

**Third Supplement dated _____ 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 via Supplemental Trust Deed(s) dated October 29, 2007, March 06, 2008 and _____ 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).

(1) Amendment in Paragraph 2.1 – Regulatory Approval and Consent:

In Paragraph 2.1, the words “Atlas Islamic Fund” in the third line of the Paragraph shall be deleted and replaced with the words “Atlas Islamic Stock Fund”.

Further, a new sentence “In the Trust Deed any reference to the previous title of Fund (which was “Atlas Islamic Fund”) shall be deemed to include the reference of the new title of Fund (which is “Atlas Islamic Stock Fund”).” shall be added as a new para under Paragraph 2.1.

For the sake of clarity, it is stated that after the said amendment, Paragraph 2.1 is read as under:

Amended Paragraph 2.1:

The Securities and Exchange Commission of Pakistan (the Commission) has, vide its letter No. NBFC-II/AD-Jam/AIF/672/2006 dated September 22, 2006 authorized the formation of an open-end scheme, under the name, “Atlas Islamic Stock Fund”, under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (Rules). The Commission has approved this Offering Document, under Rule 70 of the Rules vide letter No. SEC/ NBFC AD/ AISF/ 907/ 2006 dated December 13, 2006.

In the Offering Document any reference to the previous title of Fund (which was “Atlas Islamic Fund”) shall be deemed to include the reference of the new title of Fund (which is “Atlas Islamic Stock Fund”).

(2) Amendment in Part III (ii) – Definition “Accounting Period”

The definition given for ‘Accounting Period’ in Part III (ii) shall be deleted and replaced with the definition as under:

Amended Part III (ii):

“Accounting Period” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund Property is first paid

or transferred to the Trustee and (in any other case) from the first day subsequent to the end of the preceding Accounting Period.

(3) Amendment in Part III (v) – Definitions “Atlas Islamic Fund”

In Part III (v), the words “Atlas Islamic Fund” shall be deleted and replaced with the words “Atlas Islamic Stock Fund (formerly Atlas Islamic Fund)”.

For the sake of clarity, it is stated that after the said amendment, Part III (v) is read as under:

Amended Part III (v):

“Atlas Islamic Stock Fund” (formerly Atlas Islamic Fund), "Fund", "AISF", "Trust", "Scheme" or "Open-end Scheme" means the Trust constituted by the Trust Deed.

(4) Amendment in Part III (vii) – Definition “Authorized Branch”

The definition given for ‘Authorized Branch’ in Part III (vii) shall be deleted and replaced with the definition as under:

Amended Part III (vii):

“Authorized Branch” means those branches of the Distributors whose addresses have been given in Part XVI of the Offering Document and updated on the website of Atlas Asset Management Limited i.e. www.atlasfunds.com.pk.

(5) Amendment in Part III (x) – Definition “Back –End Load”

In Part III (x), a new sentence “The Back-end Load shall form part of the Deposited Property.” shall be added at the end of the Part III (x).

For the sake of clarity, it is stated that after the said amendment, the Part III (x) is read as under:

Amended Part III (x):

“Back-end Load” means Load not exceeding five (5) percent of the Net Asset Value deducted by the Management Company from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units, as may be determined by the Management Company and shall be disclosed in Annexure ‘D’ of this Offering Document. The amount of Back end Load shall form part of Deposited Property.

(6) Amendment in Part III (xxv) – Definition “Deposited Property”

In Part III (xxv), the words “, except any profit earned on the Distribution Account” shall be added at the end of the definition.

For the sake of clarity, it is stated that after the said amendment, Part III (xxv) is read as under:

Amended Part III (xxv):

“Deposited Property” means the aggregate proceeds of the sale of all Units at Offer Price and any processing charges and Transaction cost recovered in the Offer Prices and any expenses chargeable to the Fund; and includes the Investment and all income, profit, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other assets, movable or immovable, and property of every description, whether accrued or accruing, for the time being, held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account, except any profit earned on the Distribution Account.

(7) Amendment in Part III (xxvii) – Definition “Distributor, Distribution Company or Distribution Companies”

In Part III (xxvii), the words “with the approval of” before the words “the Trustee”, shall be deleted and replaced with the words “under intimation to”.

For the sake of clarity, it is stated that after the said amendment, Part III (xxvii) is read as under:

Amended Part III (xxvii):

“Distributor”, “Distribution Company”, “Distribution Companies” mean a company or companies, firm, or bank appointed by the Management Company, under intimation to the Trustee, for performing any or all of the Distribution Functions and shall include the Management Company, itself, if it performs the Distribution Function.

(8) Amendment in Part III (xxviii) (d) – Definition “Distribution Functions”

In Part III (xxviii), the word “monies” in point (d)(i) shall be deleted and replaced with the words “payment instrument” and the words “payments made” in point (d)(ii) shall be deleted and replaced with “payment instrument delivered”.

For the sake of clarity, it is stated that after the said amendment, Part III (xxviii) is read as under:

Amended Part III (xxviii) (d):

Accounting to the Management Company for (i) payment instrument received from applicants for the issuance of Units; (ii) payment instrument delivered to the Unit Holders on redemption of Units; (iii) expenses incurred in relation to the Distribution Function.

(9) Amendment in Part III (xxxiv) – Definition “Halal”

The definition given for “Halal” in Part III (xxxiv) shall be deleted and replaced with the definition as under:

Amended Part III (xxxiv):

Halal” means anything permitted under the Shariah and categorized as Halal by the Shariah Advisor.

(10) Amendment in Part III (xxxv)– Definition “Haram”

The definition given for “Haram” in Part III (xxxiv) shall be deleted and replaced with the definition as under:

Amended Part III (xxxiv):

“Haram” means anything prohibited under the Shariah and categorized as Haram by the Shariah Advisor.

(11) Addition of new Paragraph (lv)A under Part III– Definition “Regulations”

After Paragraph (lv), a new Paragraph (lv)A shall be added under Part III, which may read as under:

Additional Part III (lv)A:

“Regulations” means the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended from time to time; (In this Offering Document, where reference is made to Rules, it shall be construed that it also refers to Regulations).

(12) Amendment in Part III (lix) – Definition “Shariah Board”

In Part III (lix), the word “the” after the words “Shariah Board means” shall be deleted and replaced with the words “a Shariah Advisor or”.

Further, the words “with the approval of the Commission” shall be deleted and replaced with the words “under intimation to the Trustee”.

For the sake of clarity, it is stated that after the said amendment, Part III (lix) is read as under:

Amended Part III (lix):

"Shariah Board" means a Shariah Advisor or group of Shariah Advisors appointed by the Management Company, under intimation to the Trustee, to advise it regarding compliance with the principles of Islamic Shariah.

(13) Amendment in first para of Paragraph 4.3 – Trust Deed

In first para of Paragraph 4.3, a new sentence “In the event of any conflict between this Offering Document and the Trust Deed of the Fund, the later shall supersede and prevail over the

provisions contained in this Offering Document.” shall be added after the first sentence under the Para.

For the sake of clarity, it is stated that after the said amendment, the first para of Paragraph 4.3 is read as under

Amended first para of Paragraph 4.3:

The Trust Deed is subject to and governed by the laws of Pakistan, including the Ordinance, the Rules and all other applicable laws and regulations and shall be deemed for all purposes, whatsoever, to incorporate the provisions required to be contained in a trust deed by the Rules as a part and parcel hereof, and in the event of any conflict between the Deed and the provisions required to be contained in a Trust Deed by the Rules, the latter shall supersede and prevail over the provisions contained in the Deed. In the event of any conflict between this Offering Document and the Trust Deed of the Fund, the later shall supersede and prevail over the provisions contained in this Offering Document. Furthermore, all Investments of the Deposited Property shall be in accordance with the Islamic Shariah as advised by the Shariah Board. The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency.

(14) Amendment in Paragraph 4.5 – Open-End Fund

In Paragraph 4.5, the word “Shariah Compliant Equity” shall be added in the first sentence after the words “open-end”.

For the sake of clarity, it is stated that after the said amendment, Paragraph 4.5 is read as under:

Amended Paragraph 4.5:

AISF is an open-end Shariah Compliant Equity Fund. It shall offer Units on a continuous basis. There is no upper or lower 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. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investors' accounts. Fractional Units will be issued to enhance economical and efficient handling. Units may be redeemed for cash pursuant to the Redemption Procedures. Units are also transferable. Units will be registered and will be confirmed to investors by means of an Account Statement issued by the Transfer Agent. Certificates, being the definitive certificate acknowledging the number of Units registered in the name of the Holder, shall be issued at the request of the Unit Holder.

(15) Amendment in Paragraph 5.1 – Investment Objective

In Paragraph 5.1, the words “profit bearing securities and other Shariah Compliant securities available outside Pakistan” shall be deleted and replaced with the words “cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding TDRs) and Shariah compliant government securities not exceeding 90 days maturity”.

For the sake of clarity, it is stated that after the said amendment, Paragraph 5.1 is read as under:

Amended Paragraph 5.1:

The Fund has been formed to enable Unit Holders to participate in a diversified portfolio of Shariah Compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding TDRs) and Shariah compliant government securities not exceeding 90 days maturity. The Management Company will manage the Fund with the objective of maximizing Unit Holders' returns on their Investments while at all times observing prudent Investment practices, the highest professional standards, all applicable laws, and the Islamic Shariah as advised by the Shariah Board.

(16) Addition of New Paragraph 5.1A – Performance Benchmark

A new Paragraph 5.1 A – ‘Performance Benchmark’ shall be added after Paragraph 5.1 as follows:

Additional Paragraph 5.1A:

5.1 Performance Benchmark

The Performance Benchmark for Atlas Islamic Stock Fund shall be ‘Dow Jones – JS Pakistan Islamic Index’.

(17) Amendment in sub-paragraph 5.2.2 – Investment Policy

The text under sub-paragraph 5.2.2 shall be deleted and replaced with the text as under:

Amended sub-paragraph 5.2.2:

The Fund may be invested in the following asset classes:

- (a) Current and saving deposits with Shariah Compliant Banks, excluding TDR;
- (b) Shares/Stocks of listed companies;
- (c) Shariah Compliant Short term Government Securities not exceeding 90 days maturity;
- (d) Investment in any equity security not listed on the Stock Exchange, where application for listing has been accepted by the stock exchange;
- (e) Shariah Compliant investments outside Pakistan, including international listed securities and foreign currency bank deposits (excluding TDR), subject to such conditions as imposed by SECP and with prior approval of SECP and SBP;
- (f) Any other securities or instruments that may be permitted by the Commission and the Shariah Board;

The rating of any Bank or DFI with which Funds are placed should not be lower than A- (A minus). Further, the Fund shall not take exposure to Continuous Funding System (CFS)

At least 70% of the Fund’s net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis.

(18) Amendment in sub-paragraph 5.2.6 – Investment Policy

The text under sub-paragraph 5.2.6 shall be deleted and replaced with the text as under:

Amended sub-paragraph 5.2.6:

The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible and permissible under the rules and regulations to make such purchase or sale more advantageously in some other manner. The broker will be appointed from time to time by the Management Company under intimation to the Trustee and in accordance with the criteria developed for the appointment of broker.

(19) Amendment in sub-paragraph 5.2.7 – Investment Policy

The text under sub-paragraph 5.2.7 shall be deleted and replaced with the text as under:

Amended sub-paragraph 5.2.7:

The Deposited Property shall be subject to such exposure limits as are provided in the Regulations as amended from time to time and any directives issued by the Commission in this respect.

(20) Amendment in sub-paragraph 5.2.8 – Investment Policy

The text under sub-paragraph 5.2.8 shall be deleted and replaced with the text as under:

Amended sub-paragraph 5.2.8

In the event the exposure of the Scheme exceeds the limits specified in the Offering Document and the Rules and Regulations, because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets, the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Management Company. But in any case the Management Company shall not invest further in such shares or sectors while the deviation exists.

(21) Amendment in sub-paragraph 5.2.9 – Investment Policy

In sub-paragraph 5.2.9, the words “or/and any of its Connected Person” wherever used, shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 5.2.9 is read as under:

Amended sub-paragraph 5.2.9:

The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five percent of the total nominal amount of the securities issued or if the directors and officers of the Management Company collectively own more than ten percent of those securities.

(22) Deletion of sub-paragraph 5.2.10 – Investment Policy

The sub-paragraph 5.2.10 under Paragraph 5.2 shall be deleted.

For the sake of clarity, the deleted sub-paragraph 5.2.10 is as under:

Deleted sub-paragraph 5.2.10:

The Fund may engage in sale/ repurchase transactions of sovereign risk securities and listed securities provided that the transactions are regulated by a Stock Exchange or take place with a Financial Institution as counter-party or done through a Financial Institution acting as an intermediary. Such Shariah compliant Investments will be subject to approval of the Commission/ SBP/ Shariah Board. The Fund will follow risk management parameters framed under clause 73(1) of the Rules with regard to such transactions:

Risk Management with regard to securities under sale/ repurchase

- (a) There will be no limit with regard to repurchase of sovereign risk securities with a term of one year or less. Not more than 40% of the Net Assets of the Fund will be exposed at any one time to sovereign risk securities with a term of more than one year;
- (b) Not more than 10% of the Net Assets of the Fund will be exposed to any one issuer of securities;
- (c) Not more than 25% of the Net Assets of the Fund will be exposed to any one sector as defined by a stock exchange;

Risk Management with regard to counterparty under sale/ repurchase

- (d) There will be no limit with regard to Fund exposure to counterparties if the sale/repurchase transaction are regulated and/ or guaranteed by a stock exchange;
- (e) For repurchase transactions with a Financial Institution as counterparty, where the Financial Institution has an 'AA' rating or better (from a domestic rating agency licensed by the Commission), the maximum exposure of the Fund to such Financial Institution will not exceed 20% of the Net Assets of the Fund and where the Financial Institution has an 'A' rating, it will not exceed 10% of the Net Assets of the Fund. In all other cases, it will not exceed 2.5% of the net assets of the Fund. Transactions outside Pakistan will be limited to financial institutions having at least investment grade rating from Standard and Poors (or equivalent rating from reputable international rating agency) and in any case will not exceed 10% of the NAV with any one institution;

Further Restrictions

- (f) The Management Company, at its sole discretion, may impose additional risk management parameters/ restrictions.

(23) Amendment in sub-paragraph 5.3.2 – Investments Outside Pakistan

The bullet points (b) and (c) under sub-paragraph 5.3.2 of Paragraph 5.3, shall be deleted. In bullet point (d), the words “& certificate of investment” shall be deleted and replaced with “excluding TDRs;” shall be added.

Further, the words “All foreign investments shall be subject to the approval of SECP and SBP.” shall be added at the end of the last sentence under the Paragraph.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 5.3.2 is read as under:

Amended sub-paragraph 5.3.2:

5.3.2 Deposited Property can be invested in international Investments including the following:

- a) International listed equities;
- b) Foreign currency Shariah Compliant bank deposits excluding TDRs;
- c) Foreign currency Shariah Compliant bank accounts in Pakistan;
- d) Mutual funds;

provided that the above investments are Shariah Compliant as per the Shariah Advisors of the respective jurisdiction and accepted by the Shariah Board. All foreign investments shall be subject to the approval of SECP and SBP.

(24) Amendment in sub-paragraph 5.3.3 – Investments Outside Pakistan

In the first Para under sub-paragraph 5.3.3, the words “international profit bearing securities and money markets” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 5.3.3 is read as under:

Amended sub-paragraph 5.3.3:

While investing in international equities, the Management Company will invest through its foreign counterpart unless it has built in-house capacity to manage international Investments and provided evidence of the same to the Trustee. However, for jurisdiction where foreign counterpart does not have operations, the Management Company may invest through following agencies:

(25) Deletion of sub-paragraph 5.3.6 – Investments Outside Pakistan

The sub-paragraph 5.3.6 under Paragraph 5.3 shall be deleted.

For the sake of clarity, the deleted sub-paragraph 5.3.6 is as under:

Deleted sub-paragraph 5.3.6:

Direct investments of the Fund in debt securities will only take place in 'investment grade' securities and 'sovereign risk' securities. Only up to 50% of the allowed limit of international investments shall be placed in sovereign risk securities of countries outside Pakistan and only up to 20% of the allowed limit of international investments in sovereign risk securities of any one country with the sovereign risk portion, if fully invested, divided among five different countries. The above limit will be applicable only to direct investments by the Fund.

(26) Amendment in sub-paragraph 5.4.8 – Restrictions

The text under sub-paragraph 5.4.8 shall be deleted and replaced with the text as under:

Amendment in sub-paragraph 5.4.8:

The Management Company shall not enter, on behalf of the Scheme, into transactions with any broker that exceed thirty per cent of the commission paid by the Scheme in any one accounting year; Provided that this limit shall not be applicable in case of money market instruments.

(27) Amendment in sub-paragraph 5.4.9 – Restrictions

The text under sub-paragraph 5.4.9 shall be deleted and replaced with the text as under:

Amended sub-paragraph 5.4.9:

Take exposure to any single entity, in excess of an amount equal to 15% of the Net Asset Value of the Fund or an amount sufficient to acquire 15% of issued capital of that entity. The above limit shall not apply to cash and Shariah Compliant Government Securities.

(28) Amendment in sub-paragraph 5.4.10 – Restrictions

In sub-paragraph 5.4.10, the word “25%” shall be deleted and replaced with the word “30%”.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 5.4.10 is read as under:

Amended sub-paragraph 5.4.10:

Invest more than 30% of the Net Asset Value of the Fund in securities of any one business sector as per classification of the stock exchange in which such security is listed.

(29) Addition of new sub-paragraphs 5.4.15 and 5.4.16 – Restrictions

New sub-paragraphs 5.4.15 and 5.4.16 shall be added after sub-paragraph 5.4.14, as under:

Additional sub-paragraphs 5.4.15 and 5.4.16:

5.4.15 The Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of trustee, the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Regulations.

5.4.16 The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.

(30) Deletion of sub-paragraph 5.5.1 – Exceptions to Investment Restrictions

The sub-paragraph 5.5.1 under Paragraph 5.5 shall be deleted.

For the sake of clarity, the deleted sub-paragraph 5.5.1 is as under:

Deleted sub-paragraph 5.5.1

The Commission, vide its letter No.SEC/NBFC-II/AD-Jam/AISF/727/2006, dated October 10, 2006, has relaxed the limit of investment in any single company from 10% to 15% of the Net Asset Value of the Fund or the issued capital of the investee company, whichever is lower. Likewise, the Commission, vide its abovementioned letter, has also relaxed the sector limit from 25% of the Net Asset Value of the Fund in securities of any one business sector as per classification of the stock exchange in which such security is listed, to 30%.

(31) Amendment in sub-paragraph 5.5.2 – Exceptions to Investment Restrictions

The text under sub-paragraph 5.5.2 shall be deleted and replaced with the text as under:

Amended sub-paragraph 5.5.2:

In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Asset Management Company.

(32) Amendment in Paragraph 5.7 – Transactions with Connected Persons

The text under Paragraph 5.7 shall be deleted and replaced with the text as under:

Amended Paragraph 5.7:

5.7.1 AISF shall not be invest in any security of a company if any director or officer of the Management Company individually owns more than five per cent (5%) of the total amount of securities issued, or, the directors and officers of the Management Company collectively own more than ten per cent (10%) of those securities.

- 5.7.2 The Management Company on behalf of the Scheme shall not without the prior approval of the Commission in writing, purchase from, or sell any security to, any connected person or employee of the Management Company.
- 5.7.3 For the purpose of paragraph 5.7.1 and 5.7.2 above, the terms director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- 5.7.4 Cash forming part of the property of the Scheme shall be placed as deposits with the Trustee or an institution licensed to accept deposits.
- 5.7.5 Money shall be borrowed from the Financial Institutions provided that the charges are not higher than the normal bank charges.

(33) Amendment in Paragraph 5.8 – Risk

The second last Para under Paragraph 5.8 shall be deleted.

For the sake of clarity, the deleted Para under Paragraph 5.8 is as under:

Deleted Para under Paragraph 5.8:

AISF may also invest in Shariah compliant debt instruments on a profit/ loss basis, and there is a possibility that the net result from such Investments may be a loss.

(34) Amendment in sub-paragraph 6.6.8 – Duties and Powers of Management Company

In sub-paragraph 6.6.8, the word “IV” shall be deleted and replaced with the word “V”.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 6.6.8 shall be read as under:

Amended sub-paragraph 6.6.8:

The Management Company shall prepare and transmit the annual report, together with a copy of the balance sheet, income and expenditure account and the auditor’s report of a scheme within three months of closing of the accounting period to the Trustee and the Unit Holders, and the balance sheet and income and expenditure account shall comply with requirements set out in Schedule V.

(35) Amendment in sub-paragraph 6.6.9 – Duties and Powers of Management Company

The text under sub-paragraph 6.6.9 shall be deleted and replaced with the text as under:

Amended sub-paragraph 6.6.9:

Within one month of the close of first and third quarters and within two months of the close of second quarter, prepare and transmit to the unit holders, the trustee, the Commission and the stock exchanges, on which the units of the scheme are listed:

- (i) balance sheet as at the end of that quarter;
- (ii) income statement;
- (iii) cash flow statement;
- (iv) statement of movement in unit holders' or certificate holders' fund or net assets or reserves; 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 its own net assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise.

(36) Deletion of sub-paragraph 6.6.10 – Duties and Powers of Management Company

The sub-paragraph 6.6.10 under Paragraph 6.6 shall be deleted.

For the sake of clarity, the deleted sub-paragraph 6.6.10 is as under:

Deleted sub-paragraph 6.6.10:

Within two months after the close of the first half of its year of account, prepare and transmit to the Unit Holders and the Commission a profit and loss account for and balance sheet as at the end of that half year, whether audited or otherwise, in accordance with the Rules.

(37) Amendment in sub-paragraph 6.6.16 – Duties and Powers of Management Company

The last two sentences under the sub-paragraph 6.1.16 shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 6.1.16 shall be read as under:

Amended sub-paragraph 6.6.16:

The Management Company shall appoint, with the consent of the Trustee, at the establishment of the Scheme and upon any vacancy, an Auditor of the Scheme who shall be a chartered accountant and independent of the auditor of AAML and CDC and such auditor shall not be appointed for more than such consecutive terms of one year as specified under the NBFC Rules and contents of the auditor's report shall be in accordance with the provisions of the Rules.

(38) Addition of new sub-paragraph 6.6.19 – Duties and Powers of Management Company

A new sub-paragraph 6.6.19 shall be added after sub-paragraph 6.6.18, as under:

Additional sub-paragraph 6.6.19:

The Management Company shall ensure that no entry and exit to the scheme (including redemption and reissuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the Commission under the Regulations.

(39) Amendment in sub-paragraph 6.11.8 - Duties and Responsibilities of the Trustee

The text under sub-paragraph 6.11.8 shall be deleted and replaced with the text as under:

Amended sub-paragraph 6.11.8:

The Trustee shall issue a report to be included in the annual and quarterly reports to be sent to the Unit Holders which shall include:

- (1) Statement of opinion whether the Asset Management Company has managed the Collective Investment Scheme in accordance with provisions of the constitutive documents and other regulatory requirements
- (2) Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and
- (3) Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the shortcoming(s).

(40) Amendment in sub-paragraph 6.11.16 – Duties and Responsibilities of the Trustee

In sub-paragraph, the word “reasonable” before the words “legal fees” shall be deleted.

For the sake of clarity, it is stated that after the said amendment, sub-paragraph 6.11.16 is read as under:

Amended sub-paragraph 6.11.16:

The Trustee shall, if requested by Management Company, and may, if it considers necessary for the protection of Deposited Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under the Deed or the Rules. For the avoidance of doubt it is clarified that, notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities, whatsoever, suffered or incurred by the Trust arising from or consequent to any such

suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise, howsoever, and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Fund.

(41) Addition of new sub-paragraph 6.11.18 – Duties and Responsibilities of the Trustee

A new sub-paragraph 6.11.18 shall be added after sub-paragraph 6.11.17 as under:

Additional sub-paragraph 6.11.18:

The Trustee shall not invest in the Units of the Fund.

(42) Addition of new sub-paragraph 6.11.19 – Duties and Responsibilities of the Trustee

A new sub-paragraph 6.11.19 shall be added after sub-paragraph 6.11.18 as under:

Additional sub-paragraph 6.11.19:

The Trustee shall immediately inform the Commission if any action of the Asset Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.

(43) Amendment in Paragraph 6.12 – Distribution Companies

The text under Paragraph 6.12 shall be deleted and replaced with the text as under:

Amended Paragraph 6.12:

The list of authorized branches designated for acceptance of applications for issuance, redemption, conversion and transfer of units of AISF is provided in Part XVI of the Offering Document and updated on the website of Atlas Asset Management Limited i.e. www.atlasfunds.com.pk. The Management Company shall receive the said applications only at such designated points as updated on the website.

(44) Deletion of Paragraph 6.15 – Shariah Compliance Auditor

The Paragraph 6.15 - 'Shariah Compliance Auditor shall be deleted.

For the sake of clarity, the deleted Paragraph 6.15 is as under:

Deleted Paragraph 6.15:

SHARIAH COMPLIANCE AUDITOR

The Auditor of the Fund will also act as a Shariah Compliance Auditor, and will complete a Shariah Compliance Audit of the Scheme for each Accounting Period within four months from the relevant accounting data becoming available, and will issue a Shariah Compliance audit

report. The report will assess the compliance of the Fund with the investment guidelines issued by the Shariah Board.

(45) Deletion of sub-paragraph 7.4.5 to 7.4.8 – Determination of NAV

The subparagraph 7.4.5 and 7.4.8 under Paragraph 7.4 shall be deleted.

For the sake of clarity, the deleted sub-paragraphs 7.4.5 and 7.4.8 are as under:

Deleted sub-paragraphs 7.4.5 & 7.4.8:

7.4.5 A security bought or sold under a repurchase or reverse repurchase transaction, which has to be settled at a future date, shall be valued by taking the net effect of the complete transaction into account. The value or loss occurring shall be recognized taking into account the allocation of such value or loss over the period between the transaction date and the settlement date.

7.4.8 A derivative shall be valued at current market price or, if it is an over-the-counter derivative, at the value quoted for it by a financial institution or the inferred value of the derivative based on the value of the commodity for which it has been written. The valuation of the derivative must be congruous to the valuation of the commodity for which it has been written.

(46) Addition of new sub-paragraph 7.4.14 – Determination of NAV

A new sub-paragraph 7.4.14 shall be added under Paragraph 7.4 as under:

Additional sub-paragraph 7.4.14:

The NAV of the Fund shall be announced by the Management Company on all business days as per the direction of SECP from time to time, on its own website as well as submitted to MUFAP for hosting on its website.

(47) Amendment in sub-paragraph 7.6.7 (a) – Purchase Procedure – Issue of Units

In sub-paragraph 7.6.7 (a), the word “Dealing”, wherever used, shall be replaced with the word “Subscription”

For the sake of clarity, it is stated that after the said amendment, the sub-paragraph 7.6.7 is read as under:

Amended sub-paragraph 7.6.7 (a):

The Offer Price determined at the end of the Business Day for Units of the Fund shall apply to all Investment application forms, complete in all respects including payment, received by the Management Company at its registered address during business hours on that Business Day. Any Investment request forms received after business hours will be transferred to the next Business Day. Provided that if a Business Day is not a Subscription Day the Offer Price calculated on the next Subscription Day shall apply to the purchase request.

(48) Amendment in sub-paragraph 7.8.4 – Redemption Procedure

In sub-paragraph 7.8.4, the word “Dealing”, wherever used, shall be replaced with the word “Subscription”.

For the sake of clarity, it is stated that after the said amendment, the sub-paragraph 7.8.4 is read as under:

Amended sub-paragraph 7.8.4:

The Redemption Price determined at the end of the Business Day for Units of the Fund shall apply to all Redemption Forms, complete in all respects, received by the Management Company at its registered address during business hours on that Business Day. Any Redemption Forms received after business hours will be transferred to the next Business Day. Provided that if a Business Day is not a Subscription Day, the Redemption Price calculated on the next Subscription Day shall apply to the redemption request.

(49) Addition of new sub-paragraph 7.8.11 – Redemption Procedure

A new sub-paragraph 7.8.11 shall be added after sub-paragraph 7.8.10, as under:

Additional sub-paragraph 7.8.11:

The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.

(50) Amendment in sub-paragraph 7.9.11 – Transfer, Transmission and Conversion Procedure

In sub-paragraph 7.9.11, the words, “, under intimation to the Trustee” shall be added after the words “may close the Register” in the first line under the sub-paragraph 7.9.11.

Further, a new sentence “However, in no case the time period for closure of register for dividend declaration shall exceed six (6) working days at a time.” shall be added before the last sentence.

For the sake of clarity, it is stated that after the said amendment, the sub-paragraph 7.9.11 is read as under:

Amended sub-paragraph 7.9.11:

The Management Company may close the Register, under intimation to the Trustee, by giving at least seven days notice to Holders and for period not exceeding forty five days in a calendar year. However, in no case the time period for closure of register shall exceed six (6) working days at a time. During the period the Register is closed, transfer applications will not be received.

(51) Addition of new Paragraph 7.9A – Date and Time Stamping

A new Paragraph 7.9A – ‘Date and Time Stamping’ shall be added after Paragraph 7.9 as follows:

Additional Part 7.9A:

7.9A Date and Time Stamping

All designated points for acceptance of applications for issuance, redemption, transfer and conversion of units shall have appropriate date and time stamping mechanism or arrangement for timely acknowledgement of the said applications.

(52) Addition of new Paragraph 7.9B – Cut-off Timings for Dealing in Units

A new Paragraph 7.9B – ‘Cut-off Timings for Dealing in Units’ shall be added after Paragraph 7.9A as follows:

Additional Paragraph 7.9B:

7.9B Cut-Off Timings for Dealing in Units

The Cut-off timings for acceptance of applications for issuance, redemption, conversion and transfer of units dealing in units of AISF are:

- Monday to Friday: 9.00 am to 4.00 pm

The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.

(53) Amendment in sub-paragraph 7.10.5 - Dealing, Suspension and Deferral of Dealing

In sub-paragraph 7.10.5, the words “, under intimation to Trustee and SECP,” shall be added after the words “may be suspended or deferred” in the first line under the sub-paragraph 7.10.5.

Further, a new sentence paragraph shall be added at the end of the sub-paragraph 7.10.5, as under:

“The Management Company shall ensure that in case of suspension of redemption of units of the scheme due to extra ordinary circumstances, as stated above and as per the provisions of the Regulations, the issuance of fresh units shall also be kept suspended until and unless the redemption of units is resumed.”

For the sake of clarity, it is stated that after the said amendment, the sub-paragraph 7.10.5 is read as under:

Amended sub-paragraph 7.10.5:

The redemption of Units may be suspended or deferred, under intimation to the Trustee and SECP, during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure

of one or more Stock Exchanges on which any of the Securities invested in by the Fund are listed, closure of the banking system, computer breakdown or strikes or other events that render the Management Company or the Distributors unable to function, or the existence of a state of affairs which, in the opinion of the Management Company, constitutes an emergency, as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders or a break down in the means of communication normally employed in determining the price of any Investment or when remittance of money can not be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and, under extreme circumstances, the Management Company may decide to wind up the Fund. Details of the procedure are given in Section 7.10.7 and 7.10.8 below.

The Management Company shall ensure that in case of suspension of redemption of units of the scheme due to extra ordinary circumstances, as stated above and as per the provisions of the Regulations, the issuance of fresh units shall also be kept suspended until and unless the redemption of units is resumed.

(54) Amendment in sub-paragraph 8.2.1 – Distribution of Income

The text under sub-paragraph 8.2.1 shall be deleted and replaced with the text as under:

Amended sub-paragraph 8.2.1:

After the fixing of the rate of bonus distribution per Unit, the Management Company will inform the same to the Trustee and the Management Company shall issue additional Units in the name of the Unit Holders as per the bonus ratio.

(55) Amendment in sub-paragraph 8.2.2 – Distribution of Income

The text under sub-paragraph 8.2.2 shall be deleted and replaced with the text as under:

Amended sub-paragraph 8.2.2:

Within 45 days of the Accounting Date, the Management Company shall instruct the Trustee to issue payment instruments or to transfer to the Distribution Account such amount of cash as required to effect the cash distribution of income to the Unit Holders net of re-investment of dividend as provided by 8.2.5 below. The amount standing to the credit of the Distribution Account, excluding any profit earned on dividends, shall not be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute to Unit Holders as herein provided.

(56) Amendment in sub-paragraph 8.2.5 – Distribution of Income

The text under sub-paragraph 8.2.5 shall be deleted and replaced with the text as under:

Amended sub-paragraph 8.2.5:

Certain Unit Holders may opt to re-invest any cash distributions from the Fund into Units of the Fund. The Management Company, in such cases will not pay cash distribution but will arrange to issue Units of the Fund out of the relevant cash distribution net of any deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments. Issue of the account statement by the Transfer Agent showing an increase in Units shall be a good discharge of the obligation to pay dividends. In such cases, the Units will be issued at Net Asset Value less any Duties and Charges and will not attract any Front-end Load or Transaction Cost.

(57) Amendment in sub-paragraph 9.3.1 – Formation Cost

In sub-paragraph 9.3.1, the word “exceeding” shall be deleted and replaced with the words “less than”.

For the sake of clarity, it is stated that after the said amendment, the sub-paragraph 9.3.1 is read as under:

Amended sub-paragraph 9.3.1:

Formation Cost that will not exceed 1.0% of the pre-public offer investment in the Fund (including Core Units and Pre-IPO Units) and shall be borne by the Fund and amortized over a period not less than five years.

(58) Amendment in sub-paragraph 9.4.1 – Allocation of Front-End/Back-End Load

In sub-paragraph 9.41, the words “/Back End” wherever used, shall be deleted.

For the sake of clarity, it is stated that after the said amendment, the sub-paragraph 9.4.1 is read as under:

Amended sub-paragraph 9.4.1

The remuneration of Distribution Companies and Sales Agents shall be paid exclusively from any Front-end Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Frontend Load-after such disbursement shall be paid by the Trustee to the Management Company as distribution support and processing charges for their services for the Fund. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.

(59) Amendment in Paragraph 9.6 – Other Fees and Charges

The text under Paragraph 9.6 shall be deleted and replaced with text as under:

Amended Paragraph 9.6:

Other fees and charges shall include:

- a) Brokerage and transaction costs related to investing and dis-investing of the Deposited Property;
- b) Legal and related costs (with the consent of the Trustee) incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders;
- c) Bank charges, foreign currency conversion commission & buy-sell spreads, fund transfer costs and borrowing/financial costs;
- d) Audit Fees;
- e) Annual Fee payable to the Commission;
- f) Custody charges including Central Depository Company of Pakistan charges and cost of custodial services for overseas investments;
- g) Hedging costs including forward cover, forward purchase or option purchase costs;
- h) Taxes, fees, cess, duties and other charges levied by foreign jurisdictions on investments outside Pakistan and any domestic taxes, fees, cess, duties and other charges;
- i) Charges and levies of Stock Exchange and National Clearing and Settlement Company;
- j) Printing Cost; and
- k) Any other expense or charge as may be allowed by the Commission

Any cost associated with sales, marketing and advertisement of the Fund shall not be charged to the Fund.

(60) Addition of Annexure D – Schedule of Charges

A new Annexure ‘Schedule of Charges’ shall be added at the end of the Offering Document as under:

Annexure D – SCHEDULE OF CHARGES:

Management Fee: 3.0%

Front-end Load: 1.0%

Back-end Load: 1.5% - first year
1.0% -second year
0.5% - third year
(No Back-end Load after third year)