulation in major cities of Pakistan on a daily basis and such prices will remain in effect for the day. If a day is not a Business Day the price will be announced on the preceding Business Day.” shall be deleted and be substituted by the words:

“as may be determined by the Commission and the Mutual Funds Association of Pakistan (MUFAP) from time to time, report the Offer and Redemption Prices to the MUFAP within the time limit prescribed, for consolidated press publication on the following day, or as per the amended procedure adopted by the MUFAP from time to time.

The Offer and Redemption Prices applicable to the Administrative Plans shall be made available on the website of the Management Company and at the Distribution Offices of the Management Company.”

For the sake of clarity, it is stated that after the said amendment, Para 7.3 (e) is read as under:

Amended Para 7.3 (e):

The Management Company shall, as may be determined by the Commission and the Mutual Funds Association of Pakistan (MUFAP) from time to time, report the Offer and Redemption Prices of Class B Units to the MUFAP within the time limit prescribed, for consolidated press publication on the following day, or as per the amended procedure adopted by the MUFAP from time to time. The Offer and Redemption Prices applicable to the Administrative Plans shall be made available on the website of the Management Company and at the Distribution Offices of the Management Company.

(14) Deletion of Para 7.3 (f):

As a consequence of the amendments made in Clause 7.3 (c) and 7.3 (d), the clause 7.3 (f) is redundant and therefore stands deleted.

(15) Amendment of Para 8.3:

It is proposed that the existing Para 8.3 be numbered as 8.3 (a) and a new Para should be added as 8.3 (b):

“The Management Company may make arrangements to accept electronic forms of payments, such as bank auto debit instructions, credit cards and debit cards (as and when introduced by the Management Company with proper notification to the Unit Holders) or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favor of the Trustee at the Authorized Branch or office of any Distribution Company on any Subscription Day. It is reiterated that only Authorized Branches of Distribution Companies are authorized to collect application and payment for issue of Units for non electronic applications and payment methods. Any surcharge/additional costs incurred during such transactions will be borne by the Unit Holder or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Unit Holder, shall be properly disclosed to the Unit Holders.”

For the sake of clarity it is stated that after the said amendment, Para 8.3 is read as under:

Amended Para 8.3:

- (a) Payment for Units can be made by Cheque or bank draft or pay order, made payable to “CDC-Trustee-Atlas Income Fund” and crossed “Account Payee Only” and must be drawn on a Bank in the same town as the Authorized Branch of the relevant Distribution Office to which the application form has been submitted is located. Payments for Units in cash will not be accepted. It is reiterated that only Authorized Branches of Distribution Offices are authorized to collect application and payment for issue of Units.

- (b) “The Management Company may make arrangements to accept electronic forms of payments, such as bank auto debit instructions, credit cards and debit cards (as and when introduced by the Management Company, with proper notification to the Unit Holders) or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favor of the Trustee at the Authorized Branch or office of any Distribution Company on any Subscription Day. It is reiterated that only Authorized Branches of Distribution Companies are authorized to collect application and payment for issue of Units for non electronic applications and payment methods. Any surcharge/additional costs incurred during such transactions will be borne by the Unit Holder or the Management Company as may be agreed upon but shall not be charged to the Fund. Such charges/ additional costs, if payable by the Unit Holder, shall be properly disclosed to the Unit Holders.”

(16) Addition of Para 9.1 (c):

It is proposed that a new Para of Redemption of Units should be added as 9.1 (c).

For the sake of clarity, it is stated that after the said amendment, Para 9.1 (c) shall be read as under:

New Para 9.1 (c):

The Management Company may request the Trustee to make arrangements to accept redemption requests electronically (that is, web based), IVR (Interactive Voice Response) or by any other means. The Management Company may also request the Trustee to open bank accounts at different branches of banks to facilitate the redemption of Units through the ATM facility. Any such arrangements shall be notified to the Unit Holders as and when introduced by the Management Company.

(17) Addition of Para 9.1 (d):

It is proposed that a new Para of Redemption of Units should be added as 9.1 (d).

For the sake of clarity, it is stated that after the said amendment, Para 9.1 (d) is read as under:

New Para 9.1 (d):

In case of submission of electronic online redemption requests the Holder’s user ID and password will authenticate the Holder’s identity.

(18) Addition of Part X (A)- Procedure for Conversion of Units:

It is proposed that a new Part X(A) titled Conversion of Units to be added and Para 10(A).1, 10(A).2 and 10(A).3 should be added as under:

For the sake of clarity, it is said that after the said amendment, Part X(A) and Para 10(A).1 Application Procedure would be as under:

Addition of new Part X(A) and Para 10(A).1, 10(A).2 and 10(A).3

PART X(A) – CONVERSION OF UNITS

10(A).1 Application Procedure

- (a) A Unit Holder may convert the Units held by him in the Fund/ a Unit Trust Scheme/ Administrative Plan managed by the Management Company into units of another Unit Trust Scheme/ Administrative Plan managed by the Management Company subject to the terms of the respective Offering Documents/ Supplementary Offering Documents of the Fund(s) or the terms stated in the Supplementary Offering Document(s) relating to the respective Administrative Plan(s) by submitting an application form for the Conversion of Plans/Fund to the Distributor/ Management Company/ Transfer Agent.
- (b) Application for conversion of Units can be made on any Business Day during Business Hours.

10(A).2 Payment of Conversion Proceeds

- (a) On receiving the conversion of Units such instructions from the Management Company, the Trustee shall transfer the appropriate amounts from one Unit Trust to the other Unit Trust under the same Trustee or the trustee of the other unit trust as the case may be. Such transfers may be in the form of exchange of the payment cheques, or such amounts would be directly debited from the bank account of the Fund and credited to the bank account of the other fund or vice versa.

10(A).3 Verification of Conversion Application Form

On receipt of the Conversion Application Form, the Transfer Agent shall verify:

- (a) The holding stated on the conversion application form
- (b) Signature of the Holder
- (c) payment of the applicable taxes and fees, if any, has been received

Where the application form for the Conversion of Plans/Funds has been verified, the verified conversion application form will be the only instrument accepted by the Management Company/ Transfer Agent for conversion of units. . In the event of any discrepancy between the Unit holding mentioned on the Form by the Unit Holder and the Unit holding in the records of the Transfer Agent wherein the Units mentioned by the Unit Holder in the conversion application form are more than the Unit holding being reflected in the Unit Holders Register, the Unit Holder will be required to re-sign the verified conversion application form, agreeing the revised number of Units.

(19) Addition of Para 11.9 in Part XI - Income Distribution:

It is proposed that a new Para 11.9 to be added.

For the sake of clarity, it is stated that after the said amendment, Para 11.9 shall be read as under:

New Para 11.9:

The Management Company may offer the Holder(s) of Class D Units the option to receive distributable income in the form of cash or stock dividend.

(20) Addition of Part XI (A)- Administrative Plans:

It is proposed that a new Part XI (A) titled Administrative Plans to be added.

For the sake of clarity, it is stated that after the said amendment, Part XI (A) shall be read as under:

New Part XI (A):

- (a) The Management Company may offer different Administrative Plans, where such Plans allow investors a focused investment strategy in any one or a combination of unit trust schemes, managed by the Management Company. These schemes shall have the same Trustee.
- (b) The details of the Administrative Plan(s) shall be provided in the Supplementary Offering Document(s) specific for each Administrative Plan which shall contain the specific features of that Administrative Plan.
- (c) Investment in the Administrative Plan will be done by submission of an Application Form for purchase of Units in an Administrative Plan along with the payment in favor of -“CDC-Trustees Atlas Funds”. The payment mode shall be the same as provided in Para 8.3 (a) and (b) above.
- (d) Requests for redemption of Units from an Administrative Plan can be made by submission of Redemption Form, following the procedure mentioned in Part IX above. Back-end Load will be deducted where applicable.

(21) Amendment of Para 12.5 (b):

It is proposed that in the first line after the words “After the Initial Period”, the following text may be added:

“Class B, C and D”.

It is also proposed that in the sentence in the third line after the words, “calculate the Offer Price.”, the following text may be added:

“Class B, C and D”.

It is also proposed that in the sentence in the third line after the words, “redeemed at NAV less any back end load”, the following text may be added:

“if applicable”.

For the sake of clarity, it is stated that after the said amendment, Para 12.5 (b) is read as under:

Amended Para 12.5 (b):

After the Initial Period, Class B, C and D Units issued will carry a Front-end Load amounting to two percent (2%) of the Net Asset Value (NAV), which shall be added to

the Net Asset Value to calculate the Offer Price. Class B, C and D Units will be redeemed at NAV less any Back-end Load, if applicable, any zakat/tax imposed by the Government and any amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places.

(22) Addition of Para 16.6 (b) (1):

It is proposed that a new Para is proposed to be added as sub-clause 16.6 (b)(1) after sub-clause 16.6 (b):

For the sake of clarity, it is said that after the said amendment, Para 16.6 (b)(1) would be as under:

New Para 16.6 (b) (1):

Certificate(s) will not be issued for any Units purchased under Administrative Plan(s) governed by Supplementary Offering Documents.