



**2nd SUPPLEMENT TO THE
OFFERING DOCUMENT OF
ATLAS ISLAMIC FUND
DATED: March 6, 2008**

Second Supplement dated March 6, 2008 to the Offering Document of Atlas Islamic Fund (AISF) issued on December 15, 2006.

(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 Trusts Act 1982 (11 of 1982) by a Trust Deed dated September 12, 2006 and as amended dated June 21, 2005 and July 24, 2006 between Atlas Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee and authorized under rule 67 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

Effective from March 6, 2008, 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, 6.3, 6.4, 6.5, 6.7, 6.8, 6.9, 6.1, 10.1 and 10.2 of the Offering Document are as of December 15, 2006 and are not amended through this second supplement to the Offering Document dated December 15, 2006. For latest information, please refer to latest financial reports or visit the website www.atlasfunds.com.pk

(1) Amendment of Part V Investment Objectives and Restrictions sub – clause 5.2.3

The existing sub-clause 5.2.3 is deleted and replaced by the following text:

For the sake of clarity, it is stated that after the said amendment, sub-clause 5.2.3 would be read as:

“(5.2.3) a) Business of the Investee Company:

The business of the investee company should be Halal. Accordingly investments in shares of conventional banks, insurance companies, leasing companies, Mudarabah companies, companies dealing in alcohol etc are not permissible.

b) Debt to Total Assets:

The total debt of the investee company should not exceed 40% of the total assets. The debt here includes all interest based debt and interest based financing.

c) Illiquid to Total Assets

The total illiquid assets of the investee company as a percentage of the total assets should at least be 20%.

d) Investment in non Shariah compliant activities and income from non-Shariah compliant investments:

The following two conditions must be observed for share screening purposes:

- The total investment of the investee company in non-Shariah compliant business should not exceed 33% of the total assets.
- The income from non-Shariah compliant investment should not exceed 5% of the gross revenue. (Gross revenue means net sales plus other income). Subsequently, giving the proportionate portion of non-compliant income to charity is required to purify the dividend income from these stocks. However, capital gain on these stocks needs not to be purified. *(This practice is also being followed by Dow Jones Islamic Index).*

e) Net Liquid Assets versus Share Price:

The net liquid assets [**Net Liquid Assets = Total Assets – (Tangible Fixed Assets + Inventory) – Liabilities**] per share should be less than the market price of the share.”

(2) Amendment in Part VIII Distribution Policy sub – clause 8.1.8

In sub – clause 8.1.8, after the words “what portion of the income of the fund is Haram, if any” the words “and shall inform the Unit Holders of the proportion of Haram and Halal income of the fund so that they are able to purify it. Certain Unit Holders may authorize the Management Company to pay any Haram income as charity to purify it” are deleted and replaced by “it should be marked to charity by the fund manager in order to purify the whole income.”

Also after the words “the Trustee” the words “in such cases” is deleted.

Also after the words “in consultation with the” the words “Shariah Council” is deleted and replaced by the words “Shariah Board.”

For sake of Clarity it is stated that after the said amendment, sub-clause 8.1.8 would be read as:

“(8.1.8) The Management Company, in consultation with the Shariah Board, shall decide what portion of the income of the Fund is Haram, if any; it should be marked to charity by the fund manager in order to purify the whole income. The Trustee on the instructions of the Management Company will pay any part of cash dividend or encash bonus Units equivalent to the Haram income to charities. The list of charities to which the Management Company will pay the Haram income will be decided in consultation with the Shariah Board and will be disclosed in the annual accounts. The charities, which may be selected, shall be engaged in public welfare and having no affiliation with any political or religious group or Management Company or group company or director or employee or any connected person.”