

SUPPLEMENTARY OFFERING DOCUMENT OF

Systematic Payout and Systematic Withdrawal Plan

An Administrative Plan under

Atlas Income Fund

MANAGED BY

ATLAS ASSET MANAGEMENT LIMITED

Dated January 09, 2014

**Supplementary Offering Document of
Systematic Payout and Systematic Withdrawal Plan
An administrative plan under
Atlas Income Fund
Managed by Atlas Asset Management Limited**

1. Introduction

- 1.1 The Income Plan is an Administrative Plan based on Atlas Income Fund offered by Atlas Asset Management Limited.
- 1.2 The Income Plan provides Subscribers with two options for investment in Units of Atlas Income Fund (AIF). In Systematic Payout option, payout will be made from the profit of the interval as part redemption of the Unit holdings based on the increase in value of investment during that Regular Interval. Moreover, in Systematic Withdrawal option, payout will be a fixed amount in Rupee term as part redemption of their Unit holdings at the end of every Regular Interval. The value of investment under Fixed Payout option may reduce.
- 1.3 All transactions under this arrangement are governed by the AIF Trust Deed (dated February 20, 2003) as amended from time to time vide Supplemental Trust Deed(s) and Offering Document, dated March 09,2004, as amended from time to time. Unless specifically altered by this document, all the terms and conditions of the Offering Document of the AIF shall apply to the Units of the Fund in which investment is made under this plan.

2. Investment Objective

The primary objective is to provide investors with a stable income from payout of profit or a fixed amount at Regular Intervals by investing in AIF income units.

3. Investment Pattern

Asset Class	Percentage Allocation
AIF (Income Units)	100%

4. Basic Plan Information

Nature of Plan: Open-ended

Front-end Load: Nil

Back-end Load: Nil

*Minimum Application Amount: Rs.5,000

Periodicity of Unit transactions: Every Monday to Friday that is a Business Day

Redemption Proceeds: Dispatched within 6 Business Days

- * The present minimum application amount is Rs.5,000/- initially. Units of AIF shall be issued against the amount received from the Subscriber in accordance with the terms of the Offering Documents of AIF. The Management Company may alter the minimum application amount from time to time and announce it on its website.

DISCLAIMER: - It must be clearly understood that in giving this approval, the SECP does not take any responsibility for the financial soundness of the Plan nor for the accuracy of any statement made or any opinion expressed in this Supplemental Offering Document.

5. Features and Administrative Arrangements

- 5.1. The Income Plan provides Subscribers with two options for investment in Units of Atlas Income Fund (AIF). In Systematic Payout option, payout will be made from the profit of the interval as part redemption of the Unit holdings based on the increase in value of investment during that Regular Interval. Moreover, in Systematic Withdrawal option, payout will be a fixed amount in Rupee term as part redemption of their Unit holdings at the end of every Regular Interval. The value of investment and the number of Units in case of both the options may reduce.
- 5.2. An investor may invest in the Income Plan by filling out the prescribed form and submitting it along with the investment amount with any Distributor or presented to the Management Company directly or through an Investment Facilitator. Payment can be made in the form of demand draft or pay order or Cheque - account payee only marked in favor of CDC -Trustee Atlas Income Fund or an on-line transfer to Bank Account of CDC -Trustee Atlas Income Fund. Payment in the form of cash will not be accepted.
- 5.3. The Income Plan Subscriber may also select a Systematic Investment Plan (SIP) through which the investor may invest predetermined amounts on a monthly or a quarterly basis. The Subscriber may also alter this monthly/quarterly amount, provided that such amount is not less than the minimum amount fixed by the Management Company from time to time.
- 5.4. The Subscriber shall send in the monthly/ quarterly contributions under the SIP under the cover of the prescribed form. The Management Company may also introduce arrangements whereby a Subscriber may pay contributions through standing instructions to a bank. In the event that the Subscriber does not make the monthly/ quarterly payment(s) for any reason, the account will remain live and amount outstanding in the Income Plan would continue to remain in the Plan. The Subscriber may continue the monthly/quarterly payments at any stage. No penalties shall be imposed in case of delay or missing out on contributions.
- 5.5. On receipt of investment amount at the time of opening an account or subsequently for purchase of Units under the Income Plan, the Units shall be issued at the Net Asset Value applicable for AIF on the day the investment amount and the Application Form are lodged.
- 5.6. The Transfer Agent shall send an Account Statement to the Subscriber within seven business days each time there is activity in the account. Such Statement shall be sent by ordinary mail to the Subscriber's address recorded in the Register. The Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Income Plan.
- 5.7. Certificates representing Units purchased under this Administrative Plan shall not be issued.
- 5.8. **Systematic Payout Option**

The Subscribers may exercise the option of redeeming a certain number of Units for fulfilling their requirement of a certain amount at Regular Intervals (i.e. monthly, quarterly, semiannually or annually). Such instructions shall be given in writing at the beginning of each Regular Interval or at the time of purchase of Units. The Subscribers, at the time of purchase

or beginning of an interval, instruct for the quantum of part redemption or authorize the Management Company to decide the quantum of part redemption of their unit holdings at the end of every Regular Interval based on the performance of the Plan during that Regular Interval. If the value of investment falls below the minimum amount to be maintained in the Plan, due to market fluctuations during an interval, the Management Company will not redeem any units at the end of that interval.

- (a) If the value of investment increases during an interval, the Management Company will calculate the number of units to be redeemed for the purpose of distribution of income in such a manner that the total redemption value of such units is equal to the increase in the value of investment during that interval, which means that the profit earned on the respective units due to increase in NAV would be paid back to the Subscribers. However, the number of units held by investors may decrease.
- (b) If the value of investment of the Fund falls during an interval which means that NAV of the Fund has declined, the Management Company will not redeem any units (no income would be paid) at the end of that interval as there would not be any profits for payment.

5.9. Systematic Withdrawal Option

The Subscribers may, decide any fixed amount from time to time, to be paid at Regular Intervals (i.e. monthly, quarterly, semi-annually or annually). The Subscribers, at the time of purchase or beginning of an interval, authorize the Management Company to redeem such number of units from their holding that in rupee terms is equivalent to the specified fixed amount that is to be paid at the end of every Regular Interval.

As a result of operation of this Clause 5.9, the initial amount invested may deplete in case sufficient returns are not earned to cover the amount distributed to the Subscriber. In case, the initial investment amount falls below the minimum amount to be maintained in the Plan, due to the erosion of capital (as a consequence of Para 5.9 above) during an interval, the Management Company will continue to distribute the specified fixed amount at the end of that interval.

Further, the Management Company may seek additional amount from the Subscribers to meet the minimum investment requirements. In case the additional amount called for by the Management Company is not paid within the time prescribed by the Management Company, the Management Company can stop the payment of regular income at its discretion till such time that the amount is paid to maintain the minimum investment amount. Further, the Management Company may also decide to close the accounts in such case.

- 5.10. Cash dividends and/or Bonus Units (as the case may be) declared on the respective Units held in the Income Plan shall be reinvested in the respective Plan to which such dividends relate at that point in time.
- 5.11. The Management Company shall allow for partial pledge/ lien of Units in the Income Plan and if the number of Units of a Subscriber is reduced to the number of units pledged due to distribution in this Plan, then the Management Company will not redeem/ distribute any further Units.
- 5.12. The Subscriber may submit a request for redeeming partial or all Units purchased under the Income Plan. The redemption proceeds shall be payable in accordance with the Offering Document of AIF.

- 5.13. Apart from distribution on Regular Intervals, partial redemption from the Plan will only be allowed subject to maintenance of a minimum investment amount in the Plan and any other conditions as mentioned in Offering Document of the Fund.
- 5.14. The Subscriber may also convert the Units held by him in the Income Plan into the units of any other plans being offered by the Management Company and vice versa, such conversions to/from the Income Plan shall be at the NAV of the respective Fund, plus administrative Charges not exceeding one half of one percent of the NAV.
- 5.15. In the event of winding up of AIF, the Income Plan shall be discontinued and the Units standing to the credit of the Subscriber shall be dealt with the same manner the rest of the Units in the AIF.
- 5.16. The Management Company may at its discretion, with the approval of the Commission and Trustee and with notification to the Subscribers introduce changes in the Plan, from time to time.
- 5.17. In the event any changes are introduced in the Plan after an existing Subscriber has made an initial investment in the Plan, the existing Subscriber shall not be under any obligation to comply with the changes. However, if the Subscriber is willing to comply with the changes, he/she shall be allowed to opt for the changed terms and may be required to sign a form accepting the new terms. Any subsequent investments shall be in accordance with any changes so made.
- 5.18. All units issued under the Administrative Plan shall rank pari passu with units of the Atlas Income Fund.

6. Risk Disclosure

In addition to the risks disclosed in the Offering Document of AIF, the investment in the Income Plan is exposed to the following risks:

- 6.1. The NAV of the Fund may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various markets related factors and trading volumes, settlement periods and transfer procedures.
- 6.2. The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the Fund invests.
- 6.3. Investors in the Plan are not offered any guaranteed returns.
- 6.4. The target amount of monthly income and returns thereon in the AIF are based on best estimates of the performance of the Fund and is dependent on the ability to continue investing in similar investments on maturity of the investments in the portfolio. There is no guarantee as to the actual performance of the AIF.
- 6.5. Investors may note that the Fund Manager's investment/ asset allocation decisions for the Funds may not be always profitable.
- 6.6. The AIF is subject to being wound up under certain circumstances as explained in the Offering Document. In the event of the Fund being wound up, the Income Plan shall be discontinued

and the Units standing to the credit of the Subscriber shall be dealt with the same manner the rest of the Units in the AIF.

- 6.7. In case of Systematic Withdrawal Option, the initial amount invested may deplete in case sufficient returns are not earned to cover the amount distributed to the Subscriber.

7. **All Other Matters**

The Offering Document relating to the Atlas Income Fund (AIF) of which this plan is an administrative arrangement, shall apply to all such matters, relating to the investment in Units issued under the respective Fund and is not covered by this Supplementary Offering Document.

8. **“Subscriber”** means an investor/Unit holder in the Atlas Income Fund.
9. **“Regular Intervals”** means first day of month at the start of each interval i.e. monthly, quarterly, semi-annually or annually as per instructions of the subscriber.
10. **“Systematic Investment Plan” (SIP)** means a plan by which a subscriber may invest predetermined amount on a monthly or quarterly basis.
11. **“Administrative Plan”** means any investment plan(s) offered by the Management Company where such plans allow Unit Holders a focused investment strategy in any one or a combination of Collective Investment Schemes managed by the Management Company and for which CDC is appointed as the Trustee.
12. The Subscribers are advised to read the Constitutive Documents and Offering Documents of the respective funds.
13. Words and expressions used but not defined in this document shall have the same meaning as assigned to them in the Trust Deed or Offering Document of AIF.