

**Supplementary Offering Document of  
Islamic Balanced Plan  
An administrative plan under  
Atlas Islamic Fund and Atlas Islamic Income Fund  
Managed by Atlas Asset Management Limited  
An Asset Management Company**

## **1. Introduction**

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- 1.1 The Islamic Balanced Plan is an Administrative Plan offered by Atlas Asset Management Limited (AAML) so as to facilitate the Subscribers to have a balanced exposure in both equity and debt markets through a single product.
- 1.2 The Islamic Balanced Plan provides the Subscriber the benefits of growth through higher potential returns by investing in the Atlas Islamic Fund (AISF) and steady income by investing in the Atlas Islamic Income Fund (AIIF) as well as acting as a trade-off for the benefit of lower risk from diversification.
- 1.3 All transactions under this arrangement are governed by the Trust Deeds relating to the AISF (dated September 12, 2006) and the AIIF (dated May 7, 2008) as amended from time to time vide Supplemental Trust Deed(s). Unless specifically altered by this document, all the terms and conditions of the Offering Documents / Trust Deeds of the AISF and the AIIF shall apply to the respective Units of the two Funds in which investment is made under this plan.

## **2. Investment Objective**

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The investment objective of the Islamic Balanced Plan is to generate long term growth along with current income from a portfolio that is invested in equity and equity related securities (through investment in the AISF) balanced with investment in fixed income securities (through investment in the AIIF). The Plan is appropriate for Subscribers looking for moderate growth.

## **3. Basic Plan Information**

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<b>Nature of Plan</b>	Open-end
<b>Front-end Load</b> (As a % of the respective NAVs of the two funds; AISF & AIIF)	1%
<b>Back-end Load</b> (As a % of the Applicable NAV)	Not Applicable
<b>Minimum Application Amount</b>	Rs. 5,000*
<b>Periodicity</b>	Every Monday to Friday that is a Subscription Day
<b>Redemption Proceeds</b>	Dispatched within 6 Business Days

\* The present minimum application amount is Rs. 5,000/-. Units of AISF and AIIF (including fractions thereof) shall be issued against the amount received from the Subscriber in accordance with the terms of the Offering Documents of AISF and AIIF. The Management Company may alter the minimum application amount from time to time under intimation to the Trustee and announce it on its website.

#### **4. Features and Administrative Arrangements**

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- 4.1 It provides average returns from both markets as a trade-off for the benefit of lower risk from diversification.
- 4.2 The volatility of returns is also less than investment in 100% equity, since equity exposure is equally balanced with debt exposure.
- 4.3 A Subscriber may invest through the Islamic Balanced Plan by filling out the prescribed Form and submitting it along with the investment amount (drawn in favor of CDC-Trustees Atlas Funds – Islamic) with a Distributor.
- 4.4 The Islamic Balanced Plan Subscriber (hereinafter referred to as the Subscriber) may also select a systematic investment plan through which the Subscriber may invest predetermined amounts on a monthly basis. The Subscriber may also alter the monthly savings amount, provided that such amount is not less than the minimum amount fixed by the Management Company from time to time.
- 4.5 The Subscriber shall send to the Distributor the monthly contributions under the systematic investment plan 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 payment(s) for any reason, the account will remain live and amount outstanding in the Balanced Plan would continue to remain in the Plan and be reallocated as mentioned in Para 4.10 below. The Subscriber may continue the monthly payments at any stage.
- 4.6 On receipt of investment amount at the time of opening an account or subsequently for purchase of Units under the Islamic Balanced Plan, the Units shall be allocated at the respective Net Asset Value applicable for AISF and the AIIF on the day the payment and the Application Forms are lodged with the Distributor.
- 4.7 The Transfer Agent shall send an Account Statement to the Subscriber within fifteen 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. Certificates representing Units purchased under this plan shall not be issued and the Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.
- 4.8 Cash dividends declared on the respective Units held in the Islamic Balanced Plan shall be reinvested in the respective Funds to which such dividends relate in proportion to the weight applicable to the Account at that point in time. However, Subscribers may opt to receive the dividends in cash by way of transfer to their designated bank accounts from each Fund in the plan. The reinvested dividend amount shall however be redeemable at the Redemption Price at any point in time.
- 4.9 Units purchased out of dividends, shall be issued at the Net Asset Value of the respective funds (without any load); AISF and AIIF.
- 4.10 The account shall be reallocated every quarter or earlier in the event that there is a 10% variation in the allocation percentages due to market conditions, between the two Funds so as to ensure that the investment is divided between the two Funds in proportion to the weight of the investment applicable for that year for the Plan. In the event that the stock market goes up resulting in an increase in the relative weight of the investment in AISF, the surplus will be cashed (redeemed) and invested in AIIF and vice versa. The Management Company may however, with the approval of the Commission, under intimation to the Trustee and with notification to the Unit Holders change the reallocation frequency or percentage from time to time.
- 4.11 The account shall be reallocated on the last Subscription Day of the quarter. In the event of an earlier reallocation due to a variation of 10% in the percentage allocation, the

- account shall be reallocated on the Subscription Day on which the percentage allocation reaches or exceeds 10%. This allocation will be in addition to quarterly reallocation.
- 4.12 The reallocation shall be at the NAV of the respective Funds; AISF and AIIF; on the relevant Subscription Day plus duties and charges not exceeding one half of one percent. The Management Company at its discretion may reduce charges reduced or not process charges for such reallocations.
  - 4.13 The Registrar shall not record a pledge/lien on the Units held in the Balanced Plan. Certificates representing Units purchased under this Administrative Plan shall not be issued.
  - 4.14 The Subscriber may submit a redemption request for redeeming partial or all Units purchased under the Islamic Balanced Plan. In case of partial redemption, the Units shall be redeemed in the same proportion (weight) of the investment applicable for that year for the Plan for purchasing the Units in the two Funds. The redemption proceeds shall be payable in accordance with the Offering Documents of AISF and AIIF.
  - 4.15 The Subscriber may also convert the Units held by him in the Islamic Balanced Plan into the units of any other schemes/ plans/ Funds being offered by the Management Company and vice versa, subject to such terms and conditions as set forth by the respective offering documents /Trust Deeds. Such conversions to/from the Balanced Plan shall be at the NAV of the respective Funds; AISF and AIIF plus administrative charges not exceeding one half of one percent.
  - 4.16 In the event of winding up of AISF and/or AIIF, the Balanced 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 AISF and/or the AIIF.
  - 4.17 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 welcome 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. Risk Disclosure**

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- 5.1 In addition to the risks disclosed in the Offering Documents of AISF and AIIF, the investment in the Islamic Balanced Plan is exposed to the following risks:
  - 5.1.1 The NAVs of the Funds 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.
  - 5.1.2 The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the respective Funds invest.
  - 5.1.3 Owing to the volatile nature of the stock market, the Islamic Balanced Plan may suffer losses in the short term. Thus an investment in the Islamic Balanced Plan, to the extent of it being in the AISF, would be exposed to higher risk and possible loss of capital, which may be recovered if the investment is retained for the long term.
  - 5.1.4 Subscribers in the Plan are not offered any guaranteed returns.
  - 5.1.5 The target amount of saving and accumulation of the returns thereon in the AIIF are based on best estimates of the performance of the Income Fund and is dependant 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 AIIF. Similarly, the target amount of saving and accumulation of the returns thereon in the AISF are based on best estimates of the performance of the stock

market and the Management Company's actions based on the expected performance. There is no guarantee as to the actual performance of the AISF.

- 5.1.6 Subscribers may note that the Fund Manager's investment/ asset allocation decisions for the Funds may not be always profitable
- 5.1.7 Whereas it is expected that a long-term investment in the stock market related to the AISF is likely to outperform the AIIF, a prolonged downturn in the stock market may not allow the recovery within a targeted investment period.
- 5.1.8 The process of continuous reallocations of account balance between the AISF and AIIF can, under extreme circumstances, result in a higher exposure ( not more than 10% variation from required asset allocation) of the overall investment to the AISF, thereby increasing the risk level of exposure and the possibility of loss of capital.
- 5.1.9 The AISF and the AIIF are subject to being wound up under certain circumstances as explained in their respective Offering Documents. In the event of either of the Funds being wound up, the Islamic Balanced 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 AISF and/or the AIIF.

## 6. Investment Pattern

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Asset Class	%age Allocation
AISF	50%
AIIF	50%

## 7. All Other Matters

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

- 8. **“Subscriber”** means a Unit Holder in the Atlas Islamic Fund and/or the Atlas Islamic Income Fund, as the case may be.
- 9. **“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.
- 10. **“Subscription Day”** means every Business Day, on which stock exchanges are open in Pakistan , provided the Management Company may, with the prior written consent of the Trustee , and upon giving not less than 7 days notice in at least two widely circulated newspapers , declare any particular Business Day not to be a Subscription Day.

**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.