

# **OFFERING DOCUMENT**

## **ATLAS STOCK MARKET FUND**

(Open-Ended Fund)

Managed by:

AN ATLAS GROUP  
COMPANY

### **Atlas Asset Management Limited**

(Licensed by Securities and Exchange Commission of Pakistan)

#### **Units Offered For Sale Without Sales Load**

From November 23, 2004 to November 26, 2004

**THE INVESTORS ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE OFFERING DOCUMENT IN PARTICULAR THE RISKS MENTIONED IN PARAGRAPHS 5.15 & 5.16 AND WARNINGS IN PART XV BEFORE MAKING ANY INVESTMENT DECISION**

## MISSION STATEMENT

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and firmly believe that by placing the best interest of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

## VISION

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

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# Atlas Stock Market Fund (ASMF)

## **OFFERING DOCUMENT OF ATLAS STOCK MARKET FUND (ASMF)**

Date of Publication of Offering Document: November 22, 2004

(Managed by Atlas Asset Management Limited\* registered under the Asset Management Companies Rules, 1995, now replaced by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (Rules)

### **PART I – INTRODUCTION**

- a) Atlas Stock Market Fund (ASMF) has been established in Pakistan by a Trust Deed, dated May 29, 2004 registered under the Trusts Act, 1882 (11 of 1882) between Atlas Asset Management Limited (AAML), as the management company and Central Depository Company of Pakistan Limited (CDC), as the trustee, and is authorized under Rule 67 of the Rules.
- b) If you have any doubt about the contents of this Offering Document, you should consult one or more from amongst your legal adviser, stockbroker, bank manager, or other financial adviser. Investors must recognize that all investments involve varying levels of risk. The portfolio of ASMF consists of market-based investments and is subject to market fluctuations and risks inherent in all such investments. The value of Units of ASMF may appreciate as well as depreciate, and consequently the return, including the dividend declared by ASMF may get affected to that extent. Investors are requested to read the Risk Disclosure and Disclaimer statement contained in paragraphs 5.15 and 5.16 of this Offering Document.

Initial Period November 23, 2004 to November 26, 2004 during banking hours.

\* incorporated as Atlas Asset Management Company Limited and the name was changed through shareholders resolution on October 30, 2004.

## **PART II – REGULATORY APPROVAL AND CONSENT**

### **2.1 Approval of the Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (Commission) has authorized the offer of Units of ASMF 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.

**It must be distinctly understood that in giving this approval, the Commission does not take any responsibility for the financial soundness of ASMF nor for the accuracy of any statement made or any opinion expressed in this Offering Document.**

This Offering Document is governed by the provisions of the Trust Deed. It sets forth information about ASMF that a prospective investor should know before investing in Units of ASMF. **Prospective investors should consult one or more from amongst their stockbroker, bank manager, legal adviser or other financial adviser. Please refer to sub paragraphs 5.15 and 5.16 of this Offering Document.**

### **2.2 Filing of the Offering Document**

The Management Company has filed a copy of this Offering Document signed by the Chief Executive along with the documents (1) to (8) below with the Commission. Certified copies of these documents can be inspected at the registered office of the Management Company or the place of business of the Trustee, at the addresses provided in the paragraph 4.1 of this Offering Document.

1. The Commission's letter No. SC/MF-DD(MS)/363/2002 dated Oct 8, 2002 registering the Management Company as an asset management company together with the Certificate of Registration;
2. License for undertaking Asset Management Services issued by Commission under its letter No. NBFC-32/AMC/03/2004 dated July 9, 2004 under NBFC Rules;
3. The Commission's letter No. NBFC-II/JD-(R)/AAMC-329/2004, dated April 14, 2004, allowing the Management Company to launch equity fund;
4. The Commission's letter No. NBFC-II/JD/Atlas-ASMF/456 dated May 18, 2004, approving the appointment of Central Depository Company of Pakistan Limited as the trustee of ASMF;
5. Trust Deed (Deed) of ASMF dated May 29, 2004 between Atlas Asset Management Limited (the Management Company), as the establisher and Central Depository Company of Pakistan Limited, as the trustee;
6. The Commission's letter no. NBFC-II/JD(R)/Atlas-ASMF/692/2004 dated August 11, 2004 authorizing ASMF;
7. Two Letters dated October 30, 2004, and November 02, 2004 from Messrs. Hameed Chaudhri & Company, Chartered Accountants, auditors of ASMF, consenting to the issue of statements and reports appearing in Part XVII of this Offering Document.
8. The Commission's letter no. NBFC-II/JD(R)/Atlas-ASMF/878 dated October 20, 2004 approving this Offering Document.

## Atlas Stock Market Fund (ASMF)

### **PART III – DEFINITIONS**

All defined terms used in this Offering Document are those defined in the Trust Deed. Unless the context requires otherwise the following words, terms or expressions, used in this Offering Document, shall have the meaning respectively assigned to them viz:

- i. “Accounting Date” means in case of the final Accounting Period the date on which the money required for the final distribution is transferred to the Distribution Account and in any other case the thirtieth day of June in each year, provided, however, that the Management Company may, with the consent of the Trustee and approval of SECP change such date to any other date.
- 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 Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- iii. “Account Statement” means statement of transactions in Units in the folio of the Holder.
- iv. “AMC” means Asset Management Company i.e. Atlas Asset Management Limited.
- v. “Auditor” means, such audit firm that is appointed as the auditor of the Unit Trust Scheme appointed by the Management Company.
- vi. “Authorized Branch” means those branches of the Distributors whose addresses have been given in the Offering Document.
- vii. “Authorized Investment” means Pakistan origin investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:
  - a) Securities, shares, certificates, stocks, bonds, debentures, debenture stock, participation term certificates, modaraba certificates, musharika certificates, term finance certificates, convertible bonds and other asset backed or mortgage backed securities;
  - b) Treasury bills and other Government Securities;
  - c) Money Market Instruments, Certificates of Deposit and Bankers’ Acceptances;
  - d) Deposits with Banks or Financial Institutions;
  - e) Any other equity or debt security in respect of which permission to deal on a Stock Exchange is effective;
  - f) Repurchase transactions (REPOs) and reverse REPOs including Carry Over Transactions (COT);
  - g) Investment in any equity or debt security that may or may not be listed on the Stock Exchange but does not include bearer securities or any security that would involve assumption of unlimited liability;
- viii. “Back-end Load” means Sales Load deducted from the Net Asset Value in determining the Redemption Price.
- ix. “Bank” means an institution providing banking services under the banking laws of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- x. “Bank Account” means those accounts in the name of the Trustee of the Fund, the beneficial ownership of which rests with the Unit Holders.

- xi. "Business Day" means a day (such business hours thereof) when Banks are open for business in Pakistan.
- xii. "Carry Over Transaction (COT)" is a form of financing transacted through the Stock Exchange. It consists of two simultaneous transactions, the first for purchase of an underlying security (shares) on the next settlement date and the second for selling back the security at a higher price for a subsequent settlement date.
- xiii. "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provisions of the Trust Deed.
- xiv. "Companies Ordinance" means the Companies Ordinance, 1984, as amended from time to time.
- xv. "Connected Person" shall have the same meaning as in the Rules.  
(It is stated by way of explanation that for the time being, "connected person" in relation to a NBFC means:
  - a) Any person or company beneficially owning, directly or indirectly, ten percent or more of ordinary share capital of the NBFC or the closed-end fund being managed by it, or being able to exercise, directly or indirectly, ten percent or more of the total voting power in that NBFC or the closed-end fund being managed by it;
  - b) Any person or company controlled by a person who or which meets one or both, of the descriptions given in sub-clause (a);
  - c) Any member of the group of which that company forms part; or
  - d) Any director or officer of that NBFC, or the closed-end fund being managed by it, or of any of their connected persons as specified in sub-clauses (a), (b) and (c);
- xvi. "Constitutive Document" means the Trust Deed which is the principal Document governing the formation, management or operation of the Fund.
- xvii. "Contingent Load" means Sales Load payable on redemption of Units within a certain number of years from the date of purchase and/ or at a rate declining for every year or period Units are held.
- xviii. "Core Investors" of the Fund shall be such initial investors who shall be required to subscribe to and hold Units of the Par Value of not less than Rupees two hundred and fifty million (Rupees 250,000,000) for a minimum period of two years.
- xix. "Core Units" shall mean such Units of the Fund that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. Such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. These Units are categorized in the Register as category "B" Units.
- xx. "Custodian" means a Bank, a central depository company, or any other depository for the time being appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as custodian on behalf of the Trustee.
- xxi. "Deposited Property" means the aggregate proceeds of the sale of all Units at Offer Price after deducting therefrom or providing thereagainst any applicable Sales Load, Duties and Charges and includes the Investment and all income, profit and other benefits arising therefrom and all cash and other assets movable or immovable and property of every description 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.



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- xxii. “Discount Rate” means the rate at which the State Bank of Pakistan makes funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.
- xxiii. “Distribution Account” means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank approved by the Management Company in which the amount required for distribution of income to the Holders shall be transferred.
- xxiv. “Distributor and Distribution Company or Distribution Companies” means a Company or Companies, Firm or a Bank appointed by the Trustee with the approval of the Management Company for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Function.
- xxv. “Distribution Function” means the functions with regard to:
- a) Receiving applications for issue of Units together with aggregate Offer Price for Units applied for by the applicants;
  - b) Issuing receipt in respect of (a) above;
  - c) Interfacing with and providing services to the Holders including receiving redemption/transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent, as appropriate; and
  - d) Accounting to the Trustee for (i) monies received from the applicants for issuance of Units; (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.
- xxvi. “Duties and Charges” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, sale, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any Front-end or Back-end Load or commission payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- xxvii. “Financial Institution” means a NBFC, licensed under the Rules, a Modaraba registered under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 and a DFI regulated by the State Bank of Pakistan or any other corporate body recognized as a financial institution under the laws of Pakistan.
- xxviii. “Formation Cost” means all preliminary and floatation expenses of the Trust, including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund inviting investment therein and all expenses incurred during the period leading up to the Initial Period.
- xxix. “Front-end Load” means the Sales Load, which is included in the Offer Price of Units.
- xxx. “Holder” or “Unit Holder” means the investor for the time being entered in the Register as owner of a Unit or a fraction thereof including investor jointly so registered pursuant to the provisions of this Deed.

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- xxxi. “Initial Period or Initial Offering Period” means a period determined by the Management Company not exceeding fifteen days, during which the Units will be offered at the Initial Price in terms of the Offering Document.
- xxxii. “Initial Price” means the price per Unit, during the Initial Period, determined by the Management Company.
- xxxiii. “Investment” means any Authorized Investment forming part of the Deposited Property.
- xxxiv. “Net Assets” shall have the same meaning as in the Rules.
- xxxv. “Net Asset Value or NAV” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.
- xxxvi. “No Load” means no Sales Load payable on sale or redemption of Units.
- xxxvii. “Offer Price” means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 7.3 of the Trust Deed.
- xxxviii. “Offering Document” means the prospectus, advertisements or other documents (approved by the SECP), which contain the investment and distribution policy and all other information in respect of the Fund or different categories of Units as required by the Rules and is calculated to invite offers by the public to invest in the Fund.
- xxxix. “Ordinance” means the Securities and Exchange Ordinance, 1969, as amended from time to time.
- xl. “Par Value” means the face value of a Unit that shall be Rupees five hundred (Rupees 500) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- xli. “Personal Law” means the law of inheritance and succession as applicable to the individual Unit Holder.
- xlii. “Redemption Price” means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to clause 19 of the Trust Deed.
- xliii. “Register” means the Register of the Holders kept pursuant to the Rules and the Trust Deed.
- xliv. “Registrar Functions” means the functions with regard to:
  - a) Maintaining the Register;
  - b) Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of lien or for recording of changes in data with regard to the Unit Holders;
  - c) Issuing Account Statement to the Holders;
  - d) Issuing Certificates including Certificates in lieu of un-distributed income to Holders;
  - e) Dispatching income distribution warrants and bank transfer intimations; and
  - f) Canceling old Certificates on redemption or replacement.
- xl. “Reporting Currency or Base Currency” means the currency used in presenting the financial statements, which will be the Pakistani Rupee.

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- xlvi. “Rules” means the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended or replaced from time to time.
- xlvii. “Sales Load” means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) of the Offering Price, which may be included in the Offer Price of certain class of Units or deducted from the Redemption Price of certain class of Units.
- xlviii. “SECP or Commission” means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 and its legal successors.
- xlix. “Stock Exchange” means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Ordinance.
- l. “Subscription Day” means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day not to be a Subscription Day.
- li. “Supplementary Offering Document” means a document amending or adding to the offering document to be issued by the Management Company, in consultation with the Trustee, after seeking approval of the SECP.
- lii. “Transfer Agent” means a company, including a Bank that the Management Company shall appoint for performing the Registrar Function. The Management Company may itself perform the Registrar Function.
- liii. “Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such costs, at the discretion of the Management Company may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The Transaction Costs shall not normally be applied in determining these prices, however, if the Management Company is of the view that it is in the overall interest of the Unit holders, it may, in consultation and with the agreement of the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Deposited Property.
- liv. “Trust”, “Unit Trust”, Fund”, or Scheme” means the Unit Trust constituted by the Trust Deed of Atlas Stock Market Fund (ASMF) for continuous offer for sale of Units.
- lv. “Unit” means one undivided share in the Trust and where the context so indicates a fraction thereof.

Words and expressions used but not defined herein shall have the meanings assigned to them in the NBFC Rules or applicable laws. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural words, “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

## **PART IV – CONSTITUTION OF THE SCHEME**

### **4.1 Constitution**

ASMF is constituted by a Trust Deed entered into at Karachi on May 29, 2004 between:

1. Atlas Asset Management Limited (AAML), a company incorporated under the Companies Ordinance 1984, with its registered office at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi - 75600 as the establisher and the Management Company; and
2. Central Depository Company of Pakistan Limited (CDC), a company incorporated under the Companies Ordinance 1984, with its registered office at 8th Floor, Stock Exchange Building, Stock Exchange Road, Karachi - 74000, as the Trustee.

### **4.2 Duration**

The duration of ASMF is perpetual. However, it can be wound up by the Commission or by the Management Company on the occurrence of certain events as stated in Part XIX of this Offering Document under the heading “Termination of Atlas Stock Market Fund”.

## **PART V – INVESTMENT OBJECTIVES AND RESTRICTIONS**

The purpose of introducing ASMF is to provide investors a one-window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. Consistent with this policy, ASMF will invest the amount raised through sale of Units in a diversified portfolio of listed equity securities of companies that are regularly paying dividend, have growth prospects, or are actively traded. Any amounts, which have not been invested in equity securities may be invested in corporate debt instruments or Government securities or placed in money market instruments, which include repurchase transactions (REPOs), reverse REPOs and carry over transactions (COT).

### **5.1 Investment Objectives**

ASMF aims at achieving a good rate of current income consistent with the prospects of appreciation in the value of amount invested and to provide the investors with liquidity and the facility to join or leave the fund at their convenience.

### **5.2 Investment Policy**

- a) ASMF will invest mainly in high quality listed equity securities. However, any amount not invested in equity securities may be invested in listed corporate debt instruments having minimum investment grade rating, and Government securities. However, the investment in debt instruments and Government paper shall not exceed 25% of the Net Assets at any point of time. In selecting equity portfolio securities, ASMF will consider mainly the five factors viz., a) reputation of the management, b) volume of trading in the shares of the company, c) profitability, d) dividend record and e) prospects of earnings growth. The percent of the assets in various types of securities will vary in the light of investment objectives, prevailing market conditions and exposure limits as laid down in the Rules. Any particular security will be sold, and the proceeds reinvested, when, such action is deemed prudent in light of the investment objectives of ASMF.
- b) ASMF will enter into repurchase agreements with credit worthy institutions, under which it will acquire ownership of debt securities and the seller will agree at the time of the sale, to repurchase the obligation at a mutually agreed-upon time and price, thereby determining yield during the holding period.
- c) Subject to regulation of the Stock Exchanges and any condition laid down by the Commission, ASMF will enter into Carry Over Transactions (COT) that is a form of financing transacted through the stock exchanges. It consists of two simultaneous transactions, the first for purchase of an

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underlying security (shares) on the next settlement date and the second for selling back the security at a higher price for a subsequent settlement date.

- d) ASMF will enter into transactions aimed at earning a spread in the price of shares resulting from the timing difference between ready and future settlements. ASMF will buy, in the ready settlement market, and sell, in the future settlement market. Both the transactions will be carried out simultaneously so as to avoid any risk emanating from the movement in the prices of underlying shares.
- e) Subject to such regulatory permissions that may be required, ASMF may invest in Pakistan origin investment issued, traded or listed simultaneously inside and outside Pakistan.
- f) Subject to the Rules and any other applicable law, the Management Company may, on behalf of ASMF, write call options on any of the securities held in the portfolio, if there is a market based exit mechanism from options so written. ASMF may also buy put options equivalent to any securities held in the portfolio. Under no circumstances shall the Management Company buy or sell options on behalf of ASMF that result in an exposure beyond the number of underlying securities held in the portfolio of ASMF. The Management Company may, however, buy or sell, call or put options on one or more items (financial or otherwise) that in its opinion would act as a hedge/ defensive proxy for the overall market risk. However, the cost of maintaining a defensive hedge shall not exceed one percent per annum of the Fund (for the preceding twelve months) at the time such transactions are entered into.
- g) ASMF may also hold assets in the form of cash deposits with Scheduled Banks or Financial Institutions with minimum AA rating by a rating agency approved by SECP with the objective of maintaining sufficient liquidity to meet the redemption requirements and to take advantage of suitable investment opportunities as and when they arise.
- h) The weightings of the investment mix of the portfolio shall be managed in a manner that reduces the risk of loss in market value of the investment as a result of prevailing market situation, including any major shift in lending rates.

The above Investment Policies will be governed by the Rules and any other conditions imposed by the SECP from time to time.

### 5.3 Investment Restrictions and Exposure Limits

ASMF shall follow the investment restrictions and exposure limits imposed by the Rules. In the event of any changes in the investment restrictions in the Rules, restrictions applicable to ASMF shall automatically be applied. The present exposure limits and restrictions are stated below:

- a) Carry Over Transactions (COT), and other similar financing or spread transactions shall be restricted to such underlying securities and those with members of recognized stock exchanges where the Management Company is of the view that the underlying securities offer adequate liquidity and that Carry Over Transactions (COT) or other similar financing are administered by the management of the Stock Exchange and the clearing house with appropriate safeguards and the Management Company is of the view that relevant member (brokerage house) is of appropriate standing.
- b) ASMF will not any time invest in:
  - 1. Bearer Securities;
  - 2. Securities on margin;
  - 3. Securities which result in assumption of unlimited liability (actual) or contingent);
  - 4. Commodities or commodity contracts;

5. Real estate or interest in real estate, except in securities which are secured by real estate or interests therein or issued by companies that invest in real estate or interest therein and are approved by the Management Company;
  6. Any security of a company in which any director or officer of Management Company owns more than 5% of the total nominal amount of the securities issued, or, collectively the directors and officers of the Management Company own more than 10% of those securities.
  7. Anything other than Authorized Investment as defined herein;
- (c) ASMF will not at any time:
1. Participate in a joint account with others in any transaction;
  2. Make short sale of any securities or maintain a short position
- (d) In accordance with diversification policy prescribed under the Rules, a Unit Trust Scheme is required not to invest more than ten percent of its Net Assets in securities of one company and not more than twenty five percent of its Net Assets in securities of any one sector as per classification of the stock exchanges.

#### **5.4 Exception to Investment Restrictions**

If and so long as the value of the holding in a particular company or sector shall have reached the limit as per paragraph 5.3, the Management Company shall not purchase any further investment in such company or sector. However, this restriction on purchase shall not apply to any right offering. In such event, the investment will be brought within the permissible level within six months of the issue of right shares.

#### **5.5 Transactions with Connected Persons**

- a) ASMF shall not invest in any security of a company if any director or officer of the Management Company individually owns more than five percent of the total nominal amount of the securities issued of such company, or collectively the directors and officers of the Management Company in their individual capacities own more than ten percent of the securities issued of the said company.
- b) ASMF shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the Management Company or Trustee or to any person who beneficially owns ten percent or more of the equity of the Management Company or the Trustee.
- c) The Management Company shall not employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person and enter into transactions with any connected broker, which shall equal or exceed ten percent or more of the transactions of ASMF in any one Accounting Period.
- d) For the purpose of sub-paragraphs (a), (b) and (c) above the term director, officer and employee shall include their relatives including the spouse, parents, children, brothers and sisters and other family members.

#### **5.6 Trust Deed**

1. The Deed shall be subject to and be governed by the Ordinance, the Rules and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in the Deed as a part and parcel thereof and in the event of any conflict between the Deed and the provisions required

## Atlas Stock Market Fund (ASMF)

to be contained in a trust deed by the Rules, the latter shall supercede and prevail over the provisions contained in the Deed.

2. The terms and conditions of the Trust Deed and any deed supplemental thereto shall be binding on each Holder as if he had been a party to the Deed and so to be bound by the Deed's provisions and each Holder authorizes and requires the Trustee and the Management Company to do so as required of them by the terms of the Trust Deed.
3. The Trustee and the Management Company acting together shall be entitled by a deed supplemental thereto to modify, amend, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Ordinance or the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of the Deed to be more conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock Exchange or other wise for the benefit of the Holders and that it does not prejudice the interest of the Holders, and does not alter the fundamental objects of the Unit Trust or any of them or operate to release the Trustee or the Management Company from any responsibility to the Holders.

### **5.7 Open-ended Fund**

ASMF is an open-ended fund. It is divided into Units having par value of Rupees five hundred (Rs. 500) each. All Units and fractions thereof represent an undivided share in ASMF and rank *pari passu* as to their rights in the net assets, earnings, and receipt of dividend and distributions.

### **5.8 Units**

ASMF shall offer and redeem Units to investors on a continuing basis. There is no lower or upper limit set on the Units to be issued to a single Unit Holder or on the total number of Units to be issued to the public. Fraction of Units will not be issued except on conversion to dividend and on issue of Bonus Units as per sub paragraphs 11.4(c) and 11.5(b) of this Offering Document. The Units shall be fully paid before they are issued. The liability of Unit Holders shall be limited to the extent of unpaid amount (if any) on Units. Units or fractions thereof may be redeemed for cash by redeeming to ASMF. Units are also transferable. Units will be issued in registered un-certificated form and will be confirmed to investors by means of an Account Statement issued by the Transfer Agent. Certificate will be issued, only if so requested by Unit Holder on payment of prescribed fee.

### **5.9 Initial Offer**

The Initial Offer is made during the Initial Period, which will be four Business Days and starts at the start of banking hours on November 23, 2004 and shall close at the close of banking hours on November 26, 2004. During the Initial Period, Units will be offered at the Initial Price which will be calculated on the basis of NAV of the previous day, and will not include any Sales Load. During the Initial Period the Units will not be redeemed.

### **5.10 Transaction in Units after Initial Period**

After the Initial Period, the public sale of Units at Initial Price will be discontinued; the Units can then be purchased at their respective Offer Price and redeemed at their respective Redemption Price (Please refer to paragraph 7.3 of this Offering Document for details). Fractional Units may be issued only for purpose of reinvestment of dividends into Units and issue of Bonus Units. The Management Company shall announce the Offer and Redemption Prices on all business days.

### 5.11 Extraordinary Circumstances

The sale and redemption of Units may be suspended during extraordinary circumstances including closure of one or more stock exchanges on which any of the securities traded by ASMF are listed, 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 ASMF or of the Unit Holders, or a breakdown 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. The Management Company may announce a suspension or deferral of redemption in such cases. 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 ASMF (Please refer to paragraph 7.4 of this Offering Document for details).

Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking a queue system and end of suspension and queue system the Management Company shall immediately notify the Commission and Trustee and publish the same in at least two daily newspapers, widely circulating in Pakistan.

### 5.12 Offering Document

**The provisions of the Deed govern this Offering Document. It sets forth information about ASMF that a prospective investor should know before investing in any Unit. Prospective investors should consult from one or more of their stock broker, bank manager, legal adviser or other financial adviser.**

### 5.13 Information given in this Document, Responsibility of Management Company

Atlas Asset Management Limited accepts the responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

### 5.14 Borrowing Policy

- a) Limit: At the request of the Management Company, the Trustee may borrow amounts, which shall not exceed in the aggregate fifteen percent of the Net Assets of ASMF or an amount as prescribed by the Rules and will be utilized for temporary and defensive purpose only to meet redemption of Units and the amount borrowed shall be paid within ninety days.
- b) Exception: The Trustee/ Management Company shall not be obliged to reduce the borrowing if as result of depreciation in the market value of investments or redemption of Units the Net Assets subsequent to borrowing have been reduced and consequently the limit set in paragraph 5.14 (a) is exceeded.
- c) Pledge: The Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or part of the Deposited Property, as is required to secure the borrowings as described above.
- d) Guarantees: Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such borrowings from banks and financial institutions. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.



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- e) **Liability of Trustee and Management Company:** The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

### 5.15 Risk

- a) **The Fund will primarily invest in equity securities listed on the Stock Exchanges and also fixed income securities including money market instruments such as spread transactions, Government Securities, Term Finance Certificates (TFC), Special Purpose Vehicles (SPV) and other debt instruments listed on the Stock Exchanges, Carry Over Transactions (COT), purchase of securities in ready counter at the Stock Exchange(s) with simultaneous sale at forward counter to earn a spread, Certificates of Investment (COI) and other deposits with Banks. The investment in equity and debt instruments may be made at Stock Exchanges, but also at initial public offering (IPO) or pre-IPO. Such investments are subject to varying degree of risks that are not limited to:**
- **Equity Risk:** Investment in equity securities are subject to price risk, which is dependant on a multiple of factors, including the profitability/ performance of investee companies, technological development, which may render the processes of investee companies obsolete, Government regulations, economic and political situation within the country, region and internationally. As a result of these factors, the dividend income and the share price of equity securities may go up as well as down.
  - **Voluminous issue or redemption of Units:** Large inflow or outflow of cash can affect the performance of funds, as these may not be immediately invested and to meet the redemption needs, the fund may have to sell investments. The fund may, however, meet the redemption requirements by borrowing to the extent of 15% of Net Assets.
  - **Liquidity Risk:** Some securities listed at the Stock Exchanges are illiquid and difficult to sell. The Fund will avoid such risk by avoiding investment in such companies, unless they offer attractive prospects.
  - **Credit Risk:** These are default risk, credit spread risk, and down grade risk. These risks are associated with fixed income securities. Default risk will involve possibility of non payment of mark up or principal. The Fund will reduce such risk by investing in securities with minimum investment grade rating. Credit spread risk will involve increase in difference of mark up rate of an issuer and Government Securities. Such increase is due to macro economic factors in local as well as global markets. Increase in spread will result in decrease in value of fixed income securities. Down grade risk means lower rating by credit rating agencies and will result in decrease in value of fixed income securities.
  - **Return or Mark up Rate Risk:** These arise due to increase in lending rates as a result of a change in the supply and demand of liquidity in the market or on account of an increase in the underlying inflation rate. It will result in decrease in value of fixed income securities, including Government Securities.
  - **Law and Order:** Break down of law and order, war, natural disasters, etc. will result in decrease of value of equity securities, as well as fixed income securities.
  - **Volatility in Market Price:** Volatility in prices resulting from their dependence on market sentiment, speculative activity, supply and demand for the securities and liquidity in the market. The volatility in securities prices results in volatility in the NAV based price of the Unit.

- b) **Investment in ASMF is suitable for investors who have the ability to take the risks associated with financial market investment. Capital invested in the financial markets could in extreme circumstances lose its entire value. However, diversification of the investment into a number of equity securities, debt securities, money market instruments and repurchase transactions tends to reduce the risk substantially. The historical performance of this Fund, the financial markets or that of any one security or transaction included in the Fund's portfolio does not necessarily indicate future performance.**
- c) **Prices of Units and income from them may go down as well as up.**
- d) **Under extraordinary circumstances, (refer to paragraph 7.4 of this Offering Document) the Management Company may declare suspension of redemptions, invoke a queue system or announce winding up of the Fund. In such events the investor is likely to have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request was lodged.**

#### 5.16 Disclaimer

**The Units of ASMF are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the Commission, any Government agency, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institution.**

### PART VI – OPERATORS AND PRINCIPALS

#### 6.1 Management Company - Atlas Asset Management Limited

Atlas Asset Management Limited (Company) was incorporated on August 20, 2002 as Atlas Asset Management Company Limited and the name was changed on October 30, 2004 through shareholders' resolution. The Company is engaged in providing investment advisory and asset management services. It is licensed with the Commission to act as an investment adviser under Rule 5(2) of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (Rules) vide License Number NBFC-47/-1A/05/2004, dated August 26, 2004. The Company is also licensed by the Commission to act as an asset management company under Rule 5(2) of the Rules, vide License Number NBFC-32/AMC/03/2004, dated July 9, 2004. The Company is presently managing an open ended fund Atlas Income Fund, whose investment strategy is to invest in debt instruments and other fixed income instruments.

The Company has entered into technical collaboration agreement with ING Institutional & Government Advisory Services B.V. ("ING"). Under the terms of this agreement ING will provide technical support to the Company, including training to its staff.

- a) **Shareholders:** Atlas Asset Management Limited (AAML) has a paid up capital of Rupees 120 million, of which Rupees 90 million is held by Shirazi Investments (Pvt.) Limited, Atlas Group parent company and Rupees 30 million by Atlas Investment Bank Limited, an Atlas Group company.

**Shirazi Investments (Pvt.) Limited (SIL)**, the parent company of the Atlas Group, started operations in 1962. It is engaged in trading in shares, fund management, underwriting, real estate and warehousing. As a holder of shares of Atlas Group companies, SIL plays an important role in directing the policies of the Group companies.

**Atlas Investment Bank Limited (AIB)**, an Atlas Group Company, started operations in 1990. In July 2001, Atlas Lease Limited, another Atlas Group Company, was merged with AIB. The Bank offers a comprehensive range of corporate finance, lease finance, capital markets, brokerage,

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and advisory services by drawing on varied institutional specialization, experience and capabilities of its professionally trained staff. It offers a wide and diverse range of products and services to both individuals and corporate clients seeking financial accommodation. AIB lays emphasis on flexibility and its ability to serve its customers according to their particular needs and requirements.

### b) The Board of Directors of the Management Company:

<b>Name, Occupation and Address</b>	<b>Other Directorship</b>
<b>Chairman</b>	
Mr. Yusuf H. Shirazi Business  2, Khayaban-e-Ghazi, Phase V DHA, Karachi.	Shirazi Investments (Pvt.) Ltd. Atlas Investment Bank Ltd. Muslim Insurance Co. Ltd. Atlas Honda Ltd. Atlas Battery Ltd. Honda Atlas Cars (Pakistan) Ltd. Allwin Engineering Industries Ltd. Shirazi Trading Co. (Pvt.) Ltd. Shirazi Foundation
<b>Vice Chairman &amp; Chief Executive</b>	
Mr. M. Habib-ur-Rahman Business Executive  65/ III 25th Street, Khyaban-e-Badban Phase V DHA, Karachi.	Allwin Engineering Industries Ltd.
<b>Directors</b>	
Mr. Peter A. Smyth Business Executive  Flat 17, High West, 142 Pofulam Road, Pofulam Hong Kong.	ING Vysya Life Insurance Co. (Pvt.) Ltd. ING Vysya Bank Ltd. ING Australia Holdings ING Australia QBE Mercantile Mutual Ltd. ING Bank Australia ING Asia/ Pacific Ltd. Hong Kong ING Insurance Berhad ING Management Holdings (Malaysia) Sdn. Berhad ING Funds Berhad ING Pension Services Ltd. ING Pension Trust Ltd. NNA Pty Ltd. ING Mauritius Holdings ING Mauritius Investments I ING Mauritius Investments II
Mr. Sherali Mundrawala Business  C-62, K.D.A, Scheme No. 1, Karachi.	Atlas Investment Bank Ltd. Atlas Honda Ltd.
Mr. Tariq Amin Business Executive  34/ II, Khayaban-e-Badar, Phase V DHA, Karachi.	Rhodia Pakistan (Pvt.) Ltd. Pakistan Gum & Chemical Company Sindh Privatisation Commission

Mr. Jawaid Iqbal Ahmed  
Business Executive

C-106, Shalimar Estate,  
129 Clifton, Karachi.

Mr. Saquib H. Shirazi  
Business

64/ 1, 15th Street,  
off: Khayaban-e-Badban,  
Phase V, DHA,  
Karachi.

### **Company Secretary**

Mr. Ather Husain Medina

57/ 1, 22nd Street,  
Phase V DHA, Karachi.

Atlas Investment Bank Ltd.  
Muslim Insurance Co. Ltd.  
Honda Atlas Cars (Pakistan) Ltd.  
Allwin Engineering Industries Ltd.  
Shirazi Foundation

Member Privatisation Commission of Pakistan  
National Refinery Ltd.  
Sui Northern Gas Pipelines Ltd.  
Shirazi Investments (Pvt.) Ltd.  
Atlas Investment Bank Ltd.  
Atlas Honda Ltd.  
Shirazi Trading Co. (Pvt.) Ltd.  
Shirazi Foundation

### **Particulars of the Directors**

#### **Yusuf H. Shirazi**

Mr. Shirazi is the Chairman of Atlas Group of Companies and the founder member of Karachi and Lahore Stock Exchanges, International Chamber of Commerce & Industry, Management Association of Pakistan and Lahore University of Management Sciences. He is an AMP from Harvard Business School. He has been on the Board of Harvard Business School Alumni Association, Boston. He founded Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He is also a visiting speaker at National Defense College, Naval College of War, Pakistan Administrative Staff College, IBA, LUMS and Harvard Business School - to name a few. He is among the Board of Governors of Ghulam Ishaq Khan Institute of Engineering, Science and Technology and Fauji Foundation Institute of Management and Computer Sciences.

#### **M. Habib-ur-Rahman**

Mr. Habib ur Rahman is an FCA from the Institute of Chartered Accountants in England & Wales and has attended management level programme PMD from Harvard Business School. He played an instrumental role in setting up the first open-ended mutual fund in the private sector in Pakistan and was until recently the Chairman & Chief Executive of ABAMCO, the largest private sector Asset Management Company in the country. He was a founding member, and Vice Chairman of the Mutual Funds Association of Pakistan. He has been SECP's nominee on the Board of the Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the SECP Advisory Group on Capital Markets, and the SECP Enquiry Committee on management of Exposure Rules by KSE/ LSE.

#### **Peter A. Smyth**

Mr. Smyth is the Regional General Manager of ING Asia/ Pacific Limited based in Hong Kong. He has a BA with major in Actuarial Studies from Macquarie University, Sydney, and is a Fellow of the Institute of Actuaries, London. He has extensive senior level experience covering the areas of General Management, Corporate Governance, M & A, Strategic Development and Performance Management in the areas of Life Insurance, Non-Life Insurance, Pensions, Funds Management, Investment Management, Distribution, Financial Planning, Retail, Commercial, and Wholesale Banking.

#### **Sherali Mundrawala**

Mr. Mundrawala, one of the founder members of UBL, has over 40 years of extensive experience to his credit in the financial and manufacturing sectors. He has been on the Board of Atlas Investment Bank Limited since its inception. He is also on the Board of Atlas Honda Limited.

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### **Tariq Amin**

Mr. Amin is the Chairman of Rhodia Pakistan, a leading multinational company dealing in chemicals. He is also the Chairman, Sind Privatization Commission. He is a law graduate from the University of Karachi, and also holds a Masters degree in English from the University of Karachi, and a Postgraduate Diploma in Development Administration from the University of Leeds. Mr. Amin has been a Chief Executive and Country Manager of Rhone Poulenc, Chairman of the SITE Association of Industry and Trade, President, Pakistan France Business Alliance, President Overseas Investor Chamber of Commerce and Industry, Director Karachi Stock Exchange, and is presently a member of the Pay and Pensions Committee, Public Accounts Committee, Sind, in addition to participating in numerous other corporate and social forums.

### **Jawaid Iqbal Ahmed**

Mr. Ahmed, is an AMP from Harvard Business School, Boston USA, and IPBM from IMD Lusanne, Switzerland. He is also an MBA from IBA Karachi University. He has been working in the Atlas Group in various capacities. He has over 35 years of experience in the field of industrial and financial markets of Pakistan. He spearheaded joint venture partnerships of Atlas Group with Honda Japan, JSB Japan, Bank of Tokyo, Asian Development Bank and ING.

### **Saqib H. Shirazi**

Mr. Saquib Shirazi is the Chief Executive Officer of Atlas Honda Ltd. He graduated in Economics from the Wharton School of Finance, before completing his Masters from Harvard Business School, (MBA 95). He is currently a director of Harvard Business School Alumni Association. He has worked with the Bank of Tokyo-Mitsubishi in Japan. He is former CEO of Atlas Investment Bank Limited and a nominee director of the Bank at Karachi Stock Exchange. Mr. Saquib H. Shirazi is on the Board of Privatization Commission of Pakistan. He is a Trustee and Governor of Lahore University of Management Sciences.

### **Company Secretary**

#### **Ather Husain Medina**

Mr. Medina is an MBA with a Major in Banking and Finance, from the Institute of Business Administration, Karachi and has done his graduation in Computer Science from the FAST Institute of Computer Science, University of Karachi. He has extensive experience of equity research, having worked as an Investment Analyst at two leading foreign brokerage houses, Indosuez W.I. Carr Securities, and SocGen Crosby, and as Head of Research at Pakistan's largest open-ended mutual Fund, the National Investment Trust. Mr. Medina has also served as the Treasurer of the National Development Finance Corporation.

#### **c) Performance of Atlas Income Fund (AIF):**

AIF has been established in Pakistan under a Trust Deed, dated February 20, 2003. It was launched for public subscription on a continuous basis, with an initial seed capital of Rupees 300 million, from March 22, 2004 and the first Offer Price was Rupees 510.34, based on the net asset value of Units of the previous day. The par value of Units is Rupees 500. The net asset value of Units increased to Rupees 518.96 on June 30, 2004, before the declaration of dividend of Rs. 18.75 per Unit, showing an annualized return of 6.17 % from the date of launch to June 30, 2004, which was amongst the highest among the income funds, during the period. The total net assets of AIF increased to Rupees 371.32 million on June 30, 2004.

From July 1, 2004 to September 30, 2004 the NAV improved from Rs. 500.21 per Unit to Rs 507.34 per Unit showing an annualized return of 5.72 %, which was again amongst the highest in the income funds. The total net assets of AIF increased to Rs. 533.2 million on September 30, 2004.

**d) Performance of last 5 years of the Listed Associated Companies:**

Source: Annual Reports.

(Figures in Rupees in millions, except per share)

**Atlas Investment Bank Limited**

<b>Year ended Jun. 30</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001*</b>	<b>2000*</b>
Shareholders' Equity	662	520	449	177	155
Total Assets	5,875	5,068	3,543	1,336	1,308
Earnings Per Share	5.1	3.2	1.1	1.8	2.0
Cash Dividend	10%	10%	--	--	10%
Stock Dividend	20%	10%	--	--	5%
Market value Per share	27.85	13.50	5.95	6.50	7.00
Break-up Value Per Share	18.84	16.27	14.05	14.95	13.80

\* Pre-merger

**Muslim Insurance Company Limited**

<b>Year ended Dec. 31</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Shareholders' Equity	140	112	112	102	87
Total Assets	406	338	218	181	161
Earnings Per Share	4.7	1.5	2.3	2.2	2.2
Cash Dividend	15%	15%	10%	--	--
Stock Dividend	15%	--	10%	20%	20%
Market value Per share	28.00	19.10	20.00	15.00	14.00
Break-up Value Per Share	15.80	12.70	13.90	15.10	15.60

**Atlas Honda Limited**

<b>Year ended Jun. 30</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Shareholders' Equity	1,492	1,077	792	644	585
Total Assets	4,112	2,657	1,832	1,487	1,419
Earnings Per Share	26.7	20.9	13.2	8.1	4.1
Cash Dividend	75%	70%	60%	40%	20%
Stock Dividend	25%	--	--	40%	--
Market value Per share	175.00	80.00	40.05	25.00	19.25
Break-up Value Per Share	73.02	52.67	38.76	44.14	40.07

**Atlas Battery Limited**

<b>Year ended Jun. 30</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Shareholders' Equity	213	130	108	105	100
Total Assets	376	304	305	357	279
Earnings Per Share	25.4	13.7	2.0	3.5	5.7
Cash Dividend	60%	60%	10%	15%	25%
Stock Dividend	40%	15%	5%	--	10%
Market value Per share	152.00	86.00	21.50	25.00	26.50
Break-up Value Per Share	58.97	45.40	39.60	38.60	40.30

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### Honda Atlas Cars (Pakistan) Limited

Year ended Mar. 31	2004	2003	2002	2001	2000
Shareholders' Equity	1932	1,702	1,503	1,260	1,140
Total Assets	6999	2,985	2,453	2,037	1,790
Earnings Per Share	9.7	8.2	10.3	4.9	4.6
Cash Dividend	42.5%	35%	45%	20%	20%
Market value Per share	89.00	55.00	28.00	15.00	12.00
Break-up Value Per Share	46.00	41.00	36.00	30.00	27.00

### Allwin Engineering Industries Limited

Year ended Jun. 30	2004	2003	2002	2001	2000
Shareholders' Equity	209	189	185	189	183
Total Assets	501	411	405	434	430
Earnings Per Share	5.02	1.3	(1.1)	1.2	1.2
Cash Dividend	10%	5%	5%	--	--
Market value Per share	25.90	15.00	6.50	5.00	7.00
Break-up Value Per Share	18.24	14.22	13.41	14.27	13.05

### e) Duties and Responsibilities of the Management Company

The duties and responsibilities of the Management Company are to promote the sale of Units in ASMF, to invest and manage the assets of ASMF according to the provisions of the Deed, in good faith, to the best of its ability and without gaining any undue advantage for itself or any connected persons. The Management Company shall maintain proper accounts and records of ASMF to enable a complete and accurate view of assets and liabilities, income and expenditure, all transactions, and amounts received in respect of issue of Units and paid out by ASMF on redemption of Units and by way of distributions. The Management Company shall prepare and transmit to Unit Holders and SECP the annual report together with balance sheet, income and expenditure account and auditors' report of ASMF in accordance with the provisions of the Rules. The Management Company shall also prepare and transmit to Unit Holders and SECP the quarterly reports together with balance sheet, income and expenditure account and auditors' report (in case of second quarter) of ASMF in accordance with the provisions of the Rules. The Management Company shall make available to the Trustee all information relating to the ASMF. In the unlikely event of its happening, the Management Company shall account to the Trustee for any loss in value of the assets of ASMF caused by its negligence, reckless or willful act or omission. The Management Company shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions. The Management Company shall instruct the Trustee on purchase, including placement of cash, and sale of investments. The Management Company shall if it considers necessary request the Trustee in writing, for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to 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. The Management Company shall not be under any liability except such liability as may be expressly assumed under the Rules and the Deed nor shall the Management Company (save as otherwise provided) be liable for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty.

## **6.2 Trustee – Central Depository Company of Pakistan Limited**

Central Depository Company of Pakistan Limited (CDC) having its registered office at 8th Floor, Stock Exchange Building, I. I. Chundrigar Road, Karachi was incorporated as a public limited company on January 21, 1993 in Pakistan and received certificate of commencement of business on August 10, 1994. The principal business activity of the company is to act as a depository for securities and to open securities account. From the year 2002, CDC expanded its business activity to provide trustee/ custodial services to mutual funds sector. CDC is acting as trustee for funds under management by all the leading asset management companies/ investment advisers. All trustee related operations of CDC are completely automated and supported by strong and efficient computerized systems and dedicated staff.

### **a) Duties and Responsibilities of the Trustee**

The Trustee shall take into its custody and under its control all the property of ASMF and hold it in trust for the Unit Holders in accordance with the law and the provision of the Constitutive Documents and the cash and registerable assets shall be registered in the name of, or to the order of the Trustee. The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Deposited Property, unless they are in conflict with the Deed and the Offering Document. The Trustee shall ensure that all sales, issues, repurchase, redemptions and cancellations of Units of ASMF and the methods adopted by the Management Company in valuing Units for the purposes of determining the Offer and Redemption Prices are adequate and are carried out in accordance with the provisions of the Constitutive Document. The Trustee shall issue a report to the Unit Holders to be included in the annual report, whether in its opinion, the Management Company has in all material respects managed the Deposited Property in accordance with the provisions of the Rules and the Constitutive Document and if the Management Company has not done so, the respects in which it has not done so and the steps the Trustee has taken in respect thereof. The Trustee shall institute or defend any suit proceedings, arbitration or inquiry or any corporate or shareholders action in respect of the Deposited Property or any part thereof if so requested by the Management Company in writing. It is clarified that the Trustee shall be entitled to be reimbursed, out of the Deposited Property, for all reasonable costs and expenses incurred in taking the aforesaid action(s). The Trustee shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its duties, as if these were its own acts and omissions. In the unlikely event of it happening, the Trustee shall account for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless or willful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents. The Trustee shall not be under any liability on account of anything done or suffered by ASMF in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provision of the Deed or the Rules. The Trustee shall ensure that the investment and borrowing limitations set out in the Rules and the Constitutive Document and the conditions under which ASMF was authorized are complied with.



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### 6.3 Core Investors

The Core Investors of ASMF are the following, which have subscribed the amount as stated against their name.

S.No	Names	Units	Amount
	<b>Corporate Investors</b>		<b>(Rs.)</b>
1	National Bank of Pakistan	100,000	50,000,000
2	Shirazi Investments (Private) Limited	60,000	30,000,000
3	Arif Habib Securities Limited	40,000	20,000,000
4	Habib Bank Limited	30,000	15,000,000
5	Atlas Honda Limited - Non Management Staff Gratuity Fund	24,000	12,000,000
6	Bank AL Habib Limited	20,000	10,000,000
7	First International Investment Bank Limited	20,000	10,000,000
8	JDW Sugar Mills Limited - Employees Provident Fund Trust	20,000	10,000,000
9	Muslim Commercial Bank Limited	20,000	10,000,000
10	Pakistan Kuwait Investment Company (Private) Limited	20,000	10,000,000
11	Soneri Bank Limited	20,000	10,000,000
12	Atlas Honda Limited - Employees Provident Fund	19,740	9,870,000
13	ICI Pakistan Management Staff Pension Fund	10,100	5,050,000
14	ICI Pakistan Management Staff Provident Fund	10,100	5,050,000
15	Al-Zamin Leasing Modaraba	10,000	5,000,000
16	Crescent Leasing Corporation Limited	10,000	5,000,000
17	Hoechst Pakistan Group of Companies Senior Executives Pension Fund	10,000	5,000,000
18	Murree Brewery Company Limited - Provident Fund	10,000	5,000,000
19	Pakistan PTA - Management Staff Defined Contribution & Superannuation Fund	10,000	5,000,000
20	Siemens Pakistan Engineering Company Limited - Staff Provident Fund	10,000	5,000,000
21	National Refinery Limited - Managerial and Supervisory Staff Pension Fund	10,000	5,000,000
22	Sui Southern Gas - Executive Staff Provident Fund	10,000	5,000,000
23	United Bank Limited	10,000	5,000,000
24	Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund	6,000	3,000,000
25	Pakistan PTA - Management Staff Gratuity Fund	6,000	3,000,000
26	Attock Cement Pakistan Limited Pension Fund	6,000	3,000,000
27	Abbott Laboratories (Pakistan) Limited Staff Provident Fund	5,000	2,500,000
28	Abbott Laboratories (Pakistan) Limited Staff Pension Fund	5,000	2,500,000
29	Searle Pakistan Limited - Provident Fund	5,000	2,500,000
30	Attock Cement Pakistan Limited - Employees Provident Fund	4,000	2,000,000
31	Murree Brewery Company Limited	4,000	2,000,000
32	Descon Staff Provident Fund Trust	2,000	1,000,000
33	Orix Investment Bank Pakistan Limited	2,000	1,000,000

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34	Orix Leasing Pakistan Limited - Employees Provident Fund	2,000	1,000,000
35	Packages Limited - Management Staff Pension Fund	2,000	1,000,000
36	Service Industries Limited - Employees Gratuity Fund	2,000	1,000,000
37	Gatron (Industries) Limited - Staff Provident Fund	1,400	700,000
38	Avari's Employees Provident Fund	1,000	500,000
39	Gatron (Industries) Limited - Workers Provident Fund	600	300,000
40	Capital Insurance Company Limited	500	250,000
	<b>Individual Investors - Karachi</b>		
41	Mr. Ahsaan Ali	1,000	500,000
42	Mr. Altaf Hussain	500	250,000
43	Mr. Abdul Qayyum Shaikh	400	200,000
44	Mr. Mehmood Ahmed	400	200,000
45	Mr. Muhammad Irshad	400	200,000
46	Syed Fuzail Ahmed	400	200,000
47	Mr. S. M. Abbas Naqvi	300	150,000
48	Mr. Abdul Bari	200	100,000
49	Mr. Abdul Razzak	200	100,000
50	Mr. Asif Hussain	200	100,000
51	Mr. Imran Ahmed	200	100,000
52	Mr. Imran Ali	200	100,000
53	Mr. Manzoor Ali	200	100,000
54	Mr. Muhammad Iqbal Qureshi	200	100,000
55	Mr. Muhammad Munaf Edhi	200	100,000
56	Mr. Rashid Hussain	200	100,000
57	Mr. Nurul Huda	200	100,000
58	Mr. Shafiq Ahmed	200	100,000
59	Mr. Suhail Ahmad	20	10,000
	<b>Individual Investors - Multan</b>		
60	Mr. Muhammad Afzal	2,000	1,000,000
61	Mr. Mian Mushtaq Hussain	1,600	800,000
62	Mr. Ahmed Hassan	1,200	600,000
63	Mr. Aqeel Abbas	1,000	500,000
64	Mr. Muhammad Amin	1,000	500,000
65	Mr. Muhammad Amin	1,000	500,000
66	Mr. Chaudhry Ashfaq Rabbani	600	300,000
67	Mr. Arshad Hameed	500	250,000
68	Mr. Bakhtiar Hyder Khan	500	250,000
69	Mr. Hammad Idrees	500	250,000
70	Mr. Javed Iqbal	500	250,000
71	Mr. Muhammad Fayyaz	500	250,000
72	Mr. Muhammad Aziz	500	250,000
73	Mr. Muhammad Usman Ghani	500	250,000
74	Mr. Muhammad Naeem Akhtar	500	250,000

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75	Mr. Rao Muhammad Nadeem Shad	500	250,000
76	Mr. Rao Qasim Mehmood	500	250,000
77	Mr. Shafiq-ur-Rahman	500	250,000
78	Mr. Waqas Akram	500	250,000
79	Mr. Zulfiqar Ali Asad	500	250,000
80	Ms. Sheema Javid	500	250,000
81	Mr. Ghaffar Ahmed	400	200,000
82	Mr. Malik Muhammad Ameer	400	200,000
83	Mr. Muhammad Fayyaz	400	200,000
84	Mr. Shahabudin	400	200,000
85	Syed Saad Ahmed	400	200,000
86	Mr. Yousuf Raza	400	200,000
87	Mr. Zulfiqar Ahmed	400	200,000
88	Ms. Ayesha Azhar	400	200,000
89	Mr. Muhammad Zahid	300	150,000
90	Ms. Razia Begum	300	150,000
91	Mr. Munir Ahmad Sajid	250	125,000
92	Mr. Abdul Samad Khan	200	100,000
93	Mr. Ameer Ahmed Hijazi	200	100,000
94	Mr. Ata Muhammad Asif	200	100,000
95	Mr. Ghazanfar Abbas	200	100,000
96	Mr. Ghulam Shabbir	200	100,000
97	Mr. Hafiz Zeeshan Ahmed	200	100,000
98	Mr. Hashim Raza	200	100,000
99	Mr. Iftikhar Ali Jawaaid Chaudhry	200	100,000
100	Mr. Ijaz Hussain	200	100,000
101	Mr. Irfan Akhtar	200	100,000
102	Mr. Jam Abdul Hameed	200	100,000
103	Mr. Muhammad Nadeem Farooq	200	100,000
104	Mr. Malik Muzaffar Iqbal	200	100,000
105	Mr. Mian Sajjad Hussain	200	100,000
106	Mr. Muhammad Shafiq	200	100,000
107	Mr. Muhammad Tariq	200	100,000
108	Mr. Muhammad Zafar	200	100,000
109	Mr. Munawar Abbas	200	100,000
110	Mr. Muhammad Rafique Malik	200	100,000
111	Mr. Rais Bashir Ahmed	200	100,000
112	Mr. Riaz Ahmed	200	100,000
113	Mr. Saad Saud Niaz	200	100,000
114	Mr. Shafiq-ur-Rehman Qureshi	200	100,000
115	Mr. Shahid Farooq	200	100,000
116	Sheikh Kamran Rasheed	200	100,000
117	Mr. Qaiser Zaman	200	100,000

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118	Mr. Muhammad Ahmar Khan Niazi	100	50,000
119	Ms. Rubina Khalid	100	50,000
120	Ms. Shabnam Jawaid	100	50,000
121	Mr. Muhammad Asif	50	25,000
122	Mr. Ghulam Jelani	40	20,000
	<b>Individual Investors - Lahore</b>		
123	Mr. Muhammad Sarwar	500	250,000
124	Mr. Ahmad Hussain	400	200,000
125	Mr. Bazmi Naseer	400	200,000
126	Mr. Farrukh Javed	400	200,000
127	Mr. Hamid Majeed	400	200,000
128	Mr. Khawar Saeed	400	200,000
129	Mr. Muhammad Humayun Yousuf Bhatti	400	200,000
130	Mr. Muhammad Shams-uz-Zaman	400	200,000
131	Mr. Mian Mushtaq Ahmed	400	200,000
132	Mr. Muhammad Sajid Shafiq	400	200,000
133	Ms. Nabeela Kamal	400	200,000
134	Mr. Saleem Malik	400	200,000
135	Sheikh Muhammad Saeed	400	200,000
136	Mr. Talib Naheed	400	200,000
137	Mr. Tariq Masood	400	200,000
138	Mr. Usman Ahmad Chaudhry	400	200,000
139	Mr. Munir Ahmed	400	200,000
140	Mr. Sohail Aziz	400	200,000
141	Mr. Sheikh Waheed Akhtar	400	200,000
142	Mr. Muhammad Shafiq	300	150,000
143	Mr. Muhammad Siddiq	300	150,000
144	Mr. Abdul Haq	200	100,000
145	Mr. Abdul Rahman	200	100,000
146	Mr. Kashif Iqbal	200	100,000
147	Mr. Muhammad Afzal	200	100,000
148	Mr. Masood Tariq	200	100,000
149	Mr. Muhammad Saeed	200	100,000
150	Mr. Muhammad Zulfiqar Ateeq	200	100,000
151	Mr. Mehar Tariq Mehmood	200	100,000
152	Mr. Muhammad Nadeem	200	100,000
153	Mr. Naseer Ahmad	200	100,000
154	Mr. Rana Muhammad Tasneem	200	100,000
155	Mr. Rana Muhammad Ikram Sajid	200	100,000
156	Sheikh Muhammad Tahir Amin	200	100,000
157	Mr. Tanvir Iqbal	200	100,000
158	Mr. Umar Farooq Khan	200	100,000
159	Mr. Zahoor Ahmad	200	100,000

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160	Mr. Zia Fareed Chishti	200	100,000
161	Mr. Zahid Khan Lodhi	200	100,000
	<b>Individual Investors - Rawalpindi</b>		
162	Mr. Chaudhry Ghulam Nabi	500	250,000
163	Mr. Khalil Qaiser Mansha and Muhammad Babar Butt	400	200,000
164	Mr. Muhammad Asif	400	200,000
165	Mr. Muhammad Farooq	400	200,000
166	Mr. Shamshad Hussain	400	200,000
167	Mr. Shahid Sarwar	400	200,000
168	Mr. Tariq Iqbal	400	200,000
169	Mr. Muhammad Afzal	300	150,000
170	Mr. Muhammad Naveed	300	150,000
171	Mr. Allauddin Chaudry	200	100,000
172	Mr. Amanullah Khan	200	100,000
173	Ms. Nuzrat-ul-Naeem	200	100,000
174	Mr. Azhar Iqbal Dar	200	100,000
175	Mr. Fazal Din Dar	200	100,000
176	Mr. Habib-ul-Hassan	200	100,000
177	Mr. Hafiz Muhammad Tabish Iqbal	200	100,000
178	Mr. Ijaz Ahmad	200	100,000
179	Mr. Kashif Jabbar	200	100,000
180	Mr. Khawaja Naeem Ahmad	200	100,000
181	Mr. Muhammad Amer Rashid	200	100,000
182	Mr. Muhammad Arshad	200	100,000
183	Mr. Muhammad Kamil	200	100,000
184	Mr. Muhammad Maqsood Ahmad	200	100,000
185	Mr. Muhammad Rafique	200	100,000
186	Mr. Habib-ur-Rahman Qureshi	200	100,000
187	Mr. Naseer Ahmad	200	100,000
188	Mr. Nasir Sajjad	200	100,000
189	Mr. Nasrullah Khan	200	100,000
190	Mr. Nasir-ul-Mulk	200	100,000
191	Mr. Sajid Kamal	200	100,000
192	Mr. Abbas Anwer	200	100,000
193	Mr. Sohail Waheed and Zulfiqar	200	100,000
194	Mr. Tahir Mehmood Sheikh	200	100,000
195	Mr. Saleem Afzal	200	100,000
196	Mr. Muhammad Anees Shad	100	50,000
197	Mr. Muhammad Shaukat	100	50,000
198	Mr. Muhammad Younas Iqbal	100	50,000
199	Mr. Nazeer Ahmad Chaudhry	100	50,000
200	Mr. Zafar Iqbal	100	50,000
	<b>TOTAL</b>	<b>610,000</b>	<b>305,000,000</b>

The Core Investors have agreed to hold their investment for a minimum period of two years, as required under the Rules, from the date of issue. The Units can be transferred and the Management Company will appropriately notify the Commission of such transfer, subject to the condition that they must be held for the remaining period of two years. Other Units issued during the Initial Period subsequently will be categorized as Category "A" Units and these can be redeemed as provided in the Trust Deed and Offering Document. After a lapse of two years the Category "B" Units can also be redeemed.

Note: For the purpose of above given paragraph 6.3, the procedure of payment of redemption proceeds as given in paragraph 9.2 (a) will not be applicable for the period of two years.

### 6.4 Distribution Offices

The following offices will act as Authorized Distribution Offices of ASMF:

#### **Atlas Asset Management Limited**

##### **Registered Office**

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi.  
Telephone # (92-21) 5379501-07  
Fax # (92-21) 5379280

#### **Atlas Investment Bank Limited**

##### **Karachi Office**

3rd Floor, Federation House, Sharae Firdousi, Clifton, Karachi.  
Telephone # (92-21) 5866817-20, 5866919-20, 5832292-93  
Fax # (92-21) 5870543

##### **Lahore Office**

2nd Floor, Ajmal House, 27-Egerton Road, Lahore.  
Telephone # (92-42) 6366170-74  
Fax # (92-42) 6366175, 6365058

##### **Islamabad Office**

30, Mezzanine Floor, Beverly Centre, Blue Area, Islamabad.  
Telephone # (92-51) 2824906 & 2824909  
Fax # (92-51) 2821377.

#### **Atlas Honda Limited,**

##### **Lahore Office**

1, McLeod Road, Lahore.  
Telephone # (92-42) 7225015-17  
Fax # (92-42) 7351119

UAN: (City code) 111-MUTUAL (111-6-888-25)

Website: [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk)

Email: [cs@atlasfunds.com.pk](mailto:cs@atlasfunds.com.pk)

- a) The Distribution Offices will be responsible for receiving applications for issuance of Units and redemption/ transfer applications. They will be interfacing with and providing service to Unit Holders, including receiving applications for change of address and other particulars or applications for issuance of duplicate Unit Certificates for immediate transmission to the Management Company, the Trustee or Transfer Agent as appropriate.
- b) The Offices have been equipped with the necessary support staff, computer hardware and software to provide service to the investors and have established an efficient communication link with the Trustee, Management Company and the Transfer Agent.

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### 6.5 Auditors

The Auditors of ASMF are:

Hameed Chaudhri & Co.  
Chartered Accountants  
Karachi Chambers  
Hasrat Mohani Road  
Karachi, Pakistan

### 6.6 Transfer Agent

The Management Company has made in-house arrangement for providing transfer agency function to the Unit Holders at its registered office premises at Karachi, given under 6.4 above.

### 6.7 Legal Advisors

The legal advisors of ASMF are;

Mohsin Tayebaly & Company  
2nd Floor, Dime Centre  
B-C-4, Block-9  
Kehkashan, Clifton,  
Karachi, Pakistan

### 6.8 Bankers

The following shall be the bankers of ASMF:

KASB Bank Limited  
Muslim Commercial Bank Limited  
PICIC Commercial Bank Limited  
Saudi Pak Commercial Bank Limited

In addition, the Management Company may appoint any other Bank. The Trustee shall operate the account on instructions from the Management Company.

## PART VII – PRINCIPAL FEATURES

### 7.1 Characteristics of Units to be offered

- a) The Par Value of Units is Rs. 500/- and the minimum investment shall be of Rs. 5000/- per application.
- b) The Units of ASMF will be of one type and shall rank pari passu with each other.
- c) 610,000 Units of the value of Rupees 305 million have been subscribed by the Core Investors at Par Value. These Units cannot be redeemed for a period of two years from the date of investments. For this period they will be marked in the Register as Category "B" Units. (Please refer to paragraph 6.3 of this Offering Document).
- d) The Units can be purchased at their respective Offer Price and redeemed at their respective Redemption Price, which shall be calculated on the basis of the NAV of the previous day. ASMF shall announce the Offer and Redemption prices on a daily basis.

- e) During the Initial Period, Units will be issued based on the NAV of the previous day without Sales Load. No redemption will be allowed during the Initial Period.
- f) After the Initial Period, Units issued will carry a Front end Load amounting to two percent (2%) of the Net Asset Value (NAV), which shall be added to the Net Asset Value to calculate the Offer Price. Units will be redeemed at NAV from which shall be deducted any zakat applicable on these Units and any amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places.
- g) Sales Load is intended to cover costs of issue, including sales promotion, transfer, and redemption of Units.
- h) Unit Holders will have the option to convert the dividend amount into Units, which will rank pari-passu with other Units from the date of issue of these Units. Please refer to paragraph 11.4 of this Offering Document.
- i) The distributable income may be distributed in the form of Bonus Units, which will rank pari-passu with other Units from the date of issue of these Units. Please refer to paragraph 11.5 of this Offering Document.

### **7.2 Purchase and Redemption of Units**

- a) Units can be purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices on any Business Day, which will be from Monday to Friday of each week in accordance with the procedure set out in Parts VIII and IX of this Offering Document.
- b) During the period the Register is closed, as mentioned in paragraphs 5.11 and 10.4 of this Offering Document, the sale and redemption of Units will be suspended.
- c) The Management Company may decline to issue Units to any applicant, if it is of the opinion that it will not be possible to invest substantial inflow of funds or to meet any regulatory requirement.

### **7.3 Offer and Redemption Prices**

- a) For the Offer Prices during the Initial Period, please refer to paragraph 5.9 of this Offering Document.
- b) After the Initial Period, the Management Company shall in consultation with the Trustee announce the Offer and Redemption Prices on a daily basis and such prices shall remain in effect for the following Business Day.
- c) The Offer Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day immediately preceding the day of the announcement, and will carry Front-end Load at the rate of two percent (2%) of NAV (subject to revisions by the Management Company from time to time, with prior approval of the SECP) and such amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted upwards to the nearest two decimal places.
- d) The Redemption Price shall be equal to NAV as of the close of the Business Day immediately preceding the day of the announcement, less an amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places.
- e) The Management Company shall publish the Offer and Redemption Prices in one or more leading newspapers having wide circulation in major cities of the country on a daily basis and such



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prices shall remain in effect for the day.

- f) In the event the amount recovered as provision for payment of Duties and Charges pursuant to sub paragraphs 7.3 (c) and 7.3 (d) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of the provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property).
- g) In the event the amount recovered as provision for payment of Duties and Charges pursuant to sub-paragraphs 7.3 (c) and 7.3 (d) above exceeds the relevant amount of such Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders along with the next income distribution or if instructed by the Management Company, at any time earlier.

### **7.4 Suspension of Dealing, Queue System and Winding up**

Under the extraordinary circumstances mentioned in paragraph 5.11 of this Offering Document, the Management Company may announce a change in the method of dealing in Units.

- a) Queue System - In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis, proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceed ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.
- b) Winding up in view of major redemption - In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

### **7.5 Dividends**

At least 90% of the income of the Fund during an Accounting Period less any realized or unrealized capital gains received by ASMF will be distributed annually as dividend or bonus (if it is in the interest of Holder) and the balance of income will be retained for re-investment. All Units shall have the same right with respect to dividend. The Unit Holders may request the Management Company to re-invest the dividends due to them for purchase of additional Units (refer to paragraph 11.4 of this Offering Document).

## **PART VIII – PROCEDURE FOR PURCHASE OF UNITS**

### **8.1 Who Can Apply?**

Applications for the issue of Units in ASMF may be made by any investor or any related group of investors qualified or authorized to purchase the Units pursuant to the procedures described in paragraph 8.2 of this Offering Document, including but not limited to:

1. Citizens of Pakistan resident in Pakistan: in respect of minors below 18 years of age, applications should be made by their guardians.
2. Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and/ or bye-laws.
3. Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan, subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulation laws. Any person making an application for the issue of Units in ASMF shall warrant that he is duly authorized to purchase such Units.
4. Provident funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended by S.R.O. 261(1)/2002 dated 10 May, 2002, to the extent of twenty percent of the provident fund.  
  
(ASMF will obtain listing on one of the Stock Exchanges in Pakistan)
5. Provident, pension and gratuity funds constituted by organizations other than companies under section 20(h) of the Trusts Act 1882, (11 of 1882).
6. Insurance companies under the Insurance Ordinance, 2000.
7. Non Profit organizations under section 213(i) of the Income Tax Rules 2002.

### **8.2 Application Procedure**

1. Fully completed application form for purchase of Units, accompanied by the full amount of purchaser's payment, as specified in paragraph 8.3 and copies of the documents mentioned in sub-paragraphs (2), (3) and (4) of this paragraph should be delivered at any of the Authorized Branches of the Distribution Offices. Only Authorized Distribution Offices are authorized to collect applications and payment for issue of Units.
2. In case of individual applicants a photocopy of the National Identity Card of the applicant or any other form of identification acceptable to the Management Company.
3. In case of a body corporate or a registered society or a trust, attested copies of the following documents:
  - i. Memorandum and articles of association/ charter/ bye-laws or rules and regulations;
  - ii. Resolution of the board of directors approving the investment.
  - iii. Power of attorney and/ or relevant resolution of the board of directors delegating any of its officers to invest the funds and/ or to realize the investment; and
  - iv. National Identity Card of the officer to whom the authority has been delegated.

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4. In case of existing Holders, if any of the documents have previously been deposited with the Management Company, fresh submission of documents will not be required, provided that the deposited documents are acceptable to ASMF.
5. If the application is incomplete or incorrect in any way the Distribution Office will advise the applicant in writing to remove the discrepancy within a period of fifteen days, failing which the application will be rejected and the amount will be refunded without any interest or mark-up.
6. The Distribution Office will be entitled to verify the particulars given in the application form. In case of any incorrect information, the application may be rejected.
7. The applicant will receive a note confirming the receipt of the application from the Authorized Branch of the relevant Distribution Office, where application for purchase of Units was submitted.

### 8.3 Payment

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

### 8.4 Joint Application

Joint application can be made by up to four related group of applicants. Such persons shall be deemed to hold Units on first holder basis; however, each person must sign the application form and submit a copy of their National Identity Card.

The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption requests, or dividend or fractional payments. His receipt shall be considered as a valid discharge by the Trustee of its obligations. However, if so authorized by all the joint Holders, any Holder may sign the Application for Redemption.

In the event of death of the first Holder, the person in the order of survivor(s) as stated in the application form shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or dividend or fractional payments. His receipt shall be considered as valid discharge by the Trustee of its obligations.

Where Units are registered in the name of joint Holders and subsequently additional Units are purchased by the same joint Holders but the application is made in different order, such additional Units will be registered under a different account.

### 8.5 Allotment (Issue) of Units

If an application duly delivered at or posted to the Authorized Branch of any of the Distribution Office is accompanied by a cheque or bank draft or pay order, the Units applied for will be allotted (issued) on the date of receipt if it is a Subscription Day, or if not a Subscription Day, then on the next following Subscription Day, provided that the cheque or bank draft or pay order accompanying the application, is realized. If the cheque or bank draft or pay order has been returned unpaid, the application will be rejected.

**PART IX – PROCEDURE FOR REDEMPTION OF UNITS**

**9.1 Application Procedure**

- a) Requests for redemption can be made by completing the prescribed application form and endorsing the relevant Certificate, if issued, on the Certificate and submitting the same to any Authorized Branch of the relevant Distribution Office on any Subscription Day. In case the Certificate is not issued, the applicant has only to complete the prescribed application form. The request for redemption would be honored after verifying the signature and other particulars of the Unit Holder from the Register.
- b) The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- c) Category “B” Units, as defined in XIX under part III and as described in paragraphs 6.3 and 7.1(c), as Core Units cannot be redeemed for a period of two years from the date of issue.

**9.2 Payment of Redemption Proceeds**

- a) Unless otherwise instructed, payment of the redemption proceeds will be made by a crossed cheque, in favor of the Unit Holder’s registered name, or in favor of the first-named joint Holder in the event of joint Holders, and will be sent at the registered address of the Unit Holder or first-named joint Holder or if so authorized by all the joint Holders, at the address of the joint Holder who has signed the application for redemption, as provided, within six working days after the receipt of a properly documented request for redemption of Units, provided that the redemption is not suspended (Please refer to paragraph 7.4 of this Offering Document).
- b) However, if so instructed by the Unit Holder, payment of the redemption proceeds will be made by transfer to the bank account number of the Unit Holder or first-named joint Holder in the event of joint Holders, within six Business days after the receipt of a properly documented request for redemption of Units, provided that the redemption is not suspended.
- c) In the event of Units that are pledged, are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder’s designated bank account or posted to the registered address mentioned in the pledge/ lien application form submitted.
- d) No money shall be paid to any intermediary except the Holder/ joint Holder or his/ their authorized representatives.

**9.3 Joint Holders**

Unless the joint Holders of Units have specified otherwise, requests for redemption of such Units shall be signed by all the joint Holders.

**9.4 Partial Redemption**

Partial redemption of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for redemption.

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### 9.5 Verification of Redemption Application Form

At the request of the Unit Holder, the Transfer Agent will verify:

1. The holding stated on the redemption application form; and
2. Signature of the Holder;

Where the redemption application form has been verified, the verified redemption application form will be the only instrument accepted by Management Company/ Transfer Agent for redemption of Units.

### 9.6 Redemption Requests in Excess of 10% of Units in Issue

Refer to Paragraph 7.4 (a) of this Offering Document.

### 9.7 Suspension of Issue or Redemption of Units

The Management Company may upon information to the Trustee suspend the issue or redemption of Units at any time during extraordinary circumstances mentioned in Paragraph 5.11 of this Offering Document.

## PART X – TRANSFER OF UNITS

### 10.1 Application Procedure

- a) A Unit Holder can transfer Units held by him by:
  - Completing a transfer application form to be signed by the transferor and transferee; and
  - Paying applicable Duties and Charges; and
  - Submitting to any Authorized Branch of the relevant Distribution Office, or the Transfer Agent, or the Management Company, the transfer application form and relevant Certificate(s), if issued.
- b) Any person becoming entitled to hold the Units in consequence of the death, insolvency or winding up of any sole Holder or the survivor of joint Holders shall be registered as the Holder or joint Holder as the case may be upon:
  - Paying applicable Duties and Charges; and
  - Submitting to any of the Authorized Branches of the relevant Distribution Office, or Transfer Agent, or the Management Company, the duly completed transfer application form and relevant Certificate, if issued, with such evidence, which may prove his entitlement to the Units.
- c) Application for transfer can be submitted on any Business Day during banking hours. The transferor shall be deemed to remain Holder of the Units transferred until the name of the transferee is entered in the register.

### 10.2 Partial Transfer

Partial transfers of Units covered by a single Certificate are not permitted. However, Holders may apply for splitting of the Certificate before applying for transfer.

### 10.3 Verification of Transfer Application Form

At the request of the Unit Holder, the Transfer Agent will verify:

1. The holding stated on the transfer application form, and
2. Signature of the Holder;

Where the transfer application form has been verified, the verified transfer application form will be the only instrument accepted by Management Company/ Transfer Agent for transfer of Units.

#### **10.4 Closure of Register**

The Management Company may close the Register by giving at least fourteen days notice to Holders and for a period not exceeding forty-five days in a calendar year. During the period the Register is closed, transfer applications will not be received.

### **PART XI – INCOME DISTRIBUTION**

#### **11.1 Accounting Period**

The Accounting period will commence from the date of registration of ASMF for the first year and from July 1, for all the following years to June 30.

#### **11.2 Declaration of Dividend**

The Management Company shall decide not later than forty-five days after the end of the Accounting Period whether to distribute profits, if any, available for distribution in the form of dividends or bonus Units (if in the interest of the Holder) to the Unit Holders. The balance of the net income will be retained for re-investment in ASMF. The Management Company may pay the Unit Holders interim dividend, if it considers that the income for the Accounting Period would justify such distribution.

#### **11.3 Determination of Distributable Income**

The amount available for distribution in respect of any Accounting Period shall be the sum of all incomes earned and net realized appreciation, from which shall be deducted (1) the expenses, as stated in paragraph 12.1 of this Offering Document and (2) any taxes on ASMF.

The Income qualifying for distribution shall be adjusted as under:

- By additions of a sum representing amounts included in the Offer Price of Units for income accrued prior to the date of issue;
- By deduction of a sum representing all participation in income distributed upon redemption of Units; and.
- By deduction of a sum representing diminution in the value of Deposited Property.

#### **11.4 Reinvestment of Dividend**

- a) Unit Holders may instruct the Management Company or the Transfer Agent in writing to re-invest the future dividends to which he will be entitled on the total number of Units held by him, in the acquisition of Units with No Load. The Units purchased under one account folio cannot be split for receiving part cash dividend and part reinvestment of dividend. The applicants are advised to maintain two account folios under these circumstances. Such request will remain effective until it is countermanded in writing.
- b) The Offer Price for the Units to be issued under paragraph 11.4 (a) above will be the NAV on June 30, as certified by the Auditors, after appropriation of the income of that year.
- c) Fractions of a Unit will be issued up to two decimal places of a whole Unit, and any amount remaining (if any) may be distributed to the Unit Holder. Certificates will not be issued for fractions of Units.

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### 11.5 Payment of Dividend

- a) All payments for dividend shall be made by cheque by the Trustee in favor of the Unit Holder or to the first named joint Holder and sent through the registered post at their registered address. Every cheque shall be made payable to the order of the person to whom it is delivered.
- b) The Management Company may decide to distribute, wholly or in part the distributable income in the form of the stock dividend if it is in the interest of the Holder, which would comprise of the Bonus Units of the Trust. The Bonus Units would rank pari-passu as to their rights in the Net Assets, earning and the receipt of dividend and distribution with the existing Units from the date of issue of these Units. The Bonus Units will be issued at the Offer Price, as laid down in paragraph 11.4 (b) above.
- c) For the purpose of paragraph (b) above, the Bonus Units are defined as “Units issued on distribution of the distributable income in the form of stock dividend”.

### 11.6 Payment through Bank of Dividend/ Redemption Proceeds

Where an instruction has been received in such form as the Management Company shall consider sufficient, payment of dividend of the total number of Units held by the Unit Holder can be arranged to the banker. For payment of redemption proceeds through bank account, instruction to this effect shall be given at the time of redemption application by indicating in the Application for Redemption form.

### 11.7 Dispatch of Dividend Warrants

According to The Companies Ordinance 1984, the dividend warrants shall be dispatched within forty-five (45) days or earlier as may be notified by the Commission or the Stock Exchange after the declaration of dividend.

### 11.8 Stock Dividend

The Management Company may decide to distribute, wholly or in part the distributable income in the form of a stock dividend if it is in the interest of the Holder, which would comprise of the Bonus Units of the Trust. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units. The Account Statement or Unit Certificate shall be dispatched to the Holders within the period (i.e. fifteen days), as stated in Paragraphs 16.5 and 16.6 of this Offering Document. The Unit Holders have the option to en-cash the Bonus Unit at ex-dividend Net Asset Value as on June 30 of the relevant Accounting Period.

Bonus Units are hereby defined as the Units issued on distribution of distributable income, in the form of stock dividend.

## PART XII – FEES AND CHARGES

### 12.1 Expenses of Atlas Stock Market Fund

The following expenses will be borne by ASMF:

1. Any remuneration of the Management Company;
2. Any remuneration of the Trustee;
3. Any Bank charges and borrowing/ financial cost;
4. Brokerage and transaction costs relating to investing/ disinvesting of the Deposited Property;
5. All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name;

6. Legal and related costs as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders;
7. Audit fees;
8. Listing fee payable to Stock Exchange;
9. SECP fee or levy;
10. Formation cost that will not exceed 1% of the amount of seed capital and will be amortized over a period not exceeding five years; and
11. Taxes, if any, applicable to the Trust.

### 12.2 Remuneration of the Management Company

The Management Company shall be entitled to an annual remuneration not exceeding 3% per annum of average daily Net Assets calculated during the year for announcing the price of the Units of ASMF during the first five years starting from the date of payment in full of all Units subscribed by the Core Investors and 2% per annum thereafter.

The payment to Transfer Agent will be made by the Management Company and there will be no separate charge on the Deposited Property of ASMF.

The Management Company shall bear all expenditures in respect of their secretarial and office space and professional management including all accounting and administrative services provided in accordance with the provisions of the Deed. The Management Company shall not make any charge against the Holder nor against the Deposited Property nor against the Distribution Account for the services nor the expenses, except such expenses as are expressly authorized under the provisions of the Rules and Deed to be payable out of Deposited Property.

### 12.3 Remuneration of the Trustee

The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges, which is as follows.

<b>Net Assets</b>	<b>Charges</b>
Up to Rs. 250 million	0.35% p.a.
On amount exceeding Rs. 250 million up to Rs. 500 million	Rs. 875,000 + 0.30% of amount exceeding Rs. 250 million p.a.
On amount exceeding Rs. 500 million up to Rs. 1,000 million	Rs. 1,625,000 + 0.20% p.a. on amount exceeding Rs.500 million p.a.
On amount exceeding Rs. 1,000 million	Rs.2,625,000 + 0.10% of amount exceeding Rs. 1,000 million p.a.

The calculation for remuneration shall be based on average daily Net Assets during each calendar month. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.

Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.

The payment to Custodian, (if any) will be made by the Trustee and there will be no separate charge on the Deposited Property of ASMF.



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The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management including all accounting and administrative services provided in accordance with the provisions of the Deed. The Trustee shall not make any charge against the Holder nor against the Deposited Property nor against the Distribution Account for their services nor their expenses, except such expenses as are expressly authorized under the provisions of the Rules and Deed to be payable out of Deposited Property.

### 12.4 SECP Annual Fee

An amount equal to 0.1% of NAV, or as revised, will be paid to SECP per annum.

### 12.5 Sales & Processing Charges

- a) During the Initial Period, Units will be issued based on the previous day's NAV, without any Sales Load. No redemption will be allowed during the Initial Period.
- b) After the Initial Period, Units issued will carry a Front-end Load amounting to two percent (2%) of the Net Asset Value (NAV), which shall be added to the Net Asset Value together with duties and charges, if any, to calculate the Offer Price. Units will be redeemed at NAV less any zakat/tax imposed by the Government and any amount as the Management Company may consider to be an appropriate provision of Duties and Charges and such sum to be adjusted downwards to the nearest two decimal places.
- c) Sales Load is intended to cover costs of issue, including sales promotion, transfer, and redemption of Units.

## PART XIII – TAXATION

The information herein below is accurate as of the date of the printing of this Offering Document. The taxability and tax rates are subject to change from time to time, as may be announced by the Government.

### 13.1 Taxation on the Income of ASMF

The following is a brief description of the Income Tax Law (Income Tax Ordinance 2001) applicable in respect of ASMF.

- a) Liability for Income Tax  

Under the Income Tax law in Pakistan, ASMF is regarded as a public company for tax purposes. The income of ASMF is taxable at the rates applicable to a public company, which are as under:

  - i. Dividend income received from a Pakistani Company shall be taxed at the income tax rate of 5%.
  - ii. Capital gains arising on sale of securities listed on any stock exchange in Pakistan-exempt from tax up to Tax Year 2007 (Assessment year 2007/ 08).
  - iii. Return from term finance certificates or corporate papers, profit on Government securities, return on deposits/ certificates of investments with banks/ financial institutions, profits from money market transactions, profit from profit or loss sharing accounts with banks is taxable at the rate of 35% applicable to a public company.
- b) Liability for income tax, if not less than 90% of income, as reduced by capital gains, realized or un-realized is paid as dividend or bonus

Notwithstanding the tax rates stated under (a) above, the income of ASMF will be exempt from Income Tax, if not less than 90% of the income of the year, as reduced by realized and un-realized capital gains is distributed amongst the Unit Holders as dividend or Bonus Units. As stated in paragraph 7.5 of this Offering Document, at least 90% of the income as reduced by realized and un-realized capital gains received by ASMF will be distributed annually as dividend or Bonus Units.

c) Withholding tax

All income; namely, dividend, return from term finance certificates or corporate papers, profit on Government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from profit or loss sharing accounts with banks of ASMF will not be subjected to any withholding tax.

d) Capital Value Tax

Under Finance Act, 1989 (V of 1989) as amended by Finance Act, 2004 (II of 2004), read with Circular No. 06 of 2004 dated July 01, 2004 a Capital Value Tax at the rate of 0.01% of the purchase value of modaraba certificates or any instrument of redeemable capital as defined in the Companies Ordinance, 1984 (XLVII of 1984) or shares of a public company listed on a registered stock exchange in Pakistan shall be charged on purchase of the same. This tax will be collected by the stock exchange concerned.

e) Zakat

ASMF is Saheb-e-nisab under Zakat and Ushr Ordinance, 1980. The balance in the credit of savings bank account, or similar account with a Bank standing on 1st day of Ramazan-ul-Mubarak will be subjected to deduction of 2.5% Zakat.

### 13.2 Taxation on Unit Holders and Liability to Zakat

The information set forth below is included for general information purpose only. In view of the individual nature of tax consequences, each investor is advised to consult with his tax adviser with respect to the specific tax consequences to him of investing in ASMF.

Holders of ASMF will be subject to Income Tax on Dividend Income (excluding the amount of dividend paid out of capital gains on listed securities) as under:

	Rate
Public Company and Insurance Company	5%
If received by any other person, including a non-resident	10%

The rate of tax so specified will be the final tax and the payer (Trustee) will also be required to withhold the amount of tax at source.

Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and on the basis of the exemption certificate, income tax will not be withheld.

Every banking company or non-banking finance company shall be chargeable to tax under the Head "Income from Business" on the portion of profit on debt, if any, included in Dividend, distributed by Atlas Stock Market Fund, out of its income.

Capital Gains on disposition of Units in the Fund will be subject to capital gains tax at the applicable tax rate. The Units of the Fund will be listed on a Stock Exchange in Pakistan in due course. Consequently, after such listing, the gain on disposal of Units shall be exempt from tax up to Tax Year ending on thirtieth day of June 2007.

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Subject to listing at a stock exchange, Unit Holders of ASMF, other than a company, shall be entitled to a tax credit under section 62 of the Income Tax Ordinance 2001 on purchase of new Units. The amount on which tax credit will be allowed shall be lower of (a) amount invested in purchase of new Units, (b) ten percent of the taxable income of the Unit Holder, and (c) Rupees One hundred thousand, and will be calculated by applying the average rate of tax of the Unit Holder for the tax year. If the Units so acquired are disposed within twelve months, the amount of tax payable for the tax year in which the Units are disposed shall be increased by the amount of credit allowed.

### **Zakat**

Under Zakat and Ushr Ordinance 1980, (XVIII of 1980), except for certain category of investors, Units held by resident Pakistani Unit Holders are subject to Zakat at 2.5% of the Par Value of Units held on the Zakat Valuation Date. Except for those Unit Holders exempted under the said Ordinance, Zakat will be collected and paid into the Government treasury by redeeming the appropriate number of Units out of the respective accounts on the Zakat Valuation Date. In the event the Units are held in Certificate form or AAML is of the view that circumstances so warrant, the Zakat shall be recovered when the Certificates are redeemed or from the dividend payment relating to such Certificates whichever is earlier.

### **13.3 Disclaimer**

**The tax and zakat information given above is based on the Management Company's tax adviser's interpretation of the law, which to the best of the Management Company's understanding is correct but investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the Fund.**

## **PART XIV – REPORTS AND ACCOUNTS**

### **14.1 Accounting Period**

The Accounting period will commence from the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.

### **14.2 Financial Reporting**

The following reports will be sent to the Unit Holders:

- a) Annual audited financial statements, together with the auditors report, the report by the Management Company and the report by the Trustee within four months of the close of each Accounting Period. The Management Company shall be responsible for sending the Trustee's report to Unit Holders along with other reports. However, in the event the Trustee's report is not available for dispatch within the prescribed time period, the Management Company shall inform the Unit Holder of the fact, in writing.
- b) Un-audited financial statements (subject to limited scope review by Auditors), together with the report by the Management Company within two months of the close of the second quarter of each Accounting Period.
- c) Un-audited financial statement, together with the report by the Management Company within a month of the close of the first and third quarter of each Accounting Period.

The regularity of reporting will change if so required under the Rules and the Companies Ordinance and the regulation of The Stock Exchange, where the ASMF is listed.

**PART XV – WARNINGS**

- a) **If you have any doubt about the contents of this Offering Document, you should consult one or more from amongst your legal adviser, stockbroker, bank manager, or other financial adviser. Investors must recognize that all investments involve varying levels of risk. The portfolio of ASMF consists of market-based investments and is subject to market fluctuations and risks inherent in all such investments. The value of Units in ASMF may appreciate as well as depreciate, and consequently the level of dividend declared by ASMF may get affected to that extent. Investors are requested to read the Risk Disclosure contained in paragraph 5.15 of this Offering Document.**

**Disclaimer**

**The Units of ASMF are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institution.**

- b) **Prices of Units and income from them may go down as well as up.**

**PART XVI – SERVICE TO UNIT HOLDERS**

**16.1 Availability of Forms**

All the forms mentioned and/ or included in this Offering Document will be available at all the Authorized Branches of all Distribution Offices and at the office of the Management Company.

**16.2 Transfer of Account**

- a) Once a Unit Holder has purchased a Unit from an Authorized Branch of the Distribution Office, all his records/ forms will be kept and maintained at that Authorized Branch, however, for the convenience of the Unit Holder, the Account may be transferred to another Authorized Branch or another Distribution Office on application by the Unit Holder for transfer of account. In case the relevant Distribution Office does not continue as the Distribution Office, the Management Company and the Trustee will make arrangements for the Unit Holder's account to be transferred to another Distribution Office's Authorized Branch at the nearest location.
- b) Notwithstanding the provision in sub-paragraph 16.2 (a), any Unit Holder may submit the application for redemption or transfer or any other requests for change in Register at any Authorized Branch of the relevant Distribution Office or the Management Company or Transfer Agent and the requests will be processed.

**16.3 Register of Unit Holders**

- a) A Register of Unit Holders shall be maintained by the Management Company at its place of business stated at paragraph 6.4 above.
- b) Every Unit Holder will have a separate account folio. Such account will reflect all the transactions in that account held by such Unit Holder.
- c) The Holder will be entitled to inspect his record in the Register and request copies thereof on any Business Day from 10.00 A.M. to 1.00 P.M., except during the days when the Register is closed in accordance with the provision of the Deed, with the prior arrangement with the Management Company or the Transfer Agent.
- d) The Register shall be conclusive evidence as to the Units held by each Holder.

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### 16.4 Information in the Register

The Register will contain the following information:

#### 1. About Unit Holders

- a) Name of Unit Holders/ joint Holders;
- b) Address of Unit Holders/ first named joint Holders;
- c) National Identity Card Number(s) of Unit Holders/ joint Holders;
- d) Father's/ Husband's name of Unit Holders/ joint Holders;
- e) Occupation of Unit Holders/ joint Holders;
- f) Tax/ Zakat status of Holders/ joint Holders;
- g) Record of signature of Holders/ joint Holders; and
- h) Such other information as the Management Company may require.

#### 2. About Units

- a) Distinctive numbers;
- b) Certificate number, if applicable;
- c) Date of purchase/ redemption/ transfer and the reference number, if any;
- d) Number of Units held;
- e) Record of verification of Transfer forms/ Redemption forms; and
- f) Such other information as the Management Company may require.

#### 3. Instructions

- a) Particulars of bank account if payment of dividend is to be made to credit of a bank account, or if payment is to be made to the Holder's registered address;
- b) Instruction about reinvestment of dividend in Units/ encashment of Bonus Units;
- c) In case of joint Holders, any Holder may sign the application for redemption, if so authorized by all the joint Holders;
- d) Information and instruction about pledge/ charge/ lien of Units; and
- e) Information and instruction about nominees in case of death of the Unit Holder.

The Unit Holders may notify in writing any change of name or address or any other particular to the relevant Authorized Branch of the Distribution Office, or to the Transfer Agent. The Distribution Office or Management Company will forward such application to the Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate, if required, to such Holder.

### 16.5 Account Statement

Upon written confirmation from the Trustee that the Offer Price for each Unit has been received in full from the applicant, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Holder.

The Transfer Agent will send directly to each Unit Holder a non-transferable Account Statement each time there is a transaction in the folio, i.e., Units are:

- a) issued/ subscribed;
- b) redeemed;
- c) transferred in favor of third person;
- d) transferred from third person;
- e) consolidated/ split;
- f) additional Units are issued against re-investment of dividend; and
- g) Bonus Units are issued.

An Account Statement will be posted within fifteen Business Days after each relevant transaction.

### **16.6 Certificate(s)**

- a) Unit Certificate(s) will be issued only if requested by the Unit Holders.
- b) Certificate(s) will not be issued for fractional Units.
- c) Unit Holders can apply for the issue of Certificate(s) by completing the prescribed application form and submitting it to the relevant Distribution Office or Transfer Agent together with a fee at the rate of twenty-five Rupees per Certificate of any denomination or any other amount as determined by the Management Company from time to time.
- d) Certificate(s) shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder.
- e) Certificate(s) where requested shall be issued as herein provided not later than fifteen Business Days after the date of such request. The Certificate(s) may be sent to the Holder or his duly authorized nominee at his own risk by registered post or by delivery.
- f) In the case of Units held jointly the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders or if so authorized by all the joint Holders, to any joint Holder so nominated. All payments required under the Trust Deed (i.e. redemption and dividend) will be made to first name joint Holder.
- g) Certificate(s) shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive and serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- h) Units shall not be represented by more than one Certificate at any one time.

### **16.7 Replacement of Certificate(s)**

- a) Subject to the provisions of the Trust Deed and in particular to the limitations of the denomination of Certificate(s) as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- b) In case any Certificate shall be lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
  - i. Returned the mutilated or defaced Certificate(s) or furnished to the Distribution Office/ Transfer Agent satisfactory evidence to the Management Company of the loss, theft or destruction of the original Certificate(s);
  - ii. Paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspaper inviting any claim (if any) against the lost Certificate(s) to be notified to the Management Company, Trustee or Transfer Agent; and
  - iii. Furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distribution Office/ Transfer

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Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

- c) Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Office/ Transfer Agent may require from the applicant for the Certificate the payment to it of a fee of twenty five Rupees for each Certificate, subject to revisions of fee from time to time by the Management Company together with a sum sufficient (if any) in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

### **16.8 Pledge/ Charge/ Lien of Units**

Any Unit Holder may pledge/ charge/ lien all or any of his Units as security for debt to any third party. The Transfer Agent shall take a note of the pledge/ charge/ lien in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Trustee and/ or the Transfer Agent along with a joint request from the Unit Holder and the pledgee is submitted on the standard application form, which is available at request. None of these parties, the Trustee, the Management Company, Distribution Office nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/ charge/ lien. The disbursement of any loan against the constitution of such pledge/ charge/ lien shall be at the entire discretion of the lender and neither the Trustee nor the Management Company nor the Distribution Office and the Transfer Agent take any responsibility in this matter.

Partial pledge/ lien of Units covered by a single Certificate is not permitted. However, Holders may apply for a splitting of the Certificate before applying for such partial pledge/ lien.

Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units including re-investment for Units and Bonus Units shall be made to the order of the Unit Holder. However, in the event the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder/ first named pledge holder.

The lien on the pledged Units shall continue until such time it is released by the lien holder in writing.

### **16.9 Nomination**

A single Unit Holder can nominate a successor to receive the Units upon his death by completing the prescribed section of the application form for sale of Units and submitting the same to the Authorized Branch of the relevant Distribution Office.

**PART XVII – FINANCIAL INFORMATION**

**17.1 Auditors' Certificate on Core Investors' Investment in the Units of ASMF**

15/A-47/2004  
30 October, 2004

The Board of Directors  
Atlas Asset Management Limited  
Ground Floor,  
Federation House  
Sharaf Firdousi  
Clifton  
Karachi

Dear Sir:

**AUDITORS' CERTIFICATE FOR RECEIPT OF SUBSCRIPTION TOWARDS  
SEED CAPITAL - ATLAS STOCK MARKET FUND (THE FUND)**

As desired, we have verified from the books and records of the Fund managed by Atlas Asset Management Limited that a sum of Rs. 305,000,000 (Rupees three hundred five million) has been received up to 30 October, 2004 in the Fund's bank account towards subscription of seed capital of the Fund from the investors listed in Annexure A.

Truly yours

HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS



## Atlas Stock Market Fund (ASMF)

**Annexure - A**

### ATLAS STOCK MARKET FUND SEED CAPITAL SUBSCRIPTION

S.No	Names	Units	Amount (Rs.)
<b>Corporate Investors</b>			
1	National Bank of Pakistan	100,000	50,000,000
2	Shirazi Investments (Private) Limited	60,000	30,000,000
3	Arif Habib Securities Limited	40,000	20,000,000
4	Habib Bank Limited	30,000	15,000,000
5	Atlas Honda Limited - Non Management Staff Gratuity Fund	24,000	12,000,000
6	Bank AL Habib Limited	20,000	10,000,000
7	First International Investment Bank Limited	20,000	10,000,000
8	JDW Sugar Mills Limited - Employees Provident Fund Trust	20,000	10,000,000
9	Muslim Commercial Bank Limited	20,000	10,000,000
10	Pakistan Kuwait Investment Company (Private) Limited	20,000	10,000,000
11	Soneri Bank Limited	20,000	10,000,000
12	Atlas Honda Limited - Employees Provident Fund	19,740	9,870,000
13	ICI Pakistan Management Staff Pension Fund	10,100	5,050,000
14	ICI Pakistan Management Staff Provident Fund	10,100	5,050,000
15	Al-Zamin Leasing Modaraba	10,000	5,000,000
16	Crescent Leasing Corporation Limited	10,000	5,000,000
17	Hoechst Pakistan Group of Companies Senior Executives Pension Fund	10,000	5,000,000
18	Murree Brewery Company Limited - Provident Fund	10,000	5,000,000
19	Pakistan PTA - Management Staff Defined Contribution & Superannuation Fund	10,000	5,000,000
20	Siemens Pakistan Engineering Company Limited - Staff Provident Fund	10,000	5,000,000
21	National Refinery Limited - Managerial and Supervisory Staff Pension Fund	10,000	5,000,000
22	SSG, Executive Staff Provident Fund	10,000	5,000,000
23	United Bank Limited	10,000	5,000,000
24	Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund	6,000	3,000,000
25	Pakistan PTA - Management Staff Gratuity Fund	6,000	3,000,000
26	Attock Cement Pakistan Limited Pension Fund	6,000	3,000,000
27	Abbott Laboratories (Pakistan) Limited Staff Provident Fund	5,000	2,500,000
28	Abbott Laboratories (Pakistan) Limited Staff Pension Fund	5,000	2,500,000
29	Searle Pakistan Limited - Provident Fund	5,000	2,500,000
30	Attock Cement Pakistan Limited - Employees Provident Fund	4,000	2,000,000
31	Murree Brewery Company Limited	4,000	2,000,000
32	Descon Staff Provident Fund Trust	2,000	1,000,000
33	Orix Investment Bank Pakistan Limited	2,000	1,000,000
34	Orix Leasing Pakistan Limited - Employees Provident Fund	2,000	1,000,000
35	Packages Limited - Management Staff Pension Fund	2,000	1,000,000
36	Service Industries Limited - Employees Gratuity Fund	2,000	1,000,000
37	Gatron (Industries) Limited - Staff Provident Fund	1,400	700,000
38	Avari's Employees Provident Fund	1,000	500,000
39	Gatron (Industries) Limited - Workers Provident Fund	600	300,000
40	Capital Insurance Company Limited	500	250,000
<b>Total Corporate Investors</b>		<b>558,440</b>	<b>279,220,000</b>

## Offering Document

### Annexure - A

S.No	Names	Units	Amount (Rs.)
<b>Individual Investors - Karachi</b>			
41	Mr. Ahsaan Ali	1,000	500,000
42	Mr. Altaf Hussain	500	250,000
43	Mr. Abdul Qayyum Shaikh	400	200,000
44	Mr. Mehmood Ahmed	400	200,000
45	Mr. Muhammad Irshad	400	200,000
46	Syed Fuzail Ahmed	400	200,000
47	Mr. S. M. Abbas Naqvi	300	150,000
48	Mr. Abdul Bari	200	100,000
49	Mr. Abdul Razzak	200	100,000
50	Mr. Asif Hussain	200	100,000
51	Mr. Imran Ahmed	200	100,000
52	Mr. Imran Ali	200	100,000
53	Mr. Manzoor Ali	200	100,000
54	Mr. Muhammad Iqbal Qureshi	200	100,000
55	Mr. Muhammad Munaf Edhi	200	100,000
56	Mr. Rashid Hussain	200	100,000
57	Mr. Nurul Huda	200	100,000
58	Mr. Shafiq Ahmed	200	100,000
59	Mr. Suhail Ahmad	20	10,000
<b>Total Individual Investor - Karachi</b>		<b>5,620</b>	<b>2,810,000</b>
<b>Individual Investors - Multan</b>			
60	Mr. Muhammad Afzal	2,000	1,000,000
61	Mr. Mian Mushtaq Hussain	1,600	800,000
62	Mr. Ahmed Hassan	1,200	600,000
63	Mr. Aqeel Abbas	1,000	500,000
64	Mr. Muhammad Amin	1,000	500,000
65	Mr. Muhammad Amin S/o Mr. Shahabudin	1,000	500,000
66	Mr. Chaudhry Ashfaq Rabbani	600	300,000
67	Mr. Arshad Hameed	500	250,000
68	Mr. Bakhtiar Hyder Khan	500	250,000
69	Mr. Hammad Idrees	500	250,000
70	Mr. Javed Iqbal	500	250,000
71	Mr. Muhammad Fayyaz S/o Mr. Muhammad Shafi	500	250,000
72	Mr. Muhammad Aziz	500	250,000
73	Mr. Muhammad Usman Ghani	500	250,000
74	Mr. Muhammad Naeem Akhtar	500	250,000
75	Mr. Rao Muhammad Nadeem Shad	500	250,000
76	Mr. Rao Qasim Mehmood	500	250,000
77	Mr. Shafiq-ur-Rahman	500	250,000
78	Mr. Waqas Akram	500	250,000
79	Mr. Zulfiqar Ali Asad	500	250,000
80	Ms. Sheema Javid	500	250,000
81	Mr. Ghaffar Ahmed	400	200,000
82	Mr. Malik Muhammad Ameer	400	200,000

## Atlas Stock Market Fund (ASMF)

### Annexure - A

S.No	Names	Units	Amount (Rs.)
83	Mr. Muhammad Fayyaz	400	200,000
84	Mr. Shahabudin	400	200,000
85	Syed Saad Ahmed	400	200,000
86	Mr. Yousuf Raza	400	200,000
87	Mr. Zulfiqar Ahmed	400	200,000
88	Ms. Ayesha Azhar	400	200,000
89	Mr. Muhammad Zahid	300	150,000
90	Ms. Razia Begum	300	150,000
91	Mr. Munir Ahmad Sajid	250	125,000
92	Mr. Abdul Samad Khan	200	100,000
93	Mr. Ameer Ahmed Hijazi	200	100,000
94	Mr. Ata Muhammad Asif	200	100,000
95	Mr. Ghazanfar Abbas	200	100,000
96	Mr. Ghulam Shabbir	200	100,000
97	Mr. Hafiz Zeeshan Ahmed	200	100,000
98	Mr. Hashim Raza	200	100,000
99	Mr. Iftikhar Ali Jawaid Chaudhry	200	100,000
100	Mr. Ijaz Hussain	200	100,000
101	Mr. Irfan Akhtar	200	100,000
102	Mr. Jam Abdul Hameed	200	100,000
103	Mr. Muhammad Nadeem Farooq	200	100,000
104	Mr. Malik Muzaffar Iqbal	200	100,000
105	Mr. Mian Sajjad Hussain	200	100,000
106	Mr. Muhammad Shafiq	200	100,000
107	Mr. Muhammad Tariq	200	100,000
108	Mr. Muhammad Zafar	200	100,000
109	Mr. Munawar Abbas	200	100,000
110	Mr. Muhammad Rafique Malik	200	100,000
111	Mr. Rais Bashir Ahmed	200	100,000
112	Mr. Riaz Ahmed	200	100,000
113	Mr. Saad Saud Niaz	200	100,000
114	Mr. Shafiq-ur-Rehman Qureshi	200	100,000
115	Mr. Shahid Farooq	200	100,000
116	Sheikh Kamran Rasheed	200	100,000
117	Mr. Qaiser Zaman	200	100,000
118	Mr. Muhammad Ahmar Khan Niazi	100	50,000
119	Ms. Rubina Khalid	100	50,000
120	Ms. Shabnam Jawaid	100	50,000
121	Mr. Muhammad Asif	50	25,000
122	Mr. Ghulam Jelani	40	20,000
<b>Total Individual Investors - Multan</b>		<b>25,040</b>	<b>12,520,000</b>
<b>Individual Investors - Lahore</b>			
123	Mr. Muhammad Sarwar	500	250,000
124	Mr. Ahmad Hussain	400	200,000

## Offering Document

### Annexure - A

S.No	Names	Units	Amount (Rs.)
125	Mr. Bazmi Naseer	400	200,000
126	Mr. Farrukh Javed	400	200,000
127	Mr. Hamid Majeed	400	200,000
128	Mr. Khawar Saeed	400	200,000
129	Mr. Muhammad Humayun Yousuf Bhatti	400	200,000
130	Mr. Muhammad Shams-uz-Zaman	400	200,000
131	Mr. Mian Mushtaq Ahmed	400	200,000
132	Mr. Muhammad Sajid Shafiq	400	200,000
133	Ms. Nabeela Kamal	400	200,000
134	Mr. Saleem Malik	400	200,000
135	Sheikh Muhammad Saeed	400	200,000
136	Mr. Talib Naheed	400	200,000
137	Mr. Tariq Masood	400	200,000
138	Mr. Usman Ahmad Chaudhry	400	200,000
139	Mr. Munir Ahmed	400	200,000
140	Mr. Sohail Aziz	400	200,000
141	Mr. Sheikh Waheed Akhtar	400	200,000
142	Mr. Muhammad Shafiq	300	150,000
143	Mr. Muhammad Siddiq	300	150,000
144	Mr. Abdul Haq	200	100,000
145	Mr. Abdul Rahman	200	100,000
146	Mr. Kashif Iqbal	200	100,000
147	Mr. Muhammad Afzal	200	100,000
148	Mr. Masood Tariq	200	100,000
149	Mr. Muhammad Saeed	200	100,000
150	Mr. Muhammad Zulfiqar Ateeq	200	100,000
151	Mr. Mehar Tariq Mehmood	200	100,000
152	Mr. Muhammad Nadeem	200	100,000
153	Mr. Naseer Ahmad	200	100,000
154	Mr. Rana Muhammad Tasneem	200	100,000
155	Mr. Rana Muhammad Ikram Sajid	200	100,000
156	Sheikh Muhammad Tahir Amin	200	100,000
157	Mr. Tanvir Iqbal	200	100,000
158	Mr. Umar Farooq Khan	200	100,000
159	Mr. Zahoor Ahmad	200	100,000
160	Mr. Zia Fareed Chishti	200	100,000
161	Mr. Zahid Khan Lodhi	200	100,000
<b>Total Individual Investors - Lahore</b>		<b>11,900</b>	<b>5,950,000</b>
<b>Individual Investors - Rawalpindi</b>			
162	Mr. Chaudhry Ghulam Nabi	500	250,000
163	Mr. Khalil Qaiser Mansha and Muhammad Babar Butt	400	200,000
164	Mr. Muhammad Asif	400	200,000
165	Mr. Muhammad Farooq	400	200,000
166	Mr. Shamshad Hussain	400	200,000
167	Mr. Shahid Sarwar	400	200,000

## Atlas Stock Market Fund (ASMF)

### Annexure - A

S.No	Names	Units	Amount (Rs.)
168	Mr. Tariq Iqbal	400	200,000
169	Mr. Muhammad Afzal	300	150,000
170	Mr. Muhammad Naveed	300	150,000
171	Mr. Allauddin Chaudry	200	100,000
172	Mr. Amanullah Khan	200	100,000
173	Ms. Nuzrat-ul-Naeem	200	100,000
174	Mr. Azhar Iqbal Dar	200	100,000
175	Mr. Fazal Din Dar	200	100,000
176	Mr. Habib-ul-Hassan	200	100,000
177	Mr. Hafiz Muhammad Tabish Iqbal	200	100,000
178	Mr. Ijaz Ahmad	200	100,000
179	Mr. Kashif Jabbar	200	100,000
180	Mr. Khawaja Naeem Ahmad	200	100,000
181	Mr. Muhammad Amer Rashid	200	100,000
182	Mr. Muhammad Arshad	200	100,000
183	Mr. Muhammad Kamil	200	100,000
184	Mr. Muhammad Maqsood Ahmad	200	100,000
185	Mr. Muhammad Rafique	200	100,000
186	Mr. Habib-ur-Rahman Qureshi	200	100,000
187	Mr. Naseer Ahmad	200	100,000
188	Mr. Nasir Sajjad	200	100,000
189	Mr. Nasrullah Khan	200	100,000
190	Mr. Nasir-ul-Mulk	200	100,000
191	Mr. Sajid Kamal	200	100,000
192	Mr. Abbas Anwer	200	100,000
193	Mr. Sohail Waheed and Zulfiqar	200	100,000
194	Mr. Tahir Mehmood Sheikh	200	100,000
195	Mr. Saleem Afzal	200	100,000
196	Mr. Muhammad Anees Shad	100	50,000
197	Mr. Muhammad Shaukat	100	50,000
198	Mr. Muhammad Younas Iqbal	100	50,000
199	Mr. Nazeer Ahmad Chaudhry	100	50,000
200	Mr. Zafar Iqbal	100	50,000
<b>Total Individual Investors - Rawalpindi</b>		<b>9,000</b>	<b>4,500,000</b>
<b>GRAND TOTAL</b>		<b>610,000</b>	<b>305,000,000</b>

**17.2 Auditors' Certificate on Net Asset Value of Units in ASMF**

2 November, 2004

The Board of Directors  
 Atlas Asset Management Limited  
 Ground Floor,  
 Federation House  
 Sharae Firdousi  
 Clifton  
 Karachi

Dear Sir:

**NET ASSET VALUE (UNAUDITED) OF EACH UNIT  
 OF ATLAS STOCK MARKET FUND**

As requested, we have ascertained from the unaudited books of accounts and records of Atlas Stock Market Fund (ASMF) that the net assets value of each of its Units proposed to be issued as at 31 October, 2004 was Rs. 503.10 which has been computed as follows:-

	(Rupees)
Total Assets	315,898,145
Less Total Liabilities	9,005,537
Net Assets	<u>306,892,608</u>
Number of Units (Core Units) proposed to be issued as of 31 October, 2004	<u>610,000</u>
Net Asset Value per Unit	<u>Rs. 503.10</u>

This letter is being issued only for submission as part of (ASMF)'s Offering Document.

Truly yours,

-sd-

HAMEED CHAUDHRI & CO.  
 CHARTERED ACCOUNTANTS

**17.3 Formation Cost**

All preliminary and floatation expenses of the Trust including expenses incurred in connection with the authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document and all expenses incurred during the Initial Period, shall be borne by ASMF and amortized over a period of not more than five years. The cost will not exceed Rs. 3,050,000.

## Atlas Stock Market Fund (ASMF)

### **PART XVIII – GENERAL INFORMATION**

The copies of constitutive documents i.e. Trust Deed and Offering Documents can be inspected free of charge or purchased from the addresses given below.

**Atlas Asset Management Limited**

Ground Floor, Federation House,  
Sharae Firdousi, Clifton, Karachi.

**Central Depository Company of Pakistan Limited**

8th Floor, Karachi Stock Exchange Building  
I.I. Chundrigar Road, Karachi.

**Atlas Investment Bank Limited**

**Karachi Office**

3rd Floor, Federation House, Sharae Firdousi, Clifton,  
Karachi.

**Lahore Office**

2nd Floor, Ajmal House,  
27, Egerton Road, Lahore.

**Islamabad Office**

30, Mezzanine Floor, Beverly Centre,  
Blue Area, Islamabad.

### **PART XIX – TERMINATION OF ATLAS STOCK MARKET FUND**

#### **19.1 By the Management Company**

ASMF may be terminated by the Management Company by giving three months notice in writing to the Holders on the grounds given in paragraph 7.4(b) of this Offering Document. The grounds on which termination is made shall be mentioned in the notice to the Unit Holders.

#### **19.2 By the Securities and Exchange Commission of Pakistan**

If the SECP considers that further continuation of the authorization of ASMF will not be in the interest of Unit Holders, it will give a three months notice to the Unit Holders about its intention not to maintain such authorization, provided that no notice shall be served without offering an opportunity of hearing to the Management Company.

#### **19.3 Winding up**

In case of the termination of ASMF, the Management Company shall be required to wind-up ASMF and refund the proceeds to the Unit Holders on pro-rata basis in such a manner and within such time as may be specified by the Commission.

**PART XX – SIGNATORIES TO THE OFFERING DOCUMENT**

Atlas Asset Management Limited, as an asset management company, accept the responsibility for the information contained in the Offering Document of Atlas Stock Market Fund (ASMF) as being accurate at the date of publication.

<b>Names</b>	<b>Position on the Board of the Asset Management Company</b>	<b>Signatures</b>
Mr. Yusuf H. Shirazi	Chairman	
Mr. M. Habib-ur-Rahman	Chief Executive	
Mr. Peter A. Smyth	Director	
Mr. Sherali Mundrawala	Director	
Mr. Tariq Amin	Director	
Mr. Jawaid Iqbal Ahmed	Director	
Mr. Saquib H. Shirazi	Director	

Dated: October 21, 2004

Place: Karachi

Witness: Uzma Taslim

Address: Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi.

NIC No.: 42101-1594057-2



## Atlas Stock Market Fund (ASMF)

### **PART XXI – AUTHORIZED BRANCHES OF THE DISTRIBUTION OFFICES**

#### **Atlas Asset Management Limited**

##### **Registered Office**

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi.

Telephone # (92-21) 5379501-07

Fax # (92-21) 5379280

#### **Atlas Investment Bank Limited**

##### **Karachi Office**

3rd Floor, Federation House, Sharae Firdousi, Clifton, Karachi.

Telephone # (92-21) 5866817-20, 5866919-20, 5832292-93

Fax # (92-21) 5870543

##### **Lahore Office**

2nd Floor, Ajmal House, 27-Egerton Road, Lahore.

Telephone # (92-42) 6366170-74

Fax # (92-42) 6366175, 6365058

##### **Islamabad Office**

30, Mezzanine Floor, Beverly Centre, Blue Area, Islamabad.

Telephone # (92-51) 2824906 & 2824909

Fax # (92-51) 2821377.

#### **Atlas Honda Limited,**

##### **Lahore Office**

1, McLeod Road, Lahore.

Telephone # (92-42) 7225015-17

Fax # (92-42) 7351119

UAN: (City code) 111-MUTUAL (111-6-888-25)

Website: [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk)

Email: [cs@atlasfunds.com.pk](mailto:cs@atlasfunds.com.pk)

### **PART XXII – FORMS**

The following forms are annexed hereto

#### Type of Forms

- a) Application for Sale of Units
- b) Application for Redemption of Units
- c) Application for Transfer of Units
- d) Application for Pledge/ Lien of Units