

**Third Supplemental Offering Document  
Atlas Pension Islamic Fund**

**Dated: July 15, 2013**

**Third Supplemental Dated July 15, 2013 to the  
Offering Document of Atlas Pension Islamic Fund (APIF)  
Issued on October 31, 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 Trusts Act 1882 by a Trust Deed dated August 31, 2007 between Atlas Asset Management Limited (Formerly Atlas Asset Management Company 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 sub-clause 5.1(i) (v):**

In sub-clause 5.1(i)(v) the word “three” shall be deleted and replaced by the word “four”.

For the sake of clarity the new Clause shall be read as under:

“The Pension Fund Manager shall prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditor’s report of the Atlas Pension Islamic Fund within four months of closing of the Accounting Period, or such other period as may be permitted by the Commission from time to time, to the Commission, the Trustee and the Participants.”

**2. Amendment in Clause 6.6 (1)– “Allocation Schemes”**

In Clause 6.6 (1), the words “, in a combination of any two or more Sub-Funds of the Atlas Pension Islamic Fund, managed by the Pension Fund Manager” and “the equity Sub-Fund. Each Allocation Scheme being offered shall have a different percentage allocation in two or more of” shall be deleted.

For the sake of clarity the new Clause shall be read as under:

The Pension Fund Manager shall offer different Allocation Schemes to the Participants to choose from, allowing the Participants to adopt a focused investment strategy, according to their risk/return requirements. The risk profile of each Allocation Scheme shall be dependent on the percentage Allocation of that Allocation Scheme in the following sub-Funds:

- a) APIF-Equity Sub-Fund (AIEF)
- b) APIF-Debt Sub-Fund (AIDF)
- c) APIF-Money Market Sub-Fund (AIMMF)

**3. Amendment in Clause 6.6 (3)– “Allocation Schemes”**

In Clause 6.6 (3), the words “once a” shall be deleted and replaced by “twice in a”.

In Clause 6.6 (3), the words “or as allowed by the Commission from time to time” shall be added after “thereafter”.

For the sake of clarity the new Clause shall be read as under:

The Participant has the option to select any one from the Allocation Schemes or products being offered by the Pension Fund Manager at the date of opening his/her Individual Pension Account. The Participant may change the Allocation Scheme twice in a year thereafter or as allowed by the Commission from time to time. Notice for the change in Allocation Scheme must be sent by the Participant in writing or in such other form as may be acceptable to the Pension Fund Manager.

**4. Amendment in sub-clause 6.6.5. (a) – Aggressive Allocation Scheme:**

In Clause 6.6.5.(a) the words “Aggressive Allocation” shall be deleted and replaced by the words “ High Volatility”.

For the sake of clarity the new Clause shall be read as under:

**High Volatility Scheme**

High Volatility Scheme invests primarily in the APIF – Equity Sub-Fund with a small allocation in the APIF – Debt Sub-Fund, seeking long term growth of capital. Participants with long time horizon and/or high tolerance for risk may prefer this option. High Volatility Scheme shall be allocated between the Sub-Funds as follows:

<b>Allocation Scheme</b>	<b>APIF – Equity Sub-Fund (Min)</b>	<b>APIF – Debt Sub-Fund (Min)</b>	<b>APIF – Money Market Sub-Fund (Min)</b>
High Volatility Scheme	65%	20%	Nil

**5. Amendment in sub-clause 6.6.5. (b) – Balanced Allocation Scheme:**

In Clause 6.6.5.(b) the words “Balanced Allocation” shall be deleted and replaced by the words “ Medium Volatility”.

For the sake of clarity the new Clause shall be read as under:

**Medium Volatility Scheme**

Medium Volatility Scheme offers a balance between equity and fixed income instruments through investments in APIF – Equity Sub-Fund, APIF – Debt Sub- Fund with a small allocation in the APIF – Money Market Sub-Fund seeking total return along with some capital appreciation. Participants with long to medium time horizon and/or moderate tolerance for risk may prefer this option. Medium Volatility Scheme shall be allocated between the Sub-Funds as follows:

<b>Allocation Scheme</b>	<b>APIF – Equity Sub-Fund (Min)</b>	<b>APIF – Debt Sub-Fund (Min)</b>	<b>APIF – Money Market Sub-Fund (Min)</b>
Medium Volatility Scheme	35%	40%	10%

**6. Amendment in sub-clause 6.6.5. (c) – Conservative Allocation Scheme:**

In Clause 6.6.5.(c) the words “Conservative Allocation” shall be deleted and replaced by the words “Low Volatility”.

For the sake of clarity the new Clause shall be read as under:

**Low Volatility Scheme**

Low Volatility Scheme offers a conservative mix between equity and fixed income instruments investing primarily in APIF – Debt Sub-Fund and APIF – Money Market Sub-Fund with a small allocation in the APIF – Equity Sub-Fund seeking total return with more focus on capital preservation. Participants with medium to short time horizon and/or lower tolerance for risk may prefer this option. Low Volatility Scheme shall be allocated between the Sub-Funds as follows:

<b>Allocation Scheme</b>	<b>APIF – Equity Sub-Fund (Min)</b>	<b>APIF – Debt Sub-Fund (Min)</b>	<b>APIF – Money Market Sub-Fund (Min)</b>
Low Volatility Scheme	10%	60%	15%

**7. Amendment in sub-clause 6.6.5. (d) – Very Conservative Allocation Scheme:**

In Clause 6.6.5.(c) the words “Very Conservative Allocation” shall be deleted and replaced by the words “Lower Volatility”.

For the sake of clarity the new Clause shall be read as under:

**Lower Volatility Scheme**

Lower Volatility Scheme invests solely in fixed income instruments with no allocation in equity securities, by offering a mix between APIF – Debt Sub-Fund and APIF – Money Market Sub-Fund seeking regular income along with capital preservation. Participants with short time horizon and/or very low tolerance for risk may prefer this option. Lower Volatility\_Scheme shall be allocated between the Sub-Funds as follows:

<b>Allocation Scheme</b>	<b>APIF – Equity Sub-Fund (Min)</b>	<b>APIF – Debt Sub-Fund (Min)</b>	<b>APIF – Money Market Sub-Fund (Min)</b>
Lower Volatility Scheme	Nil	40%	40%

**8. Amendment in Clause 6.6 (5) (f)– “Customized Allocation Schemes”**

In Clause 6.6 (5) (f), the words “between the equity and fixed income instruments” and “APIF – Equity Sub-Fund, APIF – Debt Sub-Fund and APIF – Money Market Sub-Fund, varying allocations between the” shall be deleted.

In Clause 6.6 (5) (f), the words “ scheme” shall be added after “personalized investment” and “Sub-Fund(s)” shall replace the word “ Sub-Funds”.

The allocation percentages shall also be changed to “0-100%” for all three sub funds.

For the sake of clarity the new Clause shall be read as under:

Customized Allocation Scheme offers a personalized investment scheme through investments in Sub-Fund (s) as selected keeping in consideration that Participant’s risk/return profile, incorporating the both person’s ability and willingness to take risk, as determined by the risk assessment form and discussed in detail with the Participant.

<b>Allocation Scheme</b>	<b>APIF – Equity Sub-Fund</b>	<b>APIF – Debt Sub-Fund</b>	<b>APIF – Money Market Sub-Fund</b>	<b>Total Between three Sub-Funds</b>
Customized Allocation Scheme	0-100%	0-100%	0-100%	100%

**9. Amendment in sub-clause 6.6.5. (f) – Customized Allocation Scheme:**

In Clause 6.6.5.(f) all the words before the words “Note” shall be deleted. The words “the Conservative Allocation” and “the Very Conservative Allocation” shall be deleted and replaced by the words “Low Volatility” and “Lower Volatility” respectively.

For the sake of clarity the new Clause shall be read as under:

**Note:** In the event that a Participant has not selected any Allocation Scheme, the Pension Fund Manager will have the right to allocate the Contributions in accordance to the Default Allocation Scheme, prescribed by the Commission. The Default Allocation Scheme prescribed by the Commission applicable as on the date of publication of this Offering Document is as follows:

“In the event of no choice made by the Participant, the Pension Fund Manager will have the right to allocate the Contribution to either Low Volatility Scheme or Lower Volatility Scheme, as deemed fit.”

**10. Amendment in sub-clause 6.6.7:**

In Clause 6.6.7., the words “Aggressive”, “Balanced”, “Conservative” and “Very Conservative” shall be deleted and replaced by the words “High Volatility”, “Medium Volatility”, “Low Volatility” and “Lower Volatility” respectively.

For the sake of clarity the new Clause shall be read as under:

The percentage allocations of each Allocation Scheme may be changed within a given calendar year as the Pension Fund Manager deems fit, if in the opinion of the Pension Fund Manager the market conditions warrant such change and such change shall be intimated to the Participants in a manner that the Pension Fund Manager may deem appropriate. The range between which the percentage allocations of each Allocation Scheme may be changed, which are based on the guidelines and criteria announced by the Commission, are as given below:

<b>Allocation Scheme</b>	<b>APIF – Equity Sub-Fund</b>	<b>APIF – Debt Sub-Fund</b>	<b>APIF – Money Market Sub-Fund</b>
High Volatility	Min 65%	Min 20%	Nil
Medium Volatility	Min 35%	Min 40%	Min 10%
Low Volatility	Min 10%	Min 60%	Min 15%
Lower Volatility	Nil	Min 40%	Min 40%

**11. Amendment in Clause 6.6 (8)– “Allocation Schemes”**

In Clause 6.6 (8), the words “thirty days before the relevant date” and “On the relevant date, ” shall be deleted.

For the sake of clarity the new Clause shall be read as under:

The Participant shall have the option to change his selected Allocation Scheme to another Allocation Scheme being offered by the Pension Fund Manager as provided in para 6.6(3) above. The notice for the change in Allocation Scheme shall be provided to the Pension Fund Manager by the Participant, in writing through submission of the Change of Allocation Scheme Form or in such form as may be acceptable to the Pension Fund Manager. The Units shall be reallocated in accordance with the new Allocation Scheme and any subsequent allocations and reallocations shall be made according the new selected Allocation Scheme.

**12. Amendment in sub-clause 6.11 (4) (c):**

In Clause 6.11(4) (c), after the word “Pension Fund” the words “or Pension Fund” shall be added. The words after the words “another pension fund” ,“manager on the Anniversary Date of the opening of the Individual Pension Account” shall be deleted and replaced by “or Pension Fund Manager once in a financial year.” After the words “submitted”, the words “thirty days prior to the Anniversary Date” shall be deleted and replaced by “at least twenty one days before the effective date of the proposed change.”

For the sake of clarity the new Clause shall be read as under:

**(c) Change of Pension Fund or Pension Fund Manager Form:**

This form is required to be submitted if the Participant wishes to change the Pension Fund or Pension Fund Manager and transfer the Individual Pension Account to another pension fund or Pension Fund Manager once in a financial year. This form must be submitted at least twenty one days before the effective date of the proposed change.

**13. Amendment in sub-clause 6.11 (6):**

In Clause 6.11 (6), the words “or Pension Fund” shall be added in the heading of the clause after the words “Pension Fund”. After the words “Dealing Day” the words “at which the Anniversary Date” shall be deleted. The word “manager” after the word “designated pension fund” shall be deleted.

For the sake of clarity the new Clause shall be read as under:

**Redemption/Withdrawal due to Change of Pension Fund or Pension Fund Manager:** On receipt of such Form the Distribution Company/ Pension Fund Manager shall verify all the particulars, and on ensuring that Form is complete in all respects the Pension Fund Manager redeem the relevant Units on the close of the Dealing Day falls and instruct the Trustee to pay the accrued amount to the designated pension fund on account of such Participant.

**14. Amendment in sub-clause 6.11 (10):**

In Clause 6.11 (10), after the words “(other than cash).” the words “No Money shall be paid to any intermediary except the Participant or his authorized representative.” shall be added.

For the sake of clarity the new Clause shall be read as under:

The amount payable on withdrawal shall be paid to the Participant by crossed cheque, pay order or transfer to the Participant’s designated banker or an insurance company as the case may be within six Business Days from the date of receipt of request from the Participant, subject to the condition that the relevant Form is complete in all respects. The Pension Fund Manager would ensure that while making payment, adequate records in respect of reason of payment are maintained. At the written request of the Participant, the Pension Fund Manager may at its discretion, advice the Trustee to pay proceeds through some other mode of payment (other than cash). No Money shall be paid to any intermediary except the Participant or his authorized representative.

**15. Amendment in sub-clause 6.12(1):**

In Clause 6.12(1), the words “or Pension Fund” shall be added in the heading of the clause after the words “Pension Fund”. After the words “Pension Fund” in the para below the words “or Pension Fund” shall be added. After the words “Pension Fund Manager” occurring for the second time, the words “thirty days prior to the Anniversary Date, chose to” shall be deleted. After the word “his” the word “/her” shall be added. After the words “another pension fund” the words “or pension fund” shall be added.

For the sake of clarity the new Clause shall be read as under:

The Participant may, after submitting the prescribed Change of Pension Fund or Pension Fund Manager Form to the Distribution Company/ Pension Fund Manager, transfer his/ her Individual Pension Account being maintained with the Pension Fund Manager to another pension fund or pension fund manager.

**16. Amendment in sub-clause 6.12(2):**

In Clause 6.12(2), after the word “once” the words “on the Anniversary Date of the opening of the Individual Pension Account in Atlas Pension Islamic Fund.” shall be deleted and the following words shall be added “in a financial year and the notice for the change of the Pension Fund manager or Pension fund, specifying the name of the new Pension Fund manager or Pension fund shall be sent by the participant at least twenty one days before the effective date of the proposed change.”

For the sake of clarity the new Clause shall be read as under:

Such transfer shall only take place once in a financial year and the notice for the change of the Pension Fund manager or Pension fund, specifying the name of the new Pension Fund manager or Pension fund shall be sent by the participant at least twenty one days before the effective date of the proposed change.

**17. Amendment in sub-clause 6.12(4):**

In Clause 6.12(4), after the word “charge” the words “whatsoever called” shall be added. After the word “another” the words “Pension Fund Manager or from one pension fund to another pension fund and from approved occupational savings scheme and approved superannuation fund to a pension fund.” shall be added.

For the sake of clarity the new Clause shall be read as under:

No charge whatsoever called shall be deducted for transfer of the individual pension account from one Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund and from approved occupational savings scheme and approved superannuation fund to a pension fund.

**18. Amendment in sub-clause 6.12(5):**

In Clause 6.12(5), the word “,” shall be deleted and replaced by “and/or”. The word “thirty” shall be deleted and replaced by the word “twenty one”. The word “relevant Anniversary Date.” Shall be deleted and replaced by the words “effective date of the proposed change.”

For the sake of clarity the new Clause shall be read as under:

The application for transfer of the account, specifying the name of the new pension fund manager and/or name of the new pension fund and individual pension account number with the new manager must be sent by the Participant or new pension fund manager at least twenty one days before the effective date of the proposed change.

**19. Amendment in Clause 6.13.1 (iii)– “Suspension of Dealing, Queue System and Winding up”**

In Clause 6.13 (iii), the words “/change of allocation scheme/re-allocation of units” shall be added after the word “withdrawals”.

For the sake of clarity the new Clause shall be read as under:

Contributions shall not be accepted and no Units of any Sub-Funds shall be issued during any period of suspension. Also requests for withdrawals/change of allocation scheme/re-allocation of units will not be accepted during any period of suspension.

**20. Amendment in Clause 6.17 (1):**



In Clause 6.17 (1) after the words “years”, the words “or twenty-five since the age of first contribution to a pension fund whichever is earlier” shall be added. The words “Participant may choose his/her age of retirement between sixty and seventy years” shall be deleted.

For the sake of clarity the new Clause shall be read as under:

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 . A notice shall be sent to the Pension Fund Manager by the Participant by submission of the Retirement Options Form, in writing or in such other form which may be acceptable to the Pension Fund Manager, at least thirty days before the chosen date of retirement, stating the selected Retirement Date, chosen mode of benefits to be received from the Scheme and such other details as may be required by the Pension Fund Manager, from time to time.

**21. Amendment in sub clause 6.17 (2):**

In clause 6.17 (2), in clauses (b), (c) and (e) the word “total” shall be deleted and thereafter in clause (d), the word “very” shall be deleted.

For the sake of clarity the new Clause shall be read as under:

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 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.

**22. Amendment in clause 6.18 (2)(a):**

In clause 6.18 (2), the sub clause (a) shall be deleted and replaced by the following:

“To withdraw up to fifty per cent or such percentage of the amount from his individual pension account as cash which is permissible under the Income Tax Ordinance, 2001(XLIX of 2001) and subject to payment of tax as required thereunder; and”.

**23. Amendment in clause 6.18 (2)(c):**

In clause 6.18 (2), the sub clause (c), for the words “till the age of seventy-five years or earlier” the words “ for up to fifteen years following the date of retirement” shall be substituted.

For the sake of clarity the new sub clause shall be read as under:

To Enter into an agreement with the Pension Fund Manager of his choice to withdraw from the remaining amount, monthly installments for up to fifteen years following the date of retirement or as specified in the Rules, according to an Approved Income Payment Plan, approved by the Commission and mentioned in Part XXI of this Offering Document.”

**24. Addition of new sub-clause 6.18(2) (d):**

A new sub-clause 6.18 (2) (e) shall be added after Clause 6.18 (2) (d) as under:

**Additional sub-clause 6.18 (2) (e):**

“the transfer of an individual income payment plan account from one Pension Fund Manager to another Pension Fund Manager or from one income payment plan to another income payment plan shall only take place once in a financial year and notice for the change, specifying the name of new Pension Fund Manager and the income payment plan shall be sent by the participant at least twenty-one days before the effective date of the proposed change.”

**25. Amendment in Clause 6.18 (3):**

In clause 6.18 (3), after the words “shall have” the word “option” shall be added. Thereafter, after the word “choice” the words “or buy an income payment plan for another term or withdraw the amount from his account” shall be added.

For the sake of clarity the new Clause shall be read as under:

At the expiry of the Approved Income Payment Plan according to sub clause (c) of clause (2) above, the Participant shall have option to use the outstanding balance in his Individual Pension Account to purchase an Approved Annuity Plan from a Life Insurance/Takaful Company, of his choice or buy an income payment plan for another term or withdraw the amount from his account.

**26. Amendment in Clause 8.2 “Investment Policy”**

In Clause 8.2, the complete investment policy shall be deleted and replaced by the following.

For the sake of clarity the new Clause shall be read as under:

**Investment Policy of the Pension Fund**

(1) The Pension Fund Manager shall invest assets of The Pension Fund in those securities which are declared eligible by the Shariah Advisor of the Pension Fund.

(2) The Pension Fund Manager shall make investment of the Pension Fund in a transparent, efficacious, prudent and sound manner. The Pension Fund will initially consist of three Sub-Funds.

(3) The Pension Fund Manager shall deposit or place assets of the Pension Fund with Islamic commercial bank or Islamic window of a commercial bank. The Pension Fund Manager may open current account with a conventional bank if it is in the interest of the pension fund to do so. The conditions for opening of account with a conventional bank shall remain the same as specified in this Offering Document.

(4) All investment and disinvestment decisions shall be taken by the Pension Fund Manager of the Pension Fund in consultation with the Investment Committee of the Pension Fund Manager. Membership of and conduct of business by the Investment Committee shall be the same as provided in

Regulation 37 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, or as may be specified by the Commission from time to time.

(5) The Pension Fund Manager, after successfully managing the Equity, Debt and Money Market Sub-Funds of the Pension Fund shall be authorized to apply to the Commission for establishment of additional Sub-Funds for investments in other classes of assets. If the Commission allows the establishment of such Sub-Funds, taking into account the policy of the Federal Government, the Pension Fund Manager may, at its discretion, proceed to establish such additional Sub-Funds on such terms and conditions as may be prescribed by the Commission.

(6) Any investment made in a security for any of the Sub-Funds in a security for which any Connected Person of the Pension Fund Manager is, or has been, involved, during the past twelve months, as an arranger, manager, advisor, consultant or underwriter, will be reported to the Commission within six (6) working days of entering into such transaction. The Pension Fund Manager will also provide full justification for such investment. The Commission may, after giving the Pension Fund Manager an opportunity of being heard, direct it to dispose of such investments and such directive, if any, will be implemented.

(7) The investment policy may be reviewed by the Commission from time to time, as determined by the Commission. However, such change shall not require the alteration of this Offering Document.

**(8) Investment Objective and Investment Policy of the APIF Equity Sub-Fund:**

(a) The Investment Objective of the Equity Sub-Fund of the Pension Fund is to earn returns from investments in Pakistani Equity Markets.

(b) The Investment Policy of the Equity Sub-Fund is determined by the Commission. The current Investment Policy for equity sub-funds generally is determined by the Commission as stated below, and will be followed by the Pension Fund Manager in relation to the Equity Sub-Fund:

(i) Assets of an equity sub-fund shall be invested in equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a Stock Exchange.

(ii) Assets of an equity sub-fund shall primarily be invested in securities of those listed companies, which have minimum operational record of five (5) years subject to conditions stated in sub- Clause (iii) below.

(iii) The pension fund manager of an equity sub-fund, for the reasons to be recorded by its Investment Committee in the minutes for the decision, may invest up to five per cent (5%) of the net assets of the equity sub-fund in securities of listed companies having operational record of less than five (5) years and where the paid up capital of a company is less than equity but investment in securities of any one such company shall not exceed one percent (1%) of net assets of the equity sub-fund or the paid-up capital of that company; whichever is lower.

(iv) At least ninety percent (90%) of net assets of an equity sub- fund shall remain invested in listed equity securities during the year based on quarterly average investment calculated on a daily basis;

(v) A Shariah compliant fund may invest in equity securities of any single company up to ten per cent (10%) of net assets of an equity sub-fund or paid-up capital of that single company, whichever is lower.

(vi) The Pension Fund Manager of the equity sub-fund may invest up to thirty per cent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of net assets of a Shariah compliant equity sub-fund in equity securities of companies belonging to a single sector as classified by Stock Exchanges.

(vii) The pension fund manager of the equity sub-fund may invest any surplus (un-invested) funds in government treasury bills or government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A" by a rating agency registered with the Commission.

(viii) Deposits up to ten percent (10%) of the net assets of a Pension Fund with scheduled commercial banks as mentioned in sub- Clause (vii) above, if kept for a period of less than ninety (90) days shall not be counted towards exposure limits.

(ix) The pension fund manager of the equity sub-fund shall not deposit more than ten per cent (10%) of net assets of the equity sub-fund in a single bank.

(x) The limits mentioned in sub- Clause (viii) above, shall not apply during the initial six (6) months of the launch of an equity sub-fund if the amount is deposited with a commercial bank owned by Federal Government or scheduled commercial bank rated “AA PLUS” or above with a stable outlook.

(xi) The pension fund manager shall adhere to the limits stipulated herein above; however, if the limits are breached merely due to corporate actions including take up of right or bonus issue(s) or due to change in net assets resulting from fluctuation in price of equity securities, the pension fund manager shall regularize the deviation within three (3) months of the breach unless, on a written application of pension fund manager, the said period of three (3) months has been extended by the Commission.

**(9) Investment Objective and Investment Policy of the APIF Debt Sub-Fund**

(a) The investment objective of the Debt Sub-Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity investments.

(b) The investment policy of the Debt Sub-Fund is determined by the Commission. The current Investment Policy for debt sub-funds generally is determined by the Commission as stated below, and will be followed by the Pension Fund Manager in relation to the Debt Sub-Fund:

(i) The debt sub-fund shall consist of debt securities and such other assets as specified herein below.

(ii) The weighted average time to maturity of securities held in the portfolio of a debt sub-fund shall not exceed five (5) years.

(iii) At least twenty five per cent (25%) net assets of the debt sub fund shall be invested in debt securities issued by the Federal Government and up to twenty five per cent (25%) may be deposited with banks having not less than “AA PLUS” rating with a stable outlook so that both these investments shall make up a minimum fifty per cent (50%) of net assets of the debt sub-fund.

(iv) In case the Shariah compliant securities issued by Federal Government are not available to comply with sub- Clause (iii) above, the assets of a Shariah compliant debt sub-fund may be deposited in Islamic commercial banks, having not less than “A PLUS” rating or Islamic windows of commercial banks, having not less than “AA” rating, or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.

(v) Investment in all other securities including those issued by provincial governments, city governments, government corporations and by corporate entities shall be subject to the following conditions:

Credit Rating	Investment Limits
<p>Rating of security "AA" or higher.</p> <p>Rating of the issuer (excluding provincial or city government) "AA" or higher</p>	<p>Exposure up to 7.5% of</p> <p>a)Net Assets of a Debt Sub-fund;</p> <p>or</p> <p>b)size of any issue; or</p> <p>c)size of total issues by one issuer.</p> <p>whichever is lower.</p>
<p>Rating of security "A"to "A Plus" or higher.</p> <p>Rating of the issuer (excluding provincial or city government) "AA" or higher</p>	<p>Exposure up to 5% of</p> <p>a)Net Assets of a Debt Sub-fund;</p> <p>or</p> <p>b)size of any issue; or</p> <p>c)size of total issues by one issuer.</p> <p>whichever is lower</p>
<p>Rating of the security "A Minus" or higher</p> <p>Rating of the issuer (excluding provincial or city government)"A Minus" or above</p>	<p>Up to 2.5% of</p> <p>a)Net Assets of a Debt Sub-fund;</p> <p>or</p> <p>b)size of any issue; or</p> <p>c)size of total issues by one issuer;</p> <p>or</p> <p>d)paid-up capital of the issuer;</p> <p>whichever is lower.</p> <p>The outstanding life of the security rated "A Minus" shall not exceed five years.</p>

(vi) Exposure to securities issued by companies of a single sector shall not exceed twenty percent (20%) except for banking sector for which the exposure limit shall be up to thirty percent (30%) of net assets of a debt sub-fund.

(vii) Deposits in a single bank shall not exceed ten per cent (10%) of net assets of the debt sub-fund.

(viii) The aforesaid limit in sub- Clause (vii) above shall not be applicable during the initial six (6) months of the launch of a pension fund if the amount is deposited in a scheduled commercial bank owned by the Federal Government or a scheduled bank having “AA Plus” or higher rating.

**(10) Investment Objective and Investment Policy of the APIF Money Market Sub-Fund**

(a) The Investment Objective of the Money Market Sub-Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt investments.

(b) The Investment Policy of the Money Market Sub-Fund is determined by the Commission. The current Investment Policy for money market sub-funds generally is determined by the Commission as stated below, and will be followed by the Pension Fund Manager in relation to the Money Market Sub-Fund:

(i) The weighted average time to maturity of net assets of the money market sub-fund shall not exceed ninety (90) days; except for assets of Shariah compliant money market sub fund, where time to maturity may be up to one (1) year.

(ii) Time to maturity of any security in the portfolio of the money market sub-fund shall not exceed six (6) months, except in the case of Shariah compliant money market sub-fund, where the time to maturity of a Shariah compliant government securities such as government Ijara Sukuks may be up to three (3) years.

(iii) The following limits on investment shall be followed by the money market sub- fund:

Entity/ Security	Investment
Federal Government securities	No limit
Deposits with Commercial Banks having ""A Plus" or higher rating	No limits: provided that deposit with any one bank shall not exceed 20% of Net Assets of a Money Market Sub-fund.
Provincial or city government or government corporations or corporate entities	Up to 20% of Net Assets of the sub-fund subject to the limits specified below for each category: -
i) Provincial government	Up to 10% of Net Assets of a Money Market Sub-fund or the issue, whichever is lower
ii) City government	Up to 5% of Net Assets of a Money Market Sub-Fund or the issue, whichever is lower.
iii) Government Corporations with “A” or higher rating entity and in the instrument	Upto 5% of: a) Net Assets of a Money Market Sub fund; or b) Size of the issue; c) Size of all issues of one issuer whichever is lower
Corporate entities with “A	Upto 5% of:

Plus” rating or higher rating of entity and the instrument	a) Net Assets of a Money Market Sub fund; or b) Size of the issue; c) Size of all issues of one issuer whichever is lower
--	---

**27. Amendment in Clause 8.3 “Investment Restrictions”**

In Clause 8.3, the complete investment policy shall be deleted and replaced by the following.

For the sake of clarity the new Clause shall be read as under:

The Pension Fund Manager shall not at any time on behalf of the Pension Fund:

- (a) invest in securities of the Pension Fund Manager or any of its associated companies.
- (b) take exposure to a single group exceeding twenty per cent (20%) of the Net Assets of the Pension Fund *provided that* for the purposes of this limit “group” shall have the same meaning as provided in the “Explanation” to clause (a) of sub-regulation (10) of regulation 55 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- (c) invest or enter into contract to invest in securities for which the Pension Fund Manager or any of its connected party is or has been involved, during the past six (6) months, as an arranger, manager, advisor, consultant, underwriter or sub underwriter.
- (d) invest in securities issued by companies of any one sector (sector shall be the same as classified by the Stock Exchanges) exceeding thirty per cent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of the Net Assets of the Pension Fund unless specified otherwise in the Investment Policy. These limits shall, however, be reviewed for adjustments as and when classification of sectors is changed by the Stock Exchanges.
- (e) invest in securities of a company if equity is less than paid-up capital of the company, irrespective of the limits stated in the Investment Policy.
- (f) invest or deposit or place assets of the Pension Fund if the issuer or the Bank or the security does not fulfill the minimum rating specified in the investment policy or has not been assigned a stable or positive outlook.
- (g) enter into a short sale transaction in any security, whether listed or unlisted;
- (h) purchase from or sell to any Connected Person any security;
- (i) 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.
- (j) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; *provided that* investment in sale and repurchase transactions involving Government Securities or such listed securities which are regulated by the stock exchanges shall not be prohibited under this paragraph (i) subject to the condition that risk management parameters are disclosed in the Offering Document;
- (k) borrow any funds except for meeting withdrawal requests or transfer of funds to other pension fund managers in relation to the Pension Fund and such borrowing shall not exceed fifteen per cent (15%) of the total Net Asset Value of the Pension Fund at any time and shall be repayable within a period of ninety (90) days; *provided that* any such borrowing shall be immediately communicated to the Commission with details of amount and payback plan;
- (l) invest in any security of a company if any director or officer of the Pension Fund Manager owns more than five per cent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Pension Fund Manager own more than ten per cent (10%) of those securities; or

(m) except where it is necessary to protect its investment, seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest which would give it primary responsibility for management.

**28. Amendment in Clause 8.4 “Participants Rights in terms of Investment Choice”**

In Clause 8.4, the complete Clause shall be deleted and replaced by the following.

For the sake of clarity the new Clause shall be read as under:

The Pension Fund Manager is responsible for the investment and disinvestment of the property of the Pension Fund. However, every Participant will decide about their investment in the Units of the Sub-Funds by using their preference for the selection of the Allocation Schemes offered by the Pension Fund. Each Participant will select ***any one of the approved Allocation Schemes as provided in clause 6.6***, for allocation of their contributions between the Sub-Funds. Thus Contributions from the Participants will be allocated between the Sub-Funds in accordance with the particular Allocation Scheme selected by the Participants.

**29. Amendment in Clause 12.3:**

In clause 12.3, the sub clauses (a) and (b) shall be deleted and replaced by the following:

- (a) prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditor’s report of the pension fund within four months of closing of the accounting period to the Commission and the participants.
- (b) within one month of the close of the first and third quarter of its year of account of the fund and within two months of the close of second quarter, prepare and transmit to the participants and the Commission a balance sheet as at the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the pension fund. The Pension Fund Manager may, with the prior approval of the Commission, post the said quarterly accounts on their website.





Securities & Exchange Commission of Pakistan  
Specialized Companies Division  
Policy, Regulations and Development Department

No.22 (1) SEC/SCD/PW-AAML-02/543

July 15, 2013

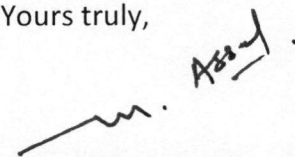
**Chief Executive,**  
Chief Executive  
Atlas Asset Management Limited  
Ground Floor, Federation House,  
Shahrae Firdousi, Clifton,  
**Karachi**

Subject: **Approval of Supplemental Offering Document of Atlas Pension Islamic Fund.**

Dear Sir,

1. Please refer to your letter No. AAML/12-13/INV/187/3540 dated June 07, 2013, seeking approval of the third supplemental offering document of Atlas Pension Islamic Fund (the "Fund").
2. I am directed to inform that this office, under rule 22 of the Voluntary Pension System Rules, 2005 (the "Rules"), has approved the supplemental Offering Document of the Fund submitted with your above referred letter.
3. Atlas Asset Management Limited may proceed further in accordance with the provisions of the Rules, the Trust Deed and the Offering Document of the Fund.

Yours truly,

  
(Muhammad Assad Saeed)  
Assistant Director

**CC:** Central Depository Company of Pakistan Limited  
(w.r.t. letter No: CDC/T&C-U1/DH/0129/2013 dated: June 05, 2013)  
Trustee of Atlas Pension Islamic Fund  
CDC House, 99-B, Block "B",  
S.M.C.H.S. Main Shahra-e-Faisal,  
Karachi, Pakistan.