

THE INVESTORS ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE OFFERING DOUCMENT IN PARTICULAR THE RISK FACTORS MENTIONED AT PARA (2.9) BEFORE MAKING ANY INVESTMET DECISION.

Atlas Islamic Income Fund

Offering Document

Managed by:

**Atlas Asset Management
Limited**

**Atlas Islamic Income Fund
Offering Document
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OFFERING DOCUMENT OF ATLAS ISLAMIC INCOME FUND (AIIF)

MANAGED By

Atlas Asset Management Limited (AAML)

{An asset management company registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003}

Date of Publication of this Offering Document: October 7, 2008

Initial Offering Period: October 14, 2008 to October 18, 2008 (Both days inclusive)

INTRODUCTION

The Atlas Islamic Income Fund (the Fund/the Scheme/the Trust/AIIF) has been established through a Trust Deed, entered into between Atlas Asset Management Limited (AAML), the Management Company and Central Depository Company of Pakistan Limited (CDC), the Trustee and is registered under the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the Regulations).

The provisions of the Trust Deed govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in the Fund. Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager or other financial adviser.

Investors must recognize that all investments involve varying levels of risk. It should be clearly understood that the Fund's portfolio will be subject to market fluctuations and risks inherent in all such Investments. The value of Units of the Fund may appreciate as well as depreciate and the level of dividends declared by the Fund cannot be assured. Investors are requested to read the Risk Disclosure and Warning statements contained in clause 2.9, clause 2.10 and clause 11 respectively, in this Offering Document.

All Investments made by AIIF will be made in adherence with the principles of Shariah as advised by the Shariah Board. It is possible that the effect of the Shariah compliance on Investments of the Fund may result in AIIF performing differently from other funds with similar objectives, which are not subject to Shariah compliance.

REGULATORY APPROVAL AND CONSENTS

Approval of the Securities & Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has registered Atlas Islamic Income Fund, as a notified entity and has authorized the offer of Units of Atlas Islamic Income Fund (the Fund) under Regulation 61 of the Regulations vide letter No. NBFC-II/AD/ AAML/ 378/2008, dated May 22, 2008. The SECP has also approved this Offering Document, under Regulations 63 of the Regulations vide letter No. NBFC-II/DD/AIIF/757/2008, dated September 12, 2008.

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

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The provisions of the Trust Deed, the Rules and the Regulations (as amended and replaced from time to time) govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in the Fund. Prospective investors should consult one or more from amongst their legal advisor, stock broker, bank manager or other financial advisor. Investors must recognize that all investments involve varying level of risk. The portfolio of the Fund consists of both equity securities (purchased in ready market with simultaneous sale in the future market to earn a spread), as well as debt securities, listed as well as unlisted, that are subject to market fluctuations and risks inherent in all such investments. Neither the value of Units in the Fund, nor the dividend declared by the Fund is or can be assured. Investors are requested to read the Risk Disclosures, Disclaimer and Warning Statements contained in clause 2.9, clause 2.10 and clause 11 respectively in this Offering Document.

Filing of the Offering Document

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with the SECP. Copies of the following documents can be inspected at the registered office of the Management Company or the place of business of the Trustee:

1. The SECP letter No. NBFC-II/21/AAML/AMC/7/2007, dated May 29, 2007 confirming AAML's renewal of license to carry out Asset Management Service;
2. The SECP letter No. NBFC-II/29/AAML/IA/10/2007,, dated August 13, 2007 confirming AAML's renewal of license to carry out Investment Advisory Services;
3. Trust Deed (Deed) of Atlas Islamic Income Fund dated May 7, 2008 between AAML as the establisher and the Management Company and CDC as the Trustee;
4. SECP's Letter No NBFC-II/ AD/ AAML/ 378/ 2008, dated May 22, 2008 registering Atlas Islamic Income Fund, as a Notified Entity;
5. SECP's Letter No. NBFC-II/AD/AAML/317/2008, dated May 2, 2008 approving the appointment of CDC as the Trustee of Atlas Islamic Income Fund;
6. Letters No. AC3/208/2008, dated August 21,2008 from Ford, Rhodes, Sidat Hyder & Co., Chartered Accountants, Auditors of Atlas Islamic Income Fund, confirming the subscription to the units of the AIIF by Core Investors and Pre-IPO investors;
7. SECP's letter No. NBFC-II/DD/AIIF/757/2008, dated September 12, 2008, approving this Offering Document.
8. Confirmation of the Shariah Advisers of the Fund that the provisions of the Trust Deed and this Offering Document are in compliance with Shariah vide letter dated March 17, 2008 and June 02, 2008.

1. **CONSTITUTION OF THE SCHEME**

1.1 Constitution

The AIIF is an open-end fund and has been constituted by a Trust Deed entered into at Karachi on May 7, 2008, between:

Atlas Asset Management Limited (AAML), a Non-Banking Finance Company incorporated under the Companies Ordinance 1984 and licensed by SECP to undertake asset management services, with its registered office at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi – 75600, as the Management Company; and

Central Depository Company of Pakistan Limited (CDC), a public limited company incorporated under the Companies Ordinance, 1984 with its registered office at CDC House, 99-B, Block ‘B’, S.M.C.H.S, Main Shakra-e-Faisal, Karachi, Pakistan, as the Trustee.

1.2 Registered Address, Place and Date of Creation

The registered address of AAML is Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi - 75600. The Trust was created on May 7, 2008. The official web site address of AAML is www.atlasfunds.com.pk

1.3 Trust Deed

The Deed is subject to and governed by the Non Banking Finance Companies and Notified Entities Regulations, 2007 (the Regulations), the Non-Banking Finance Companies (Establishment & Regulation) Rules 2003 (the Rules), as amended and replaced, Securities and Exchange Ordinance 1969, the Companies Ordinance 1984 and all other applicable laws, regulations, circulars and guidelines. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Offering Document and the Trust Deed, the later shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Trust Deed and the Rules and the Regulations, the latter shall supersede and prevail over the provisions contained in the Trust Deed.

1.4 Modification of Trust Deed

The Trustee and the Management Company, acting together and with the approval of SECP, shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Deed on any of the following grounds:

- (i) To such extent as may be required to ensure compliance with any applicable laws, rules and regulations or any amendment of such laws and regulations;
- (ii) To enable the provisions of the Deed to be more conveniently and efficiently implemented
- (iii) To enable the Units to be listed on a stock exchange or any other exchange;
- (iv) To the benefit of the Unit Holders; or
- (v) To comply with the provisions of Shariah

Provided that in case of (ii), (iii) and (iv) above, such alteration or addition shall not prejudice the interest of the Unit Holders; and that, in any event, it shall not release the Trustee or the Management Company of their responsibilities. Where the Deed has been altered or supplemented, the Management Company shall notify to the Unit Holders at their respective registered addresses and the dispatch of such notices to the Unit Holders will be announced in two daily newspapers having their primary circulation in Pakistan.

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However, if the Commission (SECP) modifies the Rules and Regulations, these will be deemed to have been included in the Trust Deed without requiring any modification as such.

1.5 Offering Document

This Offering Document is governed by the provisions of the Trust Deed and of the Rules and the Regulations and the Islamic Shariah as advised by the Shariah Board. It sets forth the information about the AIIF that a prospective investor should know before investing in any Unit. AAML accepts responsibility for the accuracy of the information herein contained as of the date of publication.

1.6 Modification of Offering Document

The Trustee and the Management Company, acting together and with the approval of SECP, shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Offering Document on any of the following grounds:

- (i) To such extent as may be required to ensure compliance with any applicable laws, Rules and Regulations or any amendment of such laws, Rules and Regulations;
- (ii) To enable the provisions of the Offering Document to be more conveniently and efficiently implemented
- (iii) To enable the Units to be listed on a stock exchange or any other exchange;
- (iv) To the benefit of the Unit Holders; and
- (v) To comply with the provisions of Shariah

Provided that in case of (ii), (iii) and (iv) above, such alteration or addition shall not prejudice the interest of the Unit Holders; and that, in any event, it shall not release the Trustee or the Management Company of their responsibilities. Where the Offering Document has been altered or supplemented, the Management Company shall notify to the Unit Holders at their respective registered addresses and the dispatch of such notices to the Unit Holders will be announced in two daily newspapers having their primary circulation in Pakistan.

However, if the Commission (SECP) modifies the Rules and Regulations, these will be deemed to have been included in the Offering Documents without requiring any modification as such.

1.7 Duration

The duration of the Fund is perpetual. However, the SECP or the Management Company may, on the occurrence of certain events, wind it up as stated in clause 13 of this Offering Document under the heading **“Termination of Atlas Islamic Income Fund”**.

1.8 Units

The Fund is divided into Units having an initial Offer price of Rupees. 500/= (Rupees Five hundred only) each. This price is applicable to Core Units and Units that are issued before the Initial Public Offer. Thereafter, the Units shall be issued and redeemed on the basis of the Net Asset Value (NAV) of AIIF, which shall form the base for determining the Offer and Repurchase Prices.

To summarize, the Units shall be issued and redeemed as under:

- Core Investors and Pre-IPO Investors: At par value, without any Sales Load;
- IPO investors: Based on NAV, without Sales Load – there will be no redemption during IPO;
- After IPO: Offer and Redemption based on NAV and Sales Load will be applicable.

All Units and fractions thereof represent an undivided share in the Fund and rank pari- passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in AIIF proportionate to the Units held by such Unit Holder. For

the convenience of investors, the Management Company may issue Units with different options for different arrangements after consulting the trustee and getting prior approval from the Commission.

1.9 Classes and Types of Units

The Management Company may issue the following Classes and Types of Units:

1.9.1 Classes of Units

- (i) Class “A” Units issued during and prior to IPO, without any Sales Load are further categorized as under:
- Class “A” (Core Units) of the value of Rupees one hundred million, divided in to 200,000 Units at the par value of Rupees 500/= each issued to the Core Investors with no Sales Load. The Core Units are issued under following restrictions:
 - a. “Restricted Core Units”, which comprise 100,000 Units issued under the condition that these cannot be redeemed for a period of two years from the date of closure of Initial Public Offer (IPO). These are transferable during the restricted period, subject to the applicability of non redemption condition for the remaining two years’ period.
 - b. “Unrestricted Core Units” are issued without any restriction on redemption.
 - Class “A” Units offered and issued at Par Value during Pre-IPO with no Sales Load ;
 - Class “A” Units offered and issued at price based on NAV during IPO with no Sales Load;
- (ii) Class “B” Units, offered and issued after the Initial Period with Sales Load.

1.9.2 Types of Units for each classes of Units

Growth Units: The Unit value grows in line with the growth in the NAV, and the Unit Holders, shall have the option to receive distribution income in the form of cash or bonus units, as and when announced by the Management Company. The Unit Holders shall choose one of the following two options at the time of investment or later.

1. Growth Units with the option of receiving a cash dividend at the time of distribution.
2. Growth Units with the option of receiving bonus units at the time of distribution.

1.10 Open-end Fund

AIIF shall offer and redeem Units on a continuing basis, subject to terms contained herein and to the Rules and Regulations. There is no 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. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investors’ accounts, as per clause 4.5. Fractional Units will be issued to enhance economical and efficient handling. Units are 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. Certificates representing the Growth Units will be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rupees 25/= per certificate, subject to revision of this fee from time to time by the Management Company.

1.11 Initial Public Offer

Initial Offer is made during the Initial Period which will be five Business Days and begins at the start of the banking hours on October 14, 2008 and shall end at the close of the banking hours on October 18, 2008 (October 17, 2008 for overseas banks/ investors). During the Initial Period, Units will be issued at the NAV of these Units, calculated at the close of the Business/ Dealing Day, without applying any Sales Load. During the Initial Period, Units will not be redeemed.

1.12 Transaction in Units after Initial Offering Period

After the Initial Offer, the Units can be purchased at the Offer Price and redeemed at the Redemption Price. The Management Company will fix the Offer and Redemption Prices on every Dealing Day, based on the NAV of Units at the close of the Business/ Dealing Day. In the event the Stock Exchange or financial market is not opened on any Business/ Dealing Day, the NAV for that day will be determined by adjustment for the accrual of income/ expenses or any losses. The Unit price shall be fixed after adjusting for the Front-end Load or the Back-end Load as the case may be and any Transaction Costs that may be applicable. Except for circumstances elaborated in clause 4.10 of this Offering Document, such prices shall be applicable to Purchase and Redemption requests, complete in all respects, received during the business hours on the Dealing Day.

2. INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

2.1 Investment Objective

The Fund’s primary objective is to provide investors with a good and stable rate of current income consistent with long-term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium, and short term, high quality Islamic income instruments.

2.2 Investment Policy

(i). Atlas Islamic Income Fund (AIIF) will invest only in Shariah compliant income instruments to provide regular Halal income to investors. Considering the low risk tolerance of the investors of an income fund, the key objective will be to earn competitive returns while containing the risk (volatility) of the returns to a minimum i.e. providing higher risk adjusted returns. The Fund may invest up to 30% of its Net Assets, subject to a maximum amount of USD 15 million, outside Pakistan. This flexibility, of choosing from a bigger and geographically more diversified universe of investments, is expected to add to the stability of the income stream provided by the Fund. The performance of the Fund will be compared against a benchmark based on the most recently published average three months profit rate of three Islamic Banks in the country. The performance of the Fund and the benchmark will be reported to investors, at least on a quarterly basis. Atlas Islamic Income Fund is an Income Fund and its “Authorized Investments” would comprise of diversified Portfolio of Shariah-compliant investments including Shariah-compliant investments available outside Pakistan. The allocation between various investments will depend on prevailing market conditions and opportunities and will comprise the following investments:

(ii). Investment Avenues shall be Shariah compliant and approved by the Shariah Advisors and include the following.

	Asset Class	Minimum Entity rating	Minimum Instrument Rating	Exposure limit (% of net assets)
				Maximum
(i)	Certificates of Investments/ COM based on Shariah Compliant Structures	A(-)	A(-)	70%

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(ii)	Bank Deposits in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks	A(-)	-	30% under normal circumstances (see Note below*)
(iii)	Daily product Bank Accounts and Shariah Compliant profit bearing accounts	A(-)		40% under normal circumstances In case of substantial change in AUM, the management Company will bring the account within limit during a specified period, as allowed under the Regulations.
(IV)	Placements of Funds under Mudarabah, Musharikah and Murabaha arrangement. **			
IV(a)	If rating of the entity and/or instrument is available	A(-)	A(-)	70%
Iv(b)	If rating of the entity and/or instrument is not available **	(see below) **		40%
(v)	Spread Transactions, against approved Shariah-compliant instruments as per regulation.			50%
(VI)	Shariah compliant income instruments/ securities including Sukuks issued by local governments, government agencies, statutory bodies, private and or public sector entities and / or Financial Institutions**			
Vi(a)	Secured & Privately placed	A(-)	A(-)	70%
Vi(b)	Secured & Listed	A(-)	A(-)	80%
Vi (c)	Unsecured & Privately Placed	A(-)	A(-)	30%

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Vi(d)	Unsecured & Listed	A(-)	A(-)	40%
(vii)	Contracts , debt securities , instruments issued by companies, organizations and establishments issued on the principals of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Mudarabah, Musharikhah, Ijarah and Murabahah **	A(-)	A(-)	100%
(viii)	Shariah compliant Investments in overseas markets (subject to prior written approval from SECP)			30% subject to a cap of US\$15 million at the time of investment
(ix)	Any other Shariah Compliant Instruments that may be allowed by the Commission from time to time and is as per the guidelines of the Fund's Shariah Advisor and under such parameters as mentioned in the Risk Management Policies of the Management Company.	A(-)		

In the above, where rating under both entity and instrument have been mentioned, either one of the two having the minimum required rating would suffice.

* The Fund Manager will endeavor to deploy not more than 30% in this asset class. However, in case of additional attractive opportunities arise in this asset class; additional funds may be deployed here subject to a maximum of 70% of Net Assets.

** Where credit rating is not available for either the entity or instrument in these categories, the management company, before making an investment decision, will assign an Internal rating, based on quantitative and qualitative factors of the Company or the issuer and a satisfactory Corporate Credit Information Report issued by the State Bank of Pakistan. Such factors will ensure that the issuer has good sponsor backing and further include the Balance sheet composition with respect to debt coverage ability & profitability of the entity issuing it, with due consideration given to the cash flow position of the company and consider the business risk for assigning the rating. The investment will be subject to the cut off scoring being decided by the management company on the above mentioned parameters in order to make investment decision.

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- (iii). During Initial period, the Trustee shall hold the Fund Property on deposit in a Shariah compliant account with banks with a minimum investment grade rating. Such amount may also be invested from time to time in short term investments. After the Initial Period, all Fund Property, except in so far as such amount may, in the opinion of the Management Company, be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investments as may (subject to the provisions of the Trust Deed, this Offering Document, the Rules, the Regulations and the Islamic Shariah, as advised by the Shariah Advisors) be directed by the Management Company.
- (iv). Any investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other authorized investment or to provide the cash required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any investment which ceases to be an Authorized Investment shall be realized within three months and the net proceeds shall be applied in accordance with this clause. It is clarified that the proceeds of the investment realized as aforesaid shall be kept by the Trustee in the accounts of the Fund.
- (v). The purchase or sale of any investment in listed securities for the account of the Trust shall be made on a Stock Exchange through a Broker, who must be a member of the Stock Exchange, unless the Management Company is satisfied that it is possible, subject to applicable law, to make such purchase or sale more advantageously in some other manner. The broker shall be appointed from time to time by the Management Company. The Management Company shall not employ, as a broker, directly or indirectly any of its directors, officers or employees of the Management Company or a Trustee or a person who beneficially owns, whether individually or in association with close relatives, ten per cent or more of the equity or other securities with voting rights, if any, issued by the Management Company, without the prior approval of the SECP.
- (vi). The Management Company shall not enter into transactions with any broker, which exceed ten per cent of the commission paid by a collective investment scheme in any one accounting year; subject, however; that such broker shall not have a common director, officer or employee with the Management Company.
- (vii). Subject to regulatory approvals, the Fund may seek to invest in foreign debt or fixed income securities Shariah Compliant securities issued, listed or otherwise traded outside Pakistan on such terms, guidelines and directions as may be issued by the Commission and/ or State Bank of Pakistan from time to time.

2.3 Investments outside Pakistan

- (i). The Investments outside Pakistan will enable the Fund to diversify the risk as well as avail opportunities for higher returns in markets that are undervalued. Such Shariah Compliant Investments (subject to approval of the SECP/SBP/Shariah Advisory Board) may be made up to 30% of net assets of the Fund and are subject to a maximum limit of US\$ 15 million. At some time in the future, the Management Company may expand this limit after seeking permission from the SECP and the State Bank of Pakistan and under intimation to the Trustee. The limit to international investment will apply at the time of investment and it will not be necessary for the Trustee to sell any investment merely because, owing to appreciation or depreciation of any investment, change in foreign exchange parities, disposal of any investment or change in limit due to increase or decrease in Units, such limit shall be exceeded. In case, due to the relative movement of the value of foreign Investment and/or change in the

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limit, the value of foreign investment exceeds the above limit, the Management Company will have three months to bring the Fund into compliance.

- (ii). The Fund Property can be invested in Shariah Compliant international investments with the prior approval of the Shariah Advisers including the following:
 - International Shariah compliant income instruments;
 - Foreign currency Shariah compliant bank deposits & Certificates of investment;
 - Foreign currency Shariah compliant bank accounts in Pakistan;
 - Shariah compliant income mutual funds, Sukuks, structured products
- (iii). The Fund may engage in sale/repurchase transactions of sovereign risk securities and listed securities provided that the transactions are regulated by a Stock Exchange or take place with a bank or financial institutions as a counter-party or done through a bank or a financial institution acting as an intermediary. Such Shariah compliant investments will be subject to approval of the SECP/SBP/Shariah Advisory Board.
- (iv). While investing internationally, the Fund Property will not be placed in any investment that has the effect of leveraging the Fund and if any such instrument/security is used, it must be supported by investment in spot or money market such that the effect of leverage is cancelled out.
- (v). Associated Companies and Companies in parent subsidiary relationship shall be treated as group companies even if registered / listed in different countries and any prescribed limit on group exposure shall apply to such companies.

2.4 Investment Restrictions

- (i). The Management Company in managing the Scheme shall abide by all the provisions of the Rules and Regulations.
- (ii). The Fund Property shall be subject to such exposure limits as are provided in the Rules and Regulations, (subject to any exemptions that may be specifically allowed to the Fund by the Commission). Provided that it shall not be necessary for the Trustee to sell any Investment merely because any limit was exceeded owing to appreciation or depreciation of any Investment or disposal of any Investments or redemption of units. The Management Company will have three months to comply with the exposure limits in case such limits are exceeded.
- (iii) If and so long as the value of the holding in a particular security, company or sector shall exceed the limit imposed by the Rules and Regulations, the Management Company shall not purchase any further Investments in such security, company or sector. However, this restriction on purchase shall not apply to any offer of right shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust. The Management Company will have three months to comply with the exposure limits in case such limits are exceeded.
- (iv) The Trust 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 of Trustee or to any person who beneficially owns ten per cent or more of the equity of the Management Company or the Trustee, save in the case of such party acting as an intermediary.
- (v) The Trust will not at any time:
 - a. Purchase or Sell:
 - Bearer securities
 - Securities on margin
 - Commodities contracts or commodities and real estate

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- Securities which result in assumption of unlimited liability (actual or contingent)
 - Anything other than Authorized Investments as defined herein;
 - (The restriction will not apply to right offering, in case of convertible debt instruments; however, such investment will be regularized within three months.)
- b. Make short sales of any security or maintain a short position in securities
- c. Purchase any security in a forward contract
- d. Make any Investments that are not compliant with the Islamic Shariah;
- e. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or take over;
- f. Pledge any of the securities held or beneficially owned by it, except for its own benefit;
- g. Make a loan or advance money to any person except in connection with the normal business of the Scheme, subject to the limits specified under the Rules and Regulations;
- h. Apply any part of its assets to real estate (save and except that the Management Company may invest in securities secured by real estate or interest therein or equity securities issued by companies that invest in real estate or have interest therein);
- i. Make an Investment in a company which has the effect of vesting the management or control over the affairs of such company, in the Scheme;
- j. Employ as a broker, directly or indirectly, any director, officer or employee of the Fund or its Management Company or any Connected Person or member of the family of such person and enter into transactions with any Connected Broker, which shall equal or exceed 10% of the transactions of the Fund in any one Accounting Year of that Fund; provided that such broker shall not have a common director, officer or employee with the Management Company.
- i. Investment of the Scheme in any security shall not, at any time, exceed an amount equal to 10% of the total Net Asset Value of the Scheme at the time of investment or 10% of the issued capital of the investee company whichever is lower.
- ii. The Management Company shall not buy or sell put or call options on behalf of the Fund in excess of 10% of NAV that result in an exposure beyond the exposure limit of underlying Shariah Compliant fixed income, Shariah Compliant money market or other securities held in the portfolio of the Fund.
- iii. The total exposure in any single group shall not exceed more than thirty five per cent of the Net Assets of the Scheme or ten per cent of its Net Assets in listed group companies of the Management Company.
- iv. Acquire any security of which another asset management company managing a collective investment scheme is the issuer.
- v. Issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness.
- vi. Apply for de-listing from stock exchange, unless it has obtained prior approval of the Commission in writing to the scheme of de-listing.

2.5 Exceptions to Investment Restrictions

- (i) The Fund may deposit securities, for facilitation or guaranteeing settlement of its own trades and transactions in favor of an exchange or clearing house or national clearing and settlement system, on acquiring associate membership of the concerned settlement system. The securities, however, shall not be pledged for any other reason with any other person or entity, except for purpose stated in clause 2.6 below.
- (ii) In the event, the weightages of securities exceeds the limits laid down in the Offering Document or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestments, the Management Company shall bring the exposure within the prescribed limits within three months of the event. But, in any case, the Management

Company shall not invest further in such shares or sectors while the deviation exists. However, this restriction on further investment shall not apply to any offer of right shares and bonus shares.

2.6 Borrowing and Borrowing Restrictions

- (i). Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company shall arrange finance, with the approval of the Trustee, with Shariah compliant Banks or Financial Institutions or Islamic windows of conventional Banks and Financial Institutions for arranging finance.
 - The borrowing shall be resorted to only for the purpose of redeeming any Units;
 - The charge payable to Islamic Bank and Financial Institution or Islamic windows of conventional Banks and Financial Institutions shall not be higher than the normal bank charges;
 - The maximum borrowing for the account of the Trust shall not exceed the limit provided in the Regulations (fifteen percent of the total Net Asset Value) but if subsequent to such borrowing, the Net Assets have decreased as a result of depreciation in the market value of the Fund Property or redemption of Units; the Management Company shall not be under any obligation to reduce such borrowing on account of the Trust;
 - The amount so borrowed shall be repayable within a period of ninety days or such time prescribed by the Regulations;
- (ii). Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions.
- (iii). The Trustee or the Management Company shall not in any manner be themselves liable for repayment of such loans or advances.
- (iv). Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.
- (v). Such borrowing shall not be on such terms that are in contravention of the Shariah.
- (vi). For the purposes of securing any such borrowing, the Trustee may with the approval of the Management Company mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules and/or any law for the time being in force.

2.7 Restriction on Transactions with Connected Persons

- (i). The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company in their individual capacities own more than ten per cent of those securities.
- (ii). The Fund 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 (10%) or more of the equity of the Management Company or the Trustee or the major shareholders of the Trustee Company, save in the case of such party acting as an intermediary.
- (iii). The Management Company shall not employ as a broker, directly or indirectly, any of its directors, officer or employee or a member of a family of such person and enter into

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transactions with any connected broker, which shall equal or exceed ten percent or more of the transactions of AIIF in any one Accounting Period of that scheme; subject, however, that such connected broker shall not have a common director or officer or employee with the investment adviser or asset management company or investment company;

- (iv). For the purpose of sub-paragraphs (i), (ii) and (iii) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- (v). All transactions carried out by or on behalf of the Scheme shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual report.
- (vi). No person shall be allowed to enter on behalf of the Scheme into underwriting or sub-underwriting contracts without the prior consent of the Trustee, unless the same is made permissible by the Commission at the relevant time and the Management Company provides in writing that all commissions and fees payable to the Management Company under such contracts and all investments acquired pursuant to such contracts shall form part of the Schemes assets.
- (vii). Subject to the Rules and Regulations, any transaction between the Trust and the Management Company or any of their respective Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- (viii). Money can be borrowed from the Trustee or any other institutions, provided that the charges are not higher than the normal bank charges.
- (ix). Cash forming part of the Deposited Property of the Scheme shall be placed as deposit with Trustee or an institution licensed to accept deposits.
- (x) **Direct transactions (other than those carried out on the trading system of the exchange) between collective investment schemes of the same asset management company, as the case may be, shall be notified to the Commission within two days of such transactions and shall be disclosed in quarterly and annual accounts of the collective investment schemes.**

2.8 Valuation of Fund Property

- (i). A security listed on a stock exchange, local or foreign as the case may be, shall be valued at its last sale price on such exchange on the date it is valued or, if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and, if no sale is reported for such date, the security shall be valued at an account not higher than the closing asked price nor lower than the closing bid price.
- (ii). A debt security listed but not traded regularly on a stock exchange and the unlisted debt security, which are traded through broker and where rates at which these are traded are available shall be valued at the average rate, notified by the Mutual Funds Association of Pakistan (MUFAP) based on the average rates quoted by top three brokers, in terms of volume traded during last three months in that debt security, and record of such rates shall be maintained by the Management Company and MUFAP for a period of at least three years and shall be posted on website of the MUFAP.
- (iii). An Investment purchased, and awaiting payment against delivery shall be included for valuation purposes. An investment sold, but not delivered pending receipt of proceeds, shall be valued at the net sale price.

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- (iv). The value of any mark up income, bonus or rights, which the Fund may have been entitled on securities in the portfolio but not received by the Fund as of the close of the business on the valuation date, shall be included as assets of the Fund if the security, upon which such income, bonuses or rights were declared, is included in the assets and is valued ex-income, ex-bonus or ex-rights, as the case may be.
- (v). Profit accrued on any profit bearing security in the portfolio shall be included as an asset of the fund if such accrued profit is not otherwise included in the valuation of the security.
- (vi). A derivative shall be valued in accordance with the method prescribed by the Commission, if any, or otherwise, in accordance with generally accepted accounting principles.
- (vii). A security not listed or quoted on a stock exchange, other than a government or debt security, shall be valued at investment price or its break up value as per last audited accounts, whichever is lower..
- (viii). For International Investments and foreign currencies, valuation/conversion will be carried out in consultation with Auditors and will be disclosed in the financial statements of the Fund.
- (ix). Any other income accrued up to the date on which computation was made, shall also be included in the assets.
- (x). All liabilities, expenses, taxes and other charges, due or accrued up to the date of computation, which are chargeable under the Trust Deed, shall be deducted from the value of assets.
- (xi) The remuneration accrued up to the date of computation payable to the investment adviser or asset Management Company, as the case may be, for providing management and other services shall be included as an expense.
- (xii) A government security not listed on a stock exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security.
- ~~(xiii)~~ Any such method of valuation of assets and liabilities as may be specified or modified by the Commission from time to time.

The valuation shall be conducted as at the close of the Business Day in Pakistan. For international Investments, valuation will be carried-out one hour before the close of the Business Day in Pakistan according to the price of securities at or around that time or, if the price is not available, valuation will be carried out at the closing price of securities at the end of the last Business Day in the country in which the securities are quoted.

The valuation methods prescribed in the Rules and the Regulations will be used, unless the Rules and Regulations are amended or a different valuation method is prescribed by the Commission. For any asset class, where no specific methods or valuation is prescribed in the Rules, the guidance from the Commission shall be sought, which shall be followed.

2.9 Risk Disclosure & Disclaimer

- (i). Investment process requires disciplined risk management. The Management Company would incorporate adequate safeguards for controlling risks in the portfolio construction process of

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AIIF. The risk control process involves reducing risks through optimal portfolio diversification. AAML believes that this diversification would help achieve the desired level of consistency in returns. AAML investment team aims to identify securities following proper credit evaluation of the securities proposed to be invested in. It will be guided by the ratings of Rating Agencies that are registered with SECP or any other reputed international credit rating agencies. In case a debt instrument is not rated, necessary clearance of the Investment Committee will be obtained for such an investment.

b. Performance Risk

Performance risk is the uncertainty relating to the performance of the fund with respect to its ability to earn consistent income stream as outlined in its investment objective. The NAV of the fund might go down.

c. Interest Rate Risk

Since AIIF is an income fund, changes in interest rate environment in the economy may affect its Net Asset value as prices of income securities including Shariah compliant income securities may increase as interest rates decline and vice versa.

d. Credit Risk

Credit Risk comprises of Default Risk and Credit Spread Risk. Each can have negative impact on the value of the Shariah compliant income and money market instruments including Sukuks etc:

e. Default Risk

It involves the risk that the issuer of the security will not be able to pay the obligation, either on time or at all.

f. Credit Spread Risk

It involves the risk that there may be an increase in the difference between the return/markup rate of any issuer's security and the return/markup of a risk free security. The difference between this return/markup rates is called a 'credit spread'. Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of Shariah Compliant Income and including Money Market Instruments.

g. Government Regulation Risk

Government policies and the law regulate different sectors of the economy to varying extent. Funds that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and/or the cash flows. Additionally, governmental or court orders may restrain payment of capital, principal or income on any security.

2.10 Disclaimer

The Units of AIIF are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by the SECP, any Government Agency, 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. The portfolio of AIIF is subject to market risks and risks inherent in all such investments. AIIF target return/dividend range cannot be guaranteed. AIIF's Unit price is neither guaranteed nor it is administered or managed. It is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

The Fund may also invest outside Pakistan and such investments outside Pakistan may be exposed to certain additional risk including political, economic and exchange rate risks that may reduce the value of the investments. However, studies show that diversifying internationally would tend to reduce the overall volatility of a portfolio and thus may reduce risks for investors.

All Investments made by AIIF will be made in adherence with the principles of Shariah as advised by the Shariah Advisory Board. It is possible that the effect of the Shariah compliance on Investments of the Fund will result in AIIF performing differently from other funds with similar objectives, but that are not subject to Shariah compliance

3. OPERATORS AND PRINCIPALS

3.1 Management Company

The Fund Manager to the Atlas Islamic Income Fund is:

Atlas Asset Management Limited (AAML)

Ground Floor, Federation House

Sharae Firdousi, Clifton,

Karachi – 75600, Pakistan

(i). Profile of Management Company

Atlas Asset Management Limited (Company) was incorporated on August 20, 2002. The Company is engaged in providing investment advisory and asset management services. It is licensed with the Commission to act as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 vide License Number NBFC-II/21/AAML/AMC-7/2007 dated May 29, 2007. The Company is registered with the Commission to act as a Pension Fund Manager under Rule 5(2) of the Voluntary Pension System Rules, 2005 vide Certificate of Registration No. SECP/PW/Reg-02/2007 dated January 8, 2007. The Company is presently managing three open-end mutual funds, Atlas Income Fund, whose investment strategy is to invest in debt instruments and other fixed income instruments, Atlas Stock Market Fund, which is an equity fund and Atlas Islamic Fund, a Shariah compliant equity fund and a closed-end fund, Atlas Fund of Funds, having an investment strategy of investing in other open-end and closed-end funds. The Company is managing two Pension Funds, Atlas Pension Fund and Atlas Pension Islamic Fund, established under the Voluntary Pension System Rules, 2005. 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.

(ii). Rating

The Company has been assigned an “AM3+” asset manager rating by The Pakistan Credit Rating Agency Limited (PACRA). The rating reflects the Company’s strong capacity to master the risks inherent in asset management and the asset manager meets high investment management industry standard and benchmarks. The rating reflects the Company’s experienced management team, effective risk management framework and a structured investment process.

(iii). Shareholders

The Company has a paid up capital of Rupees 250 million, of which Rupees 220 million is subscribed by Shirazi Investments (Pvt.) Limited, Atlas Group parent company and Rupees 30 million by Atlas Bank Limited, an Atlas Group Company.

▪ **Shirazi Investments (Pvt.) Limited (SIL)**

The parent company of the Atlas Group started its 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 Bank Limited (ABL)**

Atlas Investment Bank Limited (AIB), an Atlas Group Company started its operations in 1990. In July 2001, Atlas Lease Limited, another Atlas Group Company, was merged with AIB. In 2005, the Atlas Group acquired controlling shares of Dawood Bank Limited (DBL). A new banking company viz. Atlas Bank Limited (ABL) was formed after the merger of DBL and AIB. The brokerage business of AIB was transferred to a subsidiary of ABL, namely, Atlas Capital Markets (Pvt.) Limited.

(iv). The Board of Directors of the Management Company

NAME, OCCUPATION AND ADDRESS	OTHER DIRECTORSHIP
<p>Chairman Mr. Yusuf H. Shirazi Business 2, Khayaban-e-Ghazi, Phase V, DHA, Karachi</p>	<p>Atlas Bank Limited Atlas Battery Limited Atlas Engineering Limited Atlas Foundation Atlas Honda Limited Atlas Insurance Limited Honda Atlas Cars (Pakistan) Limited Shirazi Capital (Pvt.) Limited Shirazi Investments (Pvt.) Limited Shirazi Trading Co. (Pvt.) Limited</p>
<p>Mr. Michael Ferrer Business Executive 2/F, 1-3 Homestead Road The Peak, Hong Kong</p>	<p>ING Investment Management (I) Pvt. Ltd ING Asia Pacific (Singapore) Limited ING Investment Management Asia Pacific (Hong Kong) Limited Sequoia Realty Holdings and Development INC.</p>
<p>Director Mr. M. Ashraf Janjua 205, Sky Garden Apartments 14-D, Mohammad Ali Housing Society Tipu Sultan Road, Karachi-75370</p>	<p>None</p>
<p>Director Mr. Tariq Amin Business Executive 34/ II, Khayaban-e-Badar, Phase V DHA, Karachi.</p>	<p>Atlas Bank Limited Barret Hodgson (Pvt.) Limited Orkila Pakistan (Pvt.) Limited Pakistan Gum & Chemicals Limited</p>

<p>Director Mr. Frahim Ali Khan Business Executive 10 – B/II, South Park Avenue, Phase II, DHA, Karachi</p>	<p>Atlas Bank Limited Atlas Engineering Limited Atlas Foundation Atlas Insurance Limited Shirazi Trading Co. (Pvt.) Limited</p>
<p>Chief Executive Mr. M. Habib-ur-Rahman Business Executive 65/ III 25th Street, Khayaban-e-Badban, Phase V DHA, Karachi.</p>	<p>Mutual Funds Association of Pakistan</p>
<p>Executive Director Mr. Ali H. Shirazi Business 2, Khayaban-e-Ghazi, Phase V, DHA, Karachi</p>	<p>Arabian Sea Country Club Atlas Engineering Industries Limited Atlas Insurance Limited Shirazi Capital (Pvt.) Limited Shirazi Investments (Pvt.) Limited Shirazi Trading Co. (Pvt.) Limited</p>
<p>Company Secretary Ms. Lilly R. Dossabhoy D/20-A, Z.C.H.S., Cyrus Minwala Colony, Parsi Gate, Mahmoodabad, Karachi – 75460</p>	<p>None</p>

(v). Profile of the Directors

▪ **Mr. Yusuf H. Shirazi – Chairman**

Mr. Shirazi is the Chairman of Atlas Group of Companies. He is the founder member of the Karachi and Lahore Stock Exchanges, International Chamber of Commerce & Industry, Management Association of Pakistan, Lahore University of Management Sciences, GIK Institute of Science and Technology and Al-Shifa Trust. He has been President of Karachi Chamber of Commerce twice. He is a graduate in Law, and a B.A. (Hons.) from the Punjab University.

Mr. Shirazi has attended the Advanced Management Program (AMP) from the Harvard Business School. He is the founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has served on the Board of Harvard Business School Alumni Association, Boston. He is a visiting speaker at National Defence College, Naval College of War, Pakistan Administrative Staff College, IBA, LUMS and Harvard Business School. He is on the Board of Governors of LUMS, Ghulam Ishaq Khan Institute of Science & Technology (GIK) and Fauji Foundation Institute of Management and Computer Sciences and Member of the Senate of Pakistan Space & Upper Atmosphere Research Commission.

▪ **Mr. Michael Ferrer - Director**

Mr. Ferrer is currently Regional General Manager of ING Investment Management (IIM) Asia Pacific for South Asia, as part of IIM Regional Office in Hong Kong. He is responsible for the investment management operations in Thailand, Malaysia, Singapore, India and the Philippines. Mr. Ferrer has over fifteen years of experience in the financial field and has

worked with the ING Group for over ten years. Mr. Ferrer holds a Bachelor of Economics degree from the University of Philippines.

▪ **Mr. Muhammad Ashraf Janjua – Director**

(Subject to SECP Approval)

Mr. Ashraf Janjua is the Professor (Economics) and Acting Dean of CBM, holds M.A. (Economics) degree from Government College, Lahore (Punjab University) and M.A. Stanford University, California, U.S.A. He also worked in the office of Executive Director for Pakistan at IMF, Washington D.C from 1979-1983. Before joining State Bank of Pakistan in 1966 he has been a Research Economist in the Pakistan Institute of Development Economist (PIDE) and Associate Editor of Pakistan Development Review (PDR), Deputy Governor (Policy) from 1992 to 1995 and subsequently Chief Economic Adviser, State Bank of Pakistan from 1995 to 2004. Among other research work, he is the author of History of State Bank of Pakistan Volume –III (1977-88) and Volume – IV (1988-2003).

▪ **Mr. Tariq Amin – Director**

Mr. Tariq Amin is the Chairman of Orkila Pakistan (Pvt.) Limited (formerly Rhodia Pakistan (Pvt.) Limited), a leading multinational company dealing in chemicals. He is also the Deputy Chairman of Barrett Hodgson Pakistan (Pvt.) Limited. 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 past Chief Executive and Country Manager of Rhone Poulenc, Chairman of the SITE Association of Industry and Trade, President Pakistan France Business Alliance, President Overseas Investors Chamber of Commerce and Industry, Director Karachi Stock Exchange, and a member of the Pay and Pensions Committee, Public Accounts Committee, Sindh, in addition to participating in numerous other corporate and social forums.

▪ **Mr. Fahim Ali Khan - Director**

Mr. Fahim Ali Khan is associated with the Atlas Group since 1967 and has forty years of experience in General Management, Financial Management, Investment Banking, Taxation, and legal matters. He is a graduate in Commerce as well as Law from the University of Karachi. He has been the Chief Executive Officer of Atlas Investment Bank Limited, till the merger with Atlas Bank Limited. He has attended the Senior Managers' Program from Harvard University, USA, and the Financial Management Program from Stanford University, USA.

▪ **Mr. M. Habib-ur-Rahman – Chief Executive**

Mr. M. Habib-ur-Rahman is a Fellow Chartered Accountant from the Institute of Chartered Accountants of England & Wales. He has attended a number management programs, including PMD from Harvard Business School, Economic Development Institute of the World Bank and the International Institute of Islamic Studies, Cairo. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan and was the Chairman/ Chief Executive of then ABAMCO Limited (presently JS Investments Limited) till December 2003. He was a founding member and Vice Chairman of the Mutual Funds Association of Pakistan. He has served on the Board of the Karachi Stock Exchange in 2000, 2001, & 2003, as the nominee of Securities and Exchange Commission of Pakistan. He has also served as a member of the Commission's Advisory Group on Capital Markets and was on the Committee, formed by the Commission to enquire on the management of Exposure Rules by KSE/ LSE.

▪ **Mr. Ali H. Shirazi – Executive Director**

Mr. Ali Shirazi is heading Sales and Investor Services at AAML. He graduated in Political Science from Yale University, thereafter completed his Masters in Law from Bristol University,

UK in 2005. He has previously worked with the Bank of Tokyo- Mitsubishi in New York as well as American Honda in Torrance, California.

▪ **Ms. Lilly R. Dossabhoy – Company Secretary**

Ms. Lilly R. Dossabhoy is a Fellow Chartered Accountant from the Institute of Chartered Accountants of Pakistan. She has been accredited as Certified Director by the Pakistan Institute of Corporate Governance, in recognition of having successfully completed all requirements of the Board Development Series Program. She joined the Company in May 2005 as the Chief Financial Officer & Company Secretary. Earlier, she was associated with M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, a member firm of PricewaterhouseCoopers, for over twelve years.

(vi). Profile of Senior Management:

▪ **Mr. M. Habib-ur-Rahman – Chief Executive Officer**

Please refer to profile given in paragraph (v) above.

▪ **Mr. Ali H. Shirazi – Executive Director**

Please refer to profile given in paragraph (v) above.

▪ **Ms. Lilly R. Dossabhoy – Company Secretary and Chief Financial Officer**

Please refer to profile given in paragraph (v) above.

▪ **Mr. Muhammad Abdul Samad – Chief Investment Officer**

Mr. Muhammad Abdul Samad has over seven years' experience in equity/fixed income research and fund management. He joined Atlas Asset Management Limited (AAML) in November 2005 as a Fund Manager. He was instrumental in the implementation of Equity Investment Process at AAML with the technical assistance of ING. Prior to joining AAML, he was Head of Research at National Investment Trust Limited (NIT). He represented NIT on the Board of a number of companies, listed on the stock exchanges. Mr. Abdul Samad is a MBA (London) with major in Finance. He has also done Master in Commerce (Karachi) securing first class first position (Gold Medalist). He also attended Quantitative Equity Portfolio Management training at ING - Philippines.

▪ **Mr. Hassan Khan – Head of Marketing and Sales**

Mr. Hassan Khan joined Atlas Asset Management Limited as Head of Marketing and Sales in July 2007. Prior to this appointment, he was Vice President – Investment Products Unit (Wealth Management Division) at HBL, where he worked for mutual funds and bank assurance products. He had previously worked with JS Investment as Head of Marketing and Central Depository Company, as a member of the team that launched “Investors Account Service”, a highly successful retail depository product for high net worth individuals. Mr. Hassan Khan holds an MBA degree from the Institute of Business Administration (IBA) Karachi, with majors in Marketing. He is also a qualified Engineer from NED University of Engineering & Technology, Karachi.

▪ **Syed Zeeshan Ali – Head of Information Technology**

Syed Zeeshan Ali holds a Masters of Science in Computer Information Systems from the University of Houston - Clear Lake, Houston, Texas, U.S.A. He has strong experience in planning and implementing projects and procedures from the conceptual stage to LIVE systems. His expertise includes implementing best I.T. practices, development of procedures and policies, designing and implementing network infrastructure, ensuring I.T. security, business applications, ERP, managed backup and disaster recovery procedures. Prior to joining Atlas

Asset Management, he was heading the I.T. department of a large organization and was responsible for implementing mega I.T. projects in collaboration with various Government organizations.

▪ **Mr. Khalid Mahmood - Fund Manager (Equity)**

Mr. Khalid Mahmood holds an MBA degree with Major in Finance from Bahria University. He has nearly five years experience in Equity Research and Fund Management. Prior to joining Atlas Asset Management Limited Mr.Khalid worked as Fund Manager - Equity with AMZ Asset Management and as a Research Analyst with NIT and Pak Kuwait Investment Company Limited.

▪ **Mr. Khurram Aftab Ahmed - Fund Manager (Fixed Income)**

Mr. Khurram Aftab Ahmed has over five years of diversified experience with both Commercial Banks and Asset Management Companies. Having worked as a Money Market Dealer at the Treasury Department for Prime Commercial Bank and Askari Bank, he has gained rich knowledge and exposure in the Money Markets and Fixed Income Securities. His expertise in cash management led him to join AMZ Asset Management Company, managing the top performing Fixed Income Fund. He holds an M.B.A. degree with a Major in Finance.

▪ **Mr. Amjad Pervaiz – Manager Investor Services & Administration**

Mr. Amjad Pervaiz, is a qualified Cost & Management Accountant. He joined Atlas Asset Management Limited in December, 2004 as the Assistant Manager Finance to oversee the finance function of the Atlas Stock Market Fund an open ended equity fund.

▪ **Ms. Beena Gul Malik – Manager Human Resources**

Ms. Beena Gul Malik holds Masters Degree in Public Administration with specialization in Human Resource Management & Marketing Management from University of Karachi. She has seven years of work experience in Human Resources area in reputable organizations like UBL Fund Managers Limited, Iventster Inc. and Iqra University.

▪ **Mr. Saood Hasan– Head of Internal Audit**

Mr. Saood Hasan is a fellow of the Institute of Cost and Management Accountants of Pakistan (ICMAP). As internal auditor, he reports to the Board Audit Committee. He joined Atlas Asset Management Limited in January 2006, as Manager Finance. Mr. Hasan was previously associated with Sapphire Textile Mills Ltd, for over eleven years. He is also member of Karachi Branch Council of ICMAP.

(vii). Role of the Management Company

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, Regulations, the Constitutive Documents and Islamic Shariah, in accordance with the advice and guidance of the Shariah Board, in good faith, to the best of its ability and without gaining undue advantage for itself or any Connected Person or its officers.

Primary functions of the Management Company are:

a). Fund Management

The Management Company has the responsibility to make all investment decisions within the framework of the Rules, Regulations, the Deed and the Offering Document. The Management Company shall manage the Scheme and the Fund in the best interest of the Unit Holders, in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in the Deed and the Rules and Islamic Shariah, in accordance with the advice and guidelines by the Shariah

Advisory Board and subject to any special exemptions that may be granted by SECP. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.

b). Distribution

The Management Company shall appoint Distributors for carrying on Distribution Functions at one or more locations on terms and conditions to be incorporated in the distribution agreements to be entered into between the Distributor and the Management Company. The distribution agreement shall lay down the terms and condition of their appointment, including the Management Company's right to remove them.

c). Investment Facilitators

The Management Company may, at its own responsibility, from time to time appoint Investment Facilitators to assist in promoting sales of Units.

d). Investor Services

The Management Company has the responsibility to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.

e). Investor Records

The Management Company has established an investors service department with the responsibility of providing Registrar Functions. The Management Company may out source the Registrar Function and appoint a Registrar, responsible for maintaining Unit Holders' records and providing related services. In that case, the Management Company shall bear the remuneration of Registrar, unless the SECP allows such an expense to be charged to the Scheme. The Management Company shall maintain a Register of Unit Holders of the Trust in electronic form at the office of the Management Company at Second Floor, Federation House, Sharae Firdousi, Clifton, Karachi- 75600. The Management Company shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the SECP and the Trustee.

f). Record Keeping

The Management Company has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing financial reports from time to time. The Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

g). Transmission of Financial Reports

The Management Company shall prepare and transmit the financial reports as under:

- Within three months of the closing of the Accounting Period the Management Company shall prepare and transmit, the annual report, together with a copy of the balance sheet, income statement and statement of movement in Unit Holders' fund or Net Asset or Reserves and the Auditors' Report to the Unit Holders, the Trustee, stock exchanges on which the Units of the Scheme are listed and the Commission. The Income Statement and the Balance Sheet shall comply with requirements set out in Schedule IV of Regulations.

- Within one month of the close of the first and third quarter, the Management Company shall prepare and transmit accounts of the Fund to include balance sheet at the end of the quarter, an income statement, a cash flow statement and a statement of changes in equity for the quarter, whether audited or otherwise, to the Unit Holders, the Trustee, stock exchanges on which the Units of the Scheme are listed and the Commission. The Commission, subject to any applicable condition may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the web site.
- Within two months of the close of the second quarter of the year, the Management Company shall prepare and transmit accounts of the Fund to include balance sheet at the end of the quarter, an income statement, a cash flow statement and a statement of changes in equity for the quarter and Auditors' Report, to the Unit Holders, the Trustee, stock exchanges on which the Units of the Scheme are listed and the Commission. The Commission, subject to any applicable condition may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the web site.

h). Shariah Compliance

The Management Company shall devise a mechanism of internal control to ensure Shariah Compliance in all the aspects of fund management related to the Scheme. Further, the Management Company in consultation with the Shariah Advisory Board may from time to time frame rules and regulations for conducting the business of the trust in a Shariah Compliant manner or suggest changes in the relevant documents of the Fund or its practices to ensure Shariah Compliance.

(viii). Funds under management of the Management Company

AAML is managing three open-end mutual funds and one closed end mutual fund. AAML is also managing two pension funds under Voluntary Pension System Rules, 2005. The performance of these Funds from the date of launch is as under:

1. Name of Fund: **Atlas Income Fund** (launched on March 22, 2004)
Net Asset as of June 30, 2008: Rupees **4.15** billion

Rating History Years ended	June 30, 2005	4 star
	June 30, 2006	5 star
	June 30, 2007	4 star (Normal) – Long term 5 star

Performance table

Financial Year	Return	Payout
Period ended June 2004 -3 months 9 days	6.17%	3.75% - cash
Year ended June 2005	9.77%	9.75% - bonus
Year ended June 2006	11.49%	11.50% - bonus
Year ended June 2007	10.23%	10.00% - bonus
Period ended June 2008	9.46%	9.50% - bonus

2. Name of Fund: **Atlas Stock Market Fund** (launched on 23-November-2004)
Net Asset as of June 30, 2008: Rupees **1.32** billion

Rating History	June 30, 2006	5 star
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Years ended	June 30, 2007	4 star
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Performance table

Financial Year	Return	Payout
Period ended June 2005	11.67%	12.50% bonus
Year ended June 2006	32.52%	25.00% bonus
Year ended June 2007	29.39%	20.00% bonus
Period ended June 2008	-6.84%	7.5% bonus

3. Name of Fund: **Atlas Islamic Fund** (launched on 15-January-2007)
 Net Asset as of June 30, 2008: Rupees **0.597** billion
 Rating History: Minimum eligibility period for rating not yet completed.
 Performance table

Financial Year	Return	Payout
Period ended June 2007	3.56% *	3.00% bonus
Period ended March 2008	1.40%	1.80% bonus

* Return for the period from January 15, 2007 to June 30, 2007.

4. Name of Fund: **Atlas Fund of Funds** -closed end (launched on 13-December-2004)
 Net Asset as of June 30, 2008: Rupees **0.592** billion

Rating History	June 30, 2006	5 star
Years ended	June 30, 2007	5 star

Performance table

Financial Year	Return	Payout
Period ended June 2005	5.30%	5.00% bonus
Year ended June 2006	19.34%	15.00% cash
Year ended June 2007	17.57%	16.00% cash
Period ended June 2008	5.32%	7.50%

5. Name of Fund: **Atlas Pension Fund** (launched on 28-June-2007)
 Net Asset as of June 30, 2008: Rupees **0.104** billion
 Rating History: Not applicable

Performance table

Financial Year	Sub- Funds	Return
Period ended June 2008	Equity	0.91%
	Debt	7.55%
	Money Market	7.30%

6. Name of Fund: **Atlas Pension Islamic Fund** (launched on 6-November-2007)
 Net Asset as of June 30, 2008: Rupees **0.096** billion
 Rating History: Not applicable
 Performance table

Financial Year	Sub- Funds	Return
Period ended June 2008	Equity	-2.16%

	Debt	6.53%
	Money Market	6.39%

*Annualized

- (ix) **Performance of Listed Companies, where directors are holding similar office:
The performance for last five years is given below:**

ATLAS HONDA LIMITED

	June 2003	June 2004	June 2005	June 2006	June 2007
Profit After Tax (mn)	427.40	544.70	597.10	676.80	553.60
Total Assets(mn)	2,657.10	4,111.90	6,091.30	7,630.20	8,036.80
Total Equity(mn)	1,076.60	1,645.70	2,078.30	2,608.90	2,975.80
Dividend Per share-Cash (Rs.)	7.00	7.50	6.00	6.00	6.00
Stock %	NIL	25%	40%	15%	15%

HONDA ATLAS CARS (PAKISTAN) LIMITED

	Mar 2003	Mar 2004	Mar 2005	Mar 2006	Mar 2007
Profit After Tax (mn)	346.00	409.00	162.00	705.00	(265.00)
Total Assets(mn)	2,985.00	6,999.00	11,793.00	9,174.00	8,305.00
Total Equity(mn)	1,702.00	1,932.00	2,094.00	2,705.00	2,441.00
Dividend Per share-Cash (Rs.)	3.50	4.30	2.30	7.00	NIL
Stock %	NIL	NIL	NIL	NIL	NIL

ATLAS BATTERY LIMITED

	June 2003	June 2004	June 2005	June 2006	June 2007
Profit After Tax (mn)	39.20	83.50	40.90	41.30	87.50
Total Assets(mn)	303.60	376.30	505.70	562.90	755.20
Total Equity(mn)	129.90	213.40	234.50	264.40	336.00
Dividend Per share-Cash (Rs.)	6.00	6.00	2.50	3.00	6.00
Stock %	15%	40%	15%	15%	15%

ATLAS INSURANCE LIMITED

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007
Profit After Tax (mn)	41.20	82.70	254.10	300.70	409.90
Total Assets (mn)	406.00	509.80	902.00	1,191.50	1,733.40
Total Equity (mn)	139.90	202.20	456.30	671.50	970.20
Dividend Per share-Cash (Rs.)	1.50	2.00	7.00	7.00	7.00
Stock %	15%	20%	30%	30%	30%

ATLAS BANK LIMITED

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007
Profit After Tax (mn)	N/A	(25.48)	3.78	8.68	(309.04)
Total Assets (mn)	N/A	3,686.83	7,951.72	17,020.59	22,984.26
Total Equity (mn)	N/A	1,034.52	1,518.48	3,116.08	5,260.13

Dividend Per share-Cash (Rs.)	N/A	NIL	NIL	NIL	NIL
Stock %	N/A	NIL	NIL	NIL	NIL

ATLAS ENGINEERING LIMITED

	June 2003	June 2004	June 2005	June 2006	June 2007
Profit After Tax (mn)	6.443	24.78	40.82	29.08	0.57
Total Assets (mn)	410.68	501.13	714.60	903.73	1,137.34
Total Equity (mn)	188.83	213.62	253.53	270.28	555.61
Dividend Per share-Cash (Rs.)	0.50	1.00	1.00	1.00	NIL
Stock %	NIL	NIL	NIL	NIL	NIL

(x) Core Investors

Units with a value of Rupees one hundred million have been subscribed by the Core Investors. The details of Core investors and the Units subscribed are as under:

NAME OF INVESTOR	Number of Units Subscribed	Value of Units (Rs)	Class of Units	Particulars
MCFSL Trustee Atlas Fund of Funds	80,000	40,000,000	"A"	Restricted
Atlas Group of Companies Management Staff Gratuity Fund	20,000	10,000,000	"A"	Restricted
Atlas Foundation	30,000	15,000,000	"A"	Unrestricted
Mr. Aamir H. Shirazi	20,000	10,000,000	"A"	Unrestricted
Mr. Ali H. Shirazi	15,000	7,500,000	"A"	Unrestricted
Mr. Saquib H. Shirazi	15,000	7,500,000	"A"	Unrestricted
Atlas Bank Limited. Employees Provident Fund	10,000	5,000,000	"A"	Unrestricted
Mr. Saquib H. Shirazi	5,000	2,500,000	"A"	Unrestricted
Mr. Ali H. Shirazi	3,000	1,500,000	"A"	Unrestricted
Mr. M. Habib-ur-Rahman	2,000	1,000,000	"A"	Unrestricted
Mr. Ali H. Shirazi	2,000	1,000,000	"A"	Unrestricted
Mrs. Nayab Fakhir Qazi	1,100	550,000	"A"	Unrestricted
Mr. Muhammad Munir	500	250,000	"A"	Unrestricted
Ms Lilly R. DossaBhoy	400	200,000	"A"	Unrestricted
Rastagar Enggineering Co. Pvt. Ltd. Staff Provident Fund	300	150,000	"A"	Unrestricted
MR. Khaleeq-ur-Rehman	200	100,000	"A"	Unrestricted
Syed Nasib Ali	200	100,000	"A"	Unrestricted
Mr. Munir Ahmed	200	100,000	"A"	Unrestricted

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Mr. Hassan Khan	200	100,000	"A"	Unrestricted
Syed Habib Raza	200	100,000	"A"	Unrestricted
Mr. Akbar Hassan	200	100,000	"A"	Unrestricted
Mr. Adnan Qamar	130	65,000	"A"	Unrestricted
Mr. Naveed Iqbal	100	50,000	"A"	Unrestricted
Mr. Ayaz Ahmed	100	50,000	"A"	Unrestricted
Mr. Shahid Aftab	100	50,000	"A"	Unrestricted
Mr. Asif Hanif	100	50,000	"A"	Unrestricted
Mr. Liaqat Ali Naz	100	50,000	"A"	Unrestricted
Mr. Zaheer uddin Mnihas	60	30,000	"A"	Unrestricted
Syed Adnan Hashmi	60	30,000	"A"	Unrestricted
Ms. Fatima Vawda	50	25,000	"A"	Unrestricted
Mr. Shehla Shaheen	50	25,000	"A"	Unrestricted
Mr. Adeel Arshad	50	25,000	"A"	Unrestricted
Mr. Waqas Arshad	50	25,000	"A"	Unrestricted
Mr. Javed Iqbal Afghani	50	25,000	"A"	Unrestricted
Ms. Shazia Qureshi	40	20,000	"A"	Unrestricted
Ms. Samina Naz	40	20,000	"A"	Unrestricted
Mr. Asif Mehmood	30	15,000	"A"	Unrestricted
Mr. M. Azam Khan	20	10,000	"A"	Unrestricted
Mr. Muhammad Tahir Khan	20	10,000	"A"	Unrestricted
Mr. Naeem Uddin Ahmed	20	10,000	"A"	Unrestricted
Syed Imtiaz Ahmed	20	10,000	"A"	Unrestricted
Mr. Salman Tahir	20	10,000	"A"	Unrestricted
Mr. Mansoor-ul-Haq Ansari	20	10,000	"A"	Unrestricted
Mr. Mohammad Saqlain Mirza	20	10,000	"A"	Unrestricted
Mr. M. Siddiq	20	10,000	"A"	Unrestricted
Mr. Syed Ali Raza	20	10,000	"A"	Unrestricted
Mr. Muhammad Hanif Bhatti	20	10,000	"A"	Unrestricted
Mr. Syed Asim Ansar	20	10,000	"A"	Unrestricted

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Mr. Azar Ali	20	10,000	"A"	Unrestricted
Mr. Shahzad Masood Khan	20	10,000	"A"	Unrestricted
Mr. Sher Afzal	20	10,000	"A"	Unrestricted
Mr. Muhammad Qurban Ali	20	10,000	"A"	Unrestricted
Mr. Nazir Ahmed	20	10,000	"A"	Unrestricted
Mr. Imran Butt	20	10,000	"A"	Unrestricted
Mr. Zafar Riaz	20	10,000	"A"	Unrestricted
Mr. Saifullah	20	10,000	"A"	Unrestricted
Mr. Rizwan Ul Haq	20	10,000	"A"	Unrestricted
Mr. Abdul Majeed	20	10,000	"A"	Unrestricted
Mr. talha Saad	20	10,000	"A"	Unrestricted
Mr. Arshad Gulrez Butt	20	10,000	"A"	Unrestricted
Mr. M. Kamran Ahmed	10	5,000	"A"	Unrestricted
Mr. Muddassir Nazir	10	5,000	"A"	Unrestricted
Mr. Assadullah Razi	10	5,000	"A"	Unrestricted
Mr. Tabish Ali Ahmed	10	5,000	"A"	Unrestricted
Mr. Sultan Hussain	10	5,000	"A"	Unrestricted
Mr. Muhammad Ishaq	10	5,000	"A"	Unrestricted
Mr. Amjad Pervaiz	10	5,000	"A"	Unrestricted
Mr. Muhammad Asher Ahmed	10	5,000	"A"	Unrestricted
Mr. Sheikh Adeel Ur Rehman	10	5,000	"A"	Unrestricted
Mr. Yousuf Ali	10	5,000	"A"	Unrestricted
Mr. Ahmar Waheed	10	5,000	"A"	Unrestricted
Mr. Shahid Akhtar Batla	10	5,000	"A"	Unrestricted
Mr. Shahid Akhtar Batla	10	5,000	"A"	Unrestricted
Mrs. Iqbal Bano	10	5,000	"A"	Unrestricted
Mrs. Iqbal Bano	10	5,000	"A"	Unrestricted
Syed Kalam Nabi	10	5,000	"A"	Unrestricted
Mr. Muhammad Qayyum	10	5,000	"A"	Unrestricted
Mr. M. Salman Mansur Khan	10	5,000	"A"	Unrestricted

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Ms. Asfa Jalil	10	5,000	"A"	Unrestricted
S. Shamim Abbas Rizvi	10	5,000	"A"	Unrestricted
Mr. Rizwan Ullah Ansari	10	5,000	"A"	Unrestricted
Syed Farhan Ali	10	5,000	"A"	Unrestricted
Mr. Rashid Amin	10	5,000	"A"	Unrestricted
Mr. Tariq Wasi Khan	10	5,000	"A"	Unrestricted
Mr. Suhail Ahmed	10	5,000	"A"	Unrestricted
Mr. Amir Ali Bawa	10	5,000	"A"	Unrestricted
Mr. Rahimullah Shah	10	5,000	"A"	Unrestricted
Mr. Shakil Mirza	10	5,000	"A"	Unrestricted
Mr. Syed Shams Raza	10	5,000	"A"	Unrestricted
Mr. Syed Anees Ali	10	5,000	"A"	Unrestricted
Mr. Naila Saad	10	5,000	"A"	Unrestricted
Mr. Ghazi Salahud Din	10	5,000	"A"	Unrestricted
Sajid Mehmood	10	5,000	"A"	Unrestricted
Mr. Anil Khan	10	5,000	"A"	Unrestricted
Mr. Zulfiqar Hussain	10	5,000	"A"	Unrestricted
Mr. Khurram Shahzad	10	5,000	"A"	Unrestricted
Mr. Muhammad Afzal Anwar	10	5,000	"A"	Unrestricted
Mr. Sheikh Nasir Mumtaz	10	5,000	"A"	Unrestricted
Mr. Ahsan Aziz	10	5,000	"A"	Unrestricted
Ms. Shamsa Kanwal	10	5,000	"A"	Unrestricted
Mr. Masood UI Hassan	10	5,000	"A"	Unrestricted
Mr. Osman Hassan Butt	10	5,000	"A"	Unrestricted
Mr. Shaoor Ehsan	10	5,000	"A"	Unrestricted
Syed Wasim Ahmed	10	5,000	"A"	Unrestricted
Mr. Ahmad Zafaryab Ali	10	5,000	"A"	Unrestricted
Mr. Arshad Khan	10	5,000	"A"	Unrestricted
Mr. Mohammad Rafique	10	5,000	"A"	Unrestricted
Mr. Suleman Abbas	10	5,000	"A"	Unrestricted

Mr. Malik Nasir Mohiuddin	10	5,000	"A"	Unrestricted
Mr. Syed Haider Raza Moosavi	10	5,000	"A"	Unrestricted
Mr. M. Qasim Imran	10	5,000	"A"	Unrestricted
Mr. Adil Naeem Khan	10	5,000	"A"	Unrestricted
Mr. Muhammad Shafi	10	5,000	"A"	Unrestricted
Syed Atif Ali Bukhari	10	5,000	"A"	Unrestricted
Mr. Qurban Ahmad	10	5,000	"A"	Unrestricted

TOTAL SEED CAPITAL	207,620	103,810,000		
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Atlas Fund of Funds and Atlas Group of Companies Management Staff Gratuity Fund have subscribed to 80,000 Class “A” and 20,000 Class “A” Restricted Units respectively issued under the condition that these cannot be redeemed for a period of two years from the date of closure of Initial Public Offer (IPO). These are transferable during the restricted period, subject to the applicability of non redemption condition for the remaining two years’ period.

3.2 Trustee

Central Depository Company of Pakistan Limited
 CDC House, 99-B, Block ‘B’,
 S.M.C.H.S, Main Shahrah-e-Faisal,
 Karachi – 74400, Pakistan.

(i) Profile of Trustee:

SECP has approved the appointment of Central Depository Company of Pakistan Limited (CDC), as trustee of Atlas Islamic Income Fund vide its letter number NBFC-II/AD/AAML/317/2008, dated May 2, 2008. CDC is a company incorporated on January 21, 1993 under the Companies Ordinance 1984, with its registered office at CDC House, 99-B, Block ‘B’, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi– 74400. The sponsor share holders of CDC include the stock exchanges, leading banks and financial institutions. The principle business activity of the company is to manage and operate central depository system (CDS), which is an electronic book entry system to record and transfer securities. It was formed to facilitate efficient risk free and cost effective settlement of securities in accordance with the international standards to cope up with the ever-rising volume of trading in securities at the stock exchanges in Pakistan.

From the year 2002, CDC expanded its business activities to provide trustee/ custodial services to mutual funds industry. Currently CDC is acting as the trustee for open-end, closed-end mutual funds and voluntary pension funds under management of all the leading asset management companies, investment advisers and the pension fund managers. All trustees’ related operations of the CDC are automated and supported by computerized systems and dedicated staff. The trustee division has the benefits of CDC’s existing structures as well as that for handling the National Clearing and Settlement Systems.

In a short span of time after introducing its trusteeship business, CDC has emerged as the largest trustee/ custodial service provider in Pakistan.

(ii). Management:

The directors of CDC represent their respective investors' institutions and have no personal stake in the company. The chief executive is appointed by the Board of Directors, with the approval of SECP. The CEO and the Head of the Departments are all professionals with many years' experience in their respective areas.

(iii). Role of the Trustee

- a). The Trustee shall comply with the provisions of the Trust Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the acts of all person to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by gross negligence or any reckless act and and/ or omissions of the Trustee or any of its directors, officers, nominees or agents.
- b). The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interest of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in accordance with or in pursuance of any request by the Management Company provided they are not in conflict with the provisions of the Trust Deed or the Rules or Regulations. Whenever pursuant to any provision of the Trust Deed, any certificate, notice, direction, instruction or other communication is given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof, if a document is signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorized in writing by the Management Company to accept or any instruction received online through the software solution adopted by the Management Company or the Trustee in consultation with the Trustee for managing and keeping records of the funds managed by the Management Company and to the satisfaction of the Trustee or the Management Company as case may be.
- c). The Trustee shall be liable for any loss caused to the Fund or the value of the Trust Property due to its acts or omissions or that of its agents in relation to any custody of assets or investment forming part of the property of the Scheme.
- d). The Trustee shall not be liable for any loss caused to the Fund or the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- e). The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and the Trust Deed nor shall the Trustee be liable for any act or omission of the Management Company, or for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed, the Trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- f). The Trustee shall have all the obligations entrusted to it under the Rules, the Regulations, the Deed and the Offering Document.

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- g). The Trustee shall invest, hold and/ or maintain the Fund Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Deed, this Offering Document, the Rules, Regulations and the conditions (if any) which may be imposed by the Commission from time to time;
- h). The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Unit Trusts on behalf of the beneficial owners (the Unit Holders), within the framework of the Rules, the Regulations, the Trust Deed establishing the Unit Trust and Offering Document(s) issued for the Unit Trust.
- i). The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of offering of a Scheme and shall also ensure that the asset management company has been diligent in appointing brokers to avoid undue concentration of business with any broker.
- j). The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property unless such instructions are in conflict with the provisions of the Deed or the Offering Document(s) or the Rules, Regulations and/or are prohibited by the Shariah Advisory Board or any other applicable law.
- k). The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- l). The Trustee shall ensure that the sale, purchase, issue and transfer of Units effected by the open-end scheme and repurchase, redemption and cancellation of Units effected by the open-end scheme are carried out in accordance with the provisions of the constitutive documents.
- m). The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- n). Neither the Trustee nor the Management Company or any of Connected Persons of Management Company shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust, save in the capacity of an intermediary.
- o). Subject to Regulations, any transaction between the Trust and the Management Company or any of their Connected Persons as principal shall only be made with the prior written consent of the Trustee.
- p). The Trustee shall ensure that Units of the Scheme are issued after realization of subscription money or as allowed in the Regulations.
- q). The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations, Trust Deed and Offering Document and the condition under which Scheme has been authorized are complied with.
- r). The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices are calculated in accordance with the provisions of the constitutive documents and the Regulations.

- s). The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Fund Property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized attorney(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under the Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Fund.
- t). The Trustee with consent of the Management Company, shall appoint and may also remove and replace from time to time one or more Bank(s) and/or other depository company(ies) , to act as the Sub- Custodian(s) for holding and protecting the Fund Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Sub-Custodian(s).
- u). The Trustee shall issue a report to be included in the annual report and second quarter report to be sent to Unit Holders whether, in the opinion of the Trustee, the asset management company has in all material respects managed the Scheme in accordance with the provisions of the Constitutive Documents, Rules and the Regulations, if the asset management company has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof.
- v). The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company and the same would be intimated to the Management Company.
- w). The Trustee shall have all the obligations entrusted to it under the Rules, the Regulations, the Trust Deed including any supplemental deeds hereto and Offering Documents setting up the Unit Trusts and the Administrative Plans thereof.
- x). The Trustee shall act as custodian for securities for which custody services are available with the Trustee at such terms as the Trustee and the Management Company may mutually agree. For other securities the Management Company may advise the Trustee to make appropriate arrangements with one or more Custodians for custody of securities in which investment may be made on behalf of the respective Unit Trusts. The Trustee shall provide custodial services to the extent others cannot be identified for this purpose.

3.3 Registrar

The Registrar's responsibilities include maintaining the register of Unit Holders ("Register"), issuing account statements to the Unit Holders, issuing Certificates, canceling old Certificates on redemption or replacement thereof, processing of applications for issue, redemption, transfer and

transmission of Units, recording of pledges and liens and recording of changes in the data with regard to the Holders, issuing and dispatching of Certificates, issuing and dispatching cheques in respect of dividend or redemption of Units or cheque/ warrants in respect of residual amount left after allocation and issue of Units. AAML will be performing the Registrar Functions at its operations office at 2nd Floor, Federation House, Sharea Firdousi, Clifton, Karachi.

3.4 Custodian

The Trustee will also be performing the function of the custodian of the Fund Property. The salient features of the custodian function are:

- Segregating all property of the Scheme from Custodian's own property and that of its other clients.
- Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- Ensuring that the benefits due on investments are received and credited to the Fund's account.

The Trustee may, if it considers necessary, appoint additional custodians with the approval of the Management Company and at such terms and conditions approved by the Management Company, for the safekeeping of any portion of the Fund Property.

3.5 Distributors and Investment Facilitators

- (i) Parties, whose names and addresses are given in Annexure “A” of this Offering Document, have each been appointed as Distributors to perform the Distribution Functions. The Management Company may from time to time, appoint additional Distributors or terminate the arrangement with any Distributor and inform the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.
- (ii) The Distributors will be responsible for receiving applications for Purchase 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 application for issuance of duplicate certificates, requests for income tax exemption/zakat exemption, etc. for immediate transmission to the Management Company or Registrar as appropriate for further action.
- (iii) The Management Company may, at its sole responsibility, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of the Front-end Load included in the Offer Price (Purchase Price) of the Units of the Fund or from its own resources.

3.6 The External & Shariah Compliance Auditors

The Auditors of the Fund are:
Ford Rhodes Sidat Hyder & Co
Progressive Plaza, Room 601 – 603,
Beaumont Road,
Civil Lines, Karachi.

- (i) The Auditors of the Fund will also act as Shariah Compliance Auditors, and will complete a Shariah Compliance Audit of the Scheme once for each Accounting Period. Auditor will hold office until the transmission of the reports and accounts, which will cover the period from

commencement of the Trust up to Accounting Period and will be eligible for reappointment for a maximum period of five years by the Management Company with the concurrence of the Trustee.

- (ii) The Auditor shall not be appointed for more than five consecutive years.
- (iii) The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- (iv) The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- (v) The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended thereto.
- (vi) The contents of the Auditors report shall be as mentioned in the Regulations.

3.7 Legal Advisors

The legal advisors of the Fund are:

Bawaney and Partners
404 - 4th Floor, Beaumont Plaza,
Beaumont Road, Civil Lines,
Karachi,
Pakistan

3.8 Bankers

The bankers to the Fund include Atlas Bank Limited or any other bank appointed by the Management Company.

The Trustee will operate the Bank Accounts of the Fund.

3.9 Bank Accounts

- (i) The title of all the Bank Accounts to be maintained by Trustee for the Fund shall be “CDC – Trustee Atlas Islamic Income Fund”, with such additions, if needed, to denote the purpose for which the account with the bank was opened, like “collection account” and “dividend account”.
- (ii) The Trustee, at the request of the Management Company, shall open Bank Accounts for the Unit Trust at designated Bank(s) (within and outside Pakistan subject to necessary approvals) for collection, investment, redemption or to facilitate any other transaction of the Trust’s funds.
- (iii) The Management Company may also require the Trustee to open Distribution Accounts for each dividend distribution out of the Unit Trust. Notwithstanding any thing in the Trust Deed the beneficial ownership of the balances in the Accounts vests in the Unit Holders of the respective Unit Trusts.
- (iv) The amounts received from the Core Investors (Seed Capital) shall be deposited in a separate Bank Account. Such amounts may also be invested from time to time in short term investments (in case of investment in financial institutions they must have a minimum

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investment grade rating of ‘A’ by a SECP approved credit rating agency) and subsequently transferred to the main Bank Account of the Fund upon the close of the Initial Period of Offer.

- (v) The Trustee shall, if requested by the Management Company open collection accounts at banks designated by the Management Company. These account(s) shall be temporary collection accounts, where collections received on account of subscription of Units by investors of various unit trusts and the Administrative Plans that are managed by AAML as the management company shall be held prior to their being allocated and transferred to pertinent unit trust(s) for investments in accordance with the decisions of the investors. Such account(s) may also be used for redemption proceeds which the Unit Holders may wish to re-invest at a later stage in the same fund or other funds which may be managed by the Management Company. Provided however, in relation to the other unit trusts managed by AAML as the Management Company mentioned above, there are similar provisions in the trust deeds of such funds and have Trustee as common between them.
- (vi) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
- (vii) All income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.

3.10 Shariah Advisory Board

- (i) The Management Company has appointed a Shariah Advisory Board with the approval of the Commission who shall advise the Management Company on the admissibility or otherwise of investment or any other transaction according to the principles of Shariah. The Shariah Advisory Board (SAB) will be composed of people who will be experts on Shariah interpretation and have good understanding of Finance and Economics. The Management Company shall designate the Shariah Advisor or Shariah Advisory Board and/or members thereof from time to time with the approval of the SECP and/or as the case may be under the relevant rules. The Shariah Advisory Board will be appointed for a period of two years, but may be re-appointed on completion of their term. The Management Company may at any time terminate the agreement(s) with the Shariah Advisory Board and/or members thereof giving a notice period as provided in such agreements, before the completion of their terms and fill the casual vacancies or appoint a new Shariah Advisor to the Board with prior approval of the SECP and/or as the case be under the relevant rules. This Shariah Advisory Board shall advice the Management Company on matters relating to Shariah-compliance and recommend general investment guidelines, consistent with Islamic Shariah. Any verdict issued by the Shariah Advisory Board in respect of Shariah related matter would be the final and acceptable by the Trustee, the Management Company, the Holders and other parties related with that matter.

(ii) Profile of the Members of the Shariah Advisory Board

The first Shariah Advisory Board will comprise of Professor Dr. Fazlur Rahman and Mr. Muhammad Yahya Asim.

a. Professor Dr Fazlur Rahman

Education:

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Professor Fazlur Rahman completed his education from Muslim University Aligarh, India, from where he did Ph.D in Islamic Studies. He has also done LLB from the same University.

Teaching Experience:

Professor Fazlur Rahman has vast teaching experience, spread over thirty years. He has taught at Aligarh Muslim University, Aligarh, India, Imam Muhammad bin Sa'ud Islamic University, Riyadh, Saudi Arabia and International Islamic University, Kualampur, Malaysia. He taught Tafsir, Hadith, Fiqh, Islamic Law of Inheritance, Comparative Study of Islam with other religions, Islamic Economics and various other subjects. The medium of instruction at Kualampur and Riyadh was Arabic.

Research Experience:

Besides carrying out the research, Professor Fazlur Rahman has supervised the work of research scholars. He was awarded Ph.D from Aligarh Muslim University on “An Analytical Study of Tafsir Al-Kashshaf of Al-Zamakhshari”. His research work extends to “Muslim Personal Law in a Non-Muslim State”, “Russian Muslims under the Czarist and Communist Regimes”, “Quranic Encyclopedia” and “Cadex of Islamic Personal Law”.

Books and Publications:

Professor Fazlur Rahman is author of many books and publications, on such topics as, “Commercial Interest from the point of view of Fiqh and History”, which is extensively quoted in court decisions, “Personal Law” “Urdu Encyclopedia of Islam” and various other important subjects. Professor Fazlur Rahman has delivered lectures at various places around the globe.

Positions Held:

Professor Fazlur Rahman has been a member of the governing board of Aligarh Muslim University. He held the position of Dean of Faculty of Theology and Chairman, Department of Sunni Theology at Aligarh Muslim University. He was Secretary Committee for Research on Shah Waliullah of Delhi. He is presently a director of Islamic Guidance Trust, Karachi.

b. Mr. Muhammad Yahya Asim

Education:

Mr. Yahya Asim has obtained his academic qualification from Karachi University, from where he obtained M.A in International Studies and Arabic and Islamic Studies and from Jamia Darul Uloom, Karachi from where he completed a three years course in Islamic Jurisprudence. He has participated in various conferences and seminars on Islamic Banking and Islamic Corporate Finance.

Teaching Experience:

Mr. Yahya Asim is a faculty member of Centre for Islamic Economics from 2002. He is also a visiting faculty member of various Business Institute and has been giving lectures on different topics on Islamic Banking & Finance. He delivered a series of Lectures on Islamic Jurisprudence in the years 1999-2000 at Islamic Centre of Omaha Nebraska, USA.

Research Experience:

Mr. Yahya Asim has compiled Collection of Research of Fatwa (Thesis for Specialization course of Islamic Jurisprudence in Jamia Darul Uloom Karachi). He is administrator of Centre for Islamic Economics, Karachi from 2005.

Shariah Advisor and Audit Experience:

Mr. Yahya Asim was Shariah Advisor to Habib Metropolitan Bank Limited (Islamic Banking Branch) from 2004 to 2007. He is a Senior Member Shariah Audit Team from 2003 at Centre for Islamic Economics.

(iii) Duties and Responsibilities of Shariah Advisory Board

- a. Advising the Management Company as to the correctness of the criteria employed for selection of Securities in the context of Pakistan as well as overseas capital markets;
- b. Certifying that investments to be made on account of the Scheme are Shariah compliant with the criteria established above;
- c. Evaluating and advising upon all new financial instruments as and when introduced for their admissibility according to Shariah;
- d. Issuing a certificate at the end of each Accounting Year, to be included in the financial reports, in respect of Shariah compliance of the preceding year's operations of the Scheme;
- e. Guiding the Management Company in approving the principles for determining an appropriate percentage of income and cash flows, included in the income and cash flow of the companies in which AIIF has invested, from activities not in accordance with the principles of the Shariah;
- f. Recommending to the Management Company the criteria for selecting the Charities to whom Haram income shall be donated, subject to the Rules and Regulations;
- g. Approving the movement in the charity account, as recommended by the Management Company.
- h. The SAB shall have access to the books, papers, accounts and vouchers of the Trust available with the Management Company and shall be entitled to inquire from the Management Company and its directors, officers and agents such information and explanation as considered necessary for the ensuring Shariah Compliance.
- i. Evaluating and advising upon all new financial instruments, as and when introduced and presented to SAB for approval by the Management Company.

4. CHARACTERISTICS OF UNITS

4.1 Units

(i) Par Value and Unit Prices:

The Fund is divided into Units having a Par Value of Rupees. 500/= (Rupees Five hundred only) each. This Par Value is applicable to Core Units and Units that are issued before the Initial Public Offer. Thereafter, the Units shall be issued and redeemed on the basis of the Net Asset Value (NAV) of AIIF, which shall form the base for determining the Offer and Repurchase Prices.

To summarize, the Units shall be issued and redeemed as under:

- To Core Investors and Pre-IPO: Issued at par value, without any Sales Load;
- To IPO investors: To be issued, based on NAV, without Sales Load;
- After IPO: Based on NAV and Sales Load will be applicable;
- Redemption will be based on NAV. Redemption applications to be received after the close of IPO.

(ii) Pari-passu:

All Units and fractions thereof represent an undivided share in the Fund and rank pari-passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in AIIF proportionate to the Units held by such Unit Holder.

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For the convenience of investors, the Management Company may issue different units for different arrangements as chosen by the investor from time to time.

4.2 Open-end Fund

AIIF shall offer and redeem Units on a continuing basis, subject to terms contained herein and to the Rules and Regulations. There is no 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. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of investors' accounts. Fractional Units will be issued to enhance economical and efficient handling. Units are 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. Certificates representing the Growth Units will be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rupees 25/= per certificate, subject to revision of this fee from time to time by the Management Company under intimation to the Trustee and the Unit Holders.

4.3 Initial Public Offer

Initial Offer is made during the Initial Period which will be five Business Days and begins at the start of the banking hours on October 14, 2008 and shall end at the close of the banking hours on October 18, 2008 (October 17, 2008 for overseas banks/ investors). During the Initial Period, Units will be issued at the NAV of these Units, calculated at the close of the Business/Dealing Day, without applying any Sales Load. During and prior to the Initial Period, Units will not be redeemed.

4.4 Transaction in Units after Initial Offering Period

After the Initial Offer, the Units can be purchased at the Offer Price and redeemed at the Redemption Price. The Management Company will fix the Offer and Redemption Prices on every Dealing Day, based on the NAV of Units at the close of the Business/ Dealing Day. In the event the Stock Exchange or financial market is not opened on any Business/ Dealing Day, the NAV for that day will be determined by adjustment for the accrual of income/ expenses or any losses. The Unit price shall be fixed after adjusting for the Front-end Load or the Back-end Load as the case may be and any Transaction Costs that may be applicable. Except for circumstances elaborated in clause 4.10 of this Offering Document, such prices shall be applicable to Purchase and Redemption requests, complete in all respects, received during the business hours on the Dealing Day. The Management Company may issue Units without Sales Load or with a reduced Sales Load to Unit Holders opting to receive Units in lieu of dividends.

4.5 Minimum Amount of Investment

(i) Minimum Investment:

The minimum initial and subsequent investment in the Fund is Rupees 5,000/= and Rupees 1,000/= respectively. The minimum investment limit will not apply to reinvestment of dividend into Units under cumulative investment plan or issue of bonus Units. Under an Administrative Plan, the Management Company may be offering various plans; the minimum amounts for the plans shall be specified in the respective Supplementary Offering Documents. The Management Company may alter the minimum amount required for opening, maintaining or adding to the account. Provided that in case of an upward change in the minimum amount required for maintaining the account or adding funds, the Management Company shall give fifteen days notice to Unit Holders.

(ii) Maintaining minimum investment:

In the event, the investment in investor's account falls below the minimum level, as a result of revised minimum limit, changes in valuation, redemption, transfer or transmission, the Management Company, may give minimum fifteen days notice to Unit Holders to make up the shortfall. On investor's failure to invest the minimum amount, the Management Company may require the Registrar to close such account by redeeming the Units at the close of any accounting period at the price applicable to redemptions on such date.

4.6 Classes and Types of Units

(i) Classes

(a) Class "A" Units shall be issued without any Sales Load, as under:

- Restricted Core Units, issued with the condition that these cannot be redeemed for a period of two years from the date of closure of Initial Public Offer (IPO). These are transferable during the restricted period, subject to the applicability of non redemption condition for the remaining two years' period.
- Unrestricted Core Units issued without any restriction on redemption.
- Issued at Par Value during Pre-IPO with no Sales Load;
- Issued at price based on NAV during IPO with no Sales Load;

(b) Class "B" Units, offered and issued after the Initial Period with Sales Load. Except the Restricted Core Units, all the Units can be redeemed after the Initial Period.

(ii) Types of Units

The Management shall issue the following Types of Units:

Growth Units: The Unit value grows in line with the growth in the NAV, and the Unit Holders, shall have the option to receive distribution income in the form of cash or bonus units, as and when announced by the Management Company. The Unit Holders shall choose one of the following two options:

1. Growth Units with the option of receiving cash dividend at the time of distribution.
2. Growth Units with the option of receiving bonus units at the time of distribution.

4.7 Accounts Statement

(i). Dispatch of Accounts Statement:

The Transfer Agent shall send an account statement to the Unit Holder within fifteen business days each time there is an activity in the account. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register. All Units and fractions thereof (up to four decimal places) represent an undivided share in the Scheme and rank pari passu as to their rights in net assets, earnings and receipt of dividends and distributions. Each Unit Holder has a beneficial interest in AIIF proportionate to the Units held by such Unit Holder.

(ii). Certificates:

Unit Holders may obtain certificates representing the Growth Units they hold by paying a nominal fee of Rs. 25/- per certificate within fifteen business days. This fee may be revised from time to time by the Management Company. Requests for redemption, transfer or transmission of Units shall be processed only on the production of the certificate(s) if issued earlier. In the event of loss or defacing of certificates, the verification process shall be carried out to the satisfaction of the Management Company / Trustee / Transfer Agent and the associated costs, if any, will be borne by the Unit Holder.

(iii) Pledge:

The Transfer Agent may register a pledge / lien on any Units in favor of any third party with the specific authority of the Management Company. However, the pledge / lien shall be valid only if evidenced by a statement or letter issued by the Transfer Agent indicating the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien. (Please see Clause 4.9 for details).

4.8 Purchase and Redemption of Units

Units are purchased at the Offer Price and redeemed at the Redemption Price at any of the Authorized Distribution Offices during business hours on any Dealing Day. During the period the register is closed, the sale and redemption of Units will be suspended. The Management Company may decline the issue of Units to any applicant if it is of the opinion that it will not be possible to invest the substantial inflow of funds or to meet any regulatory requirements.

(i) Procedure for Purchase of Units

Who Can Apply?

Any investor or any related group of investors (as given below) qualified or authorized to purchase the Units may apply for the Purchase of Units in the Fund. The onus for being so qualified lies with the investor. The Management Company, the Trustee, the Transfer Agent, the Distributors or the Investment Facilitators do not carry any responsibility in regard to qualification of investor.

- a. Citizens of Pakistan resident in Pakistan. In respect of minors below 18 years of age, applications may only be made by their guardians.
- b. Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan; provided such investment is permitted under their respective memorandum and articles of association and / or bye-laws. In respect of trusts, the trustees of such trust may make an application to purchase the units.
- c. Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units 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 regulations / laws. Any person making an application for the Purchase of Units in the Fund shall warrant that he/she is duly authorized to purchase such Units.
- d. Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund

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(Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.

- e. Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act 1882, (11 of 1882).
- f. Insurance companies under the Insurance Ordinance, 2000.
- g. Non Profit Organization under Rule 213 (h)(i) of the Income Tax Rules, 2002.

(ii) Account Opening Application Procedure

- (a) The procedure given below is designed for paper-based transactions. The Management Company at a later date may introduce electronic/Internet based options for the transactions.
 - a. Before purchasing Units of the Fund an investor must open an account with Management Company using the Account Opening Form.
 - b. Once the Investor Account has been opened, the Investor will be allotted a specific Registration/Folio Number and AAML Account No. which can be used for all future transactions to facilitate reference and linking.
 - c. After opening an account, Unit Holder may purchase Units of the Fund using the Investment Form .
 - d. Fully completed Investment Form for purchase of Units, accompanied with the cheque/ bank draft/ pay-order for the full amount of the investment and copies of the documents mentioned in the subparagraphs below should be delivered at any of the Authorized Branches of the Distribution Companies or to the Management Company during the business hours on each Dealing Day as announced by the Management Company from time to time. Currently only the Authorized Branches of the Distribution Companies as mentioned in Annexure “A” of this Offering Document are authorized to collect application and payment in the form of cheque/ bank draft/ pay-order for the issue of Units. Payment through cash is not accepted.
 - e. In case of individuals, an attested photocopy of the Computerized National Identity Card (CNIC) of the applicant or any other form of identification acceptable to the Management Company needs to be furnished.
 - f. In case of body corporate, registered societies, institutions, companies or trusts etc., the following documents/details (with attested copies – where applicable) should be submitted:
 - List of Authorized Signatories along with attested photocopies of CNIC and their specimen signatures.
 - Instructions for Redemption.
 - Bank details.
 - Instructions for Dividend mandate, Zakat and Tax status.
 - Memorandum and Articles/ charter / bye-laws or rules and regulation.
 - Power of attorney and / or relevant resolutions of the board of directors delegating any of its officers to invest in the fund and / or to realize the investments and
 - Other relevant documents as may be required by the Transfer Agent.
 - In case of existing Unit Holders, if any of the documents have previously been deposited with the Management Company and/or Transfer Agent, fresh submission of documents will not be required provided that deposited documents are acceptable to Management Company. The account number must be provided to facilitate linking.
- (b) The applicant will receive a note confirming the receipt of the Investment Form from Authorized Officer of the Distributor or Management Company. Payment of Units can be made by cheque, pay order or demand draft.
- (c) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening Form and Investment Form. In case of any

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incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy.

- (d) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Transfer Agent or the Distributor to be incomplete or incorrect in any material manner, the Transfer Agent or the Distributor will advise the applicant to remove the discrepancy. In the mean while the application will be held in abeyance for fifteen business days. In the event the discrepancy is not removed in the said fifteen business days, the amount will be refunded without any markup. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Transfer Agent or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen days. If the investor, in the opinion of the Transfer Agent, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
- (e) Investors will be allotted Units based on the Offer (Purchase) Price of the Fund, as announced by the Management Company, of the Dealing day on which correctly filled Investment Form is submitted to the Distributor and/or to the Management Company within business hours. The Investor will be provided the Account Statement within seven (7) Business Days after the said purchase amount of the Units purchased have been credited to the Fund Account.
- (f) In the event a cheque is returned unpaid, the Management Company will assume the application for subscription as void and the Units allotted will be cancelled and the investor informed accordingly. The investor will be asked to submit new investment form along with fresh payment. Units will then be allotted based on the Offer (Purchase) Price, announced by the Management Company, of the Dealing day on which the new Investment Form together with the payment is received by the Distributor and/or Management Company within business hours.

(iii) Joint Application

- (a) Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first holder basis. However, each person must sign the Account Opening Form and submit a copy of Computerized National Identity Card or other identification document.
- (b) The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the person's designated bank account shall be considered as a valid discharge of obligation by the Trustee and the Management Company.
- (c) In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the Account Opening Form shall be the only person recognized by the Trustee to receive all notices and correspondences with regard to the accounts, as well as proceeds of any redemption requests or dividend. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge of obligation by the Trustee and the Management Company. Provided however the Trustee and/or the Management Company may at their discretion request the production of a Succession Certificate from an appropriate Court before releasing of redemption requests or dividends in cases of doubts or disputes among the Joint Unit Holders and/or the legal heirs or legal representatives of the deceased.
- (d) 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.

(iv) Purchase of Units

- (a) An application for purchase of Units may be lodged with any authorized Distributor or presented to the Management Company directly or through an Investment Facilitator. The application shall be in the form prescribed by the Management Company. Account Opening Forms/Investment Forms are available with Distributors or Investment Facilitators (Facilitators) or may be obtained from the Management Company or its web site. Units shall be issued based on the Purchase (Offer) Price that is determined as per Clause 4.11.
- (b) Payment for the Fund Units can be made in the form of Demand draft or Pay order or Cheque - account payee only marked in favor of **CDC -Trustee Atlas Islamic Income Fund** or an on-line transfer to Bank Account of **CDC -Trustee Atlas Islamic Income Fund**
- (c) The Management Company may also notify, from time to time, arrangements or other forms of payment within such conditions as may be necessary. The payments must be handed over to a Distributor or the Management Company, who will acknowledge the receipt on the Investment Form. Payments can also be deposited in the bank account of the Fund titled **“CDC – Trustee Atlas Islamic Income Fund”** maintained with the designated banks and their branches in accordance with the procedure laid down by the Management Company. Notwithstanding the above, nothing contained herein shall be construed as limiting or otherwise restricting the Management Company’s liability under Regulation 46 of the Regulations.

(v) Procedure for Redemption of Units

(a) Who Can Apply?

All Unit Holders, other than such holders of Class “A” (Restricted/Core Units) Units, who have undertaken to hold Units for two years, are eligible to redeem the said Units. The Holders of Class “A” Units, who have undertaken to hold Units for two years, will be eligible for redemption after the expiry of the period of two years from the date of the closure of the Initial Period; however such units are eligible for transfer subject to the condition that the new transferee of such unit(s) agrees to the same condition for the balance period, if any.

(b) Redemption Application Procedure

The procedure given below is designed for paper-based transactions. The Management Company at a later date may introduce electronic/Internet based options for the transactions.

- Request for redemption can be made by completing the prescribed Redemption Form and endorsing the relevant Certificate, if issued and submitting the same to any of the Authorized Branches of the Distribution Companies or to the Management Company directly or through an Investment Facilitator within business hours on a Dealing Day. In case the Certificate is not issued, the applicant has only to complete the prescribed redemption form. The request for redemption would be honored after verifying the signature and other particulars of the Unit Holder from the Unit Holders’ Register.
- The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Redemption Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

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- If subsequent to receipt of the redemption application by the Distributor, but prior to the redemption of the Units, the application is found by the Transfer Agent or the Distributor to be incomplete or incorrect in any material manner, the Transfer Agent or the Distributor will advise the applicant to remove the discrepancy. In the meanwhile, the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- Units will be redeemed on the basis of daily Net Asset Value (NAV) announced as of the close of the Dealing Day on which a correctly filled Redemption Form is submitted within business hours.
- Unless otherwise instructed, payment of the redemption proceeds will be made by a cross cheque, in favor of Unit Holder's registered name or first named joint Holder in the event of Joint Holders, and will be sent to 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 redemption form as provided, within six (6) Business Days of the receipt of a properly documented request for redemption of Units. However, if so authorized by the Unit Holder, payment of 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. No money shall be paid to any intermediary except the Unit Holder/Joint Holder or his/their authorized representative(s).
- In case the investor has requested encashment of bonus Units then such bonus Units will be redeemed at the ex-dividend Net Asset Value of June 30 of the relevant Accounting Period
- Redemption of Fund Units may be suspended or put in queue due to exceptional circumstances. For detailed information about this please refer to clause 4.10 below.
- In case of request for partial redemption of Units covered under a single Certificate, the Units will be redeemed, as required in the redemption application and simultaneously the Certificate will be cancelled. New Certificate or Certificates (if more Certificates are required) will be issued for balance Units on payment of fee prescribed in this Offering Document for issue of Certificate.

(c) Joint Unit Holder(s)

Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Redemption Form for such Units.

(vi) Procedure for Requesting Change in Unit Holder Particulars

(a) Who Can Request Change?

In the event of change in particulars (not involving change in ownership of Units), the Unit Holders may intimate the Transfer Agents or the Management Company of the change of the particulars. Such change in particulars can be simply made through written instructions from the investor.

(b) Application Procedure for Change in Particulars

Some of the key information which the Unit Holder can change is as follows:

Change in address
Joint Holder details
Nominee details

(c) The Unit Holder can also issue the following instructions:

Change in Bank Account
Conversion of Units types

Instructions regarding encashment of bonus units or reinvestment of cash dividend
Account operating instructions
Frequency of profit payments

- (d) Such instructions, duly signed by the Unit Holders, can be submitted by both Individuals and/or Institutional Investor(s), and should be delivered to any of the Authorized Branches of the Distributors or to the Management Company directly or through an Investment Facilitator within business hours on a Dealing Day. Nothing contained herein shall be construed as limiting or otherwise restricting the Management Company's liability under Regulation 46 of the Regulations. The Distribution Company and /or Management Company will be entitled to verify the particulars given in such instructions. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

(e) Joint Unit Holder(s)

Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the written instructions for any change in particulars in the Register for such Units.

4.9 Procedure for Pledge / Lien / Charge of Units

(i) Who Can Apply?

All existing Unit Holders or Joint Unit Holder(s) / or those who have purchased Fund Units are eligible to apply for pledge / lien / charge of Units if they so desire in favor of any third party legally entitled to invest in such Units in its own right. Such Pledge / Lien / Charge can be made via the Pledge of Units Form. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site. The Transfer Agent shall register a lien on any Units in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.

(ii) How the lien, once registered can be removed?

The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.

(iii) Cash dividend/ bonus units on pledged Units

Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien /charge / pledge shall continue to be paid to the Unit Holder, unless instructions to the contrary is given by the Unit Holder, in that event, it may be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address mentioned in the Pledge Form and/or Account Opening Form submitted. Once the Unit Holder has given the instruction to pay to the pledge Holder, the instruction can be withdrawn by Unit Holder only if withdrawal instruction is also signed by the pledge holder.

(iv) Procedure

The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy. Fully completed Pledge of Units Form has to be submitted by both Individuals and/or Institutional Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within business hours on a Dealing Day. All risks and rewards, including the right to redeem such units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

4.10 Suspension of Dealing, Queue System and Winding Up

Under the circumstances mentioned in below, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units.

(i) Suspension of New Issue of Units

The Management Company may, under certain circumstances, suspend issue of fresh Units. These circumstances may include

- a. A situation in which the Management Company has decided to terminate the Fund;
- b. A situation in which it is not possible to invest the amount received against issuance of new units, i.e. closure of stock exchange, state of emergency, etc.; or
- c. Any other situation in which issuance of new units is, in Management Company's opinion, against the interests of the existing/remaining unit holders.
- d. The Management Company may not apply the suspension of new issue of Units to existing Unit Holders, the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units.
- e. The Management Company shall immediately notify the SECP and the Trustee, if new issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

(ii) Suspension of Redemption of Units

In the event of extraordinary circumstances, the Management Company may suspend or defer redemption of Units. These circumstances may be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, terrorist threat and / or activities, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company, Transfer Agent, Trustee or the Distributors unable to function or any other conditions mentioned in the Rules/ Regulations.

(iii) 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 (10%) 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 all Unit 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 Dealing Day, such requests shall be processed on basis proportionate to the size of the requests. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Dealing Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Dealing 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 (10%) of the Units then in issue.

(iv) Winding up in view of Major Redemptions

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in the Fund being run down to an unsustainable level or it is of the view that the sell off of assets is likely to result in a significant loss in value for the Unit 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 Unit Holders shall be paid after selling the assets and determining the final Redemption Price. However, interim distributions of the proceeds may be made if the Management Company finds it feasible.

(v) Issue and redemption of Units in extraordinary circumstances

The Management Company may, at any stage, suspend the issue (sale) of Units and for such periods as it may so decide. The issue and redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchange(s) on which any of the Securities invested in by the Fund 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 the Fund or of the Unit Holders, a break down in the means of communication normally employed in determining the price of any investment or when remittance of money cannot 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. 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 (10%) of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. Details of the procedure are given in **Clause 4.10(iv)** herein above. 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 of a Queue System and end of suspension and Queue System, the Management Company shall immediately notify the SECP and publish the same in the newspaper in which the Fund's prices are normally published.

4.11 Frequency of Valuation, Dealing and Mode of the Price announcement

(i) Valuation

The valuation of the property method for determining the value of the assets and liabilities and the net asset value would be as stated in the Regulations, as amended from time to time. For the Classes of Units and the Initial Period (Purchase) Prices, please refer to Clause 1.8 of this Document. Subsequent to the Initial Period, the Management Company shall announce the Purchase (Offer) and Redemption (Repurchase) Prices for every Dealing Day, calculated on the basis of the NAV and adjusted for such load, transaction costs, charges and duties as are described herein, subject to verification by the Trustee at their discretion. The prices

determined, as described below shall be subject to adjustment for any taxes payable in the jurisdiction of the transaction.

(ii) Purchase (Offer) Price

The Purchase (Offer) Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Dealing Day, Transaction Cost and any Front-End Load not exceeding 5% of the Net Asset Value and such amount as the Management Company may consider appropriate provision for Duties and Charges. The Management Company has fixed the Front end Load at 1% of the Net Asset Value of Units. The Purchase (Offer) Price so determined for a Dealing Day shall apply to purchase requests, complete in all respects, received by the Distributor and / or Management Company during the business hours on that Dealing Day.

(iii) Redemption Price

The Redemption Price shall be equal to the Net Asset Value (NAV) as of the close of the Dealing Day less Transaction Cost and any Back-End Sales Load (Load) not exceeding 5% of the Net Asset Value and such amount as the Management Company may consider appropriate provision for Duties and Charges. The Management Company has not levied any Back End Load on Redemption of Units. The Redemption Price so determined for a Dealing Day shall apply to redemption requests, complete in all respects, received by the Distributor and / or Management Company during the business hours on that Dealing Day. However, the Back-end Load may not be deducted from the NAV for such units that are being converted in another scheme being run by the Management Company.

(iv) Announcement of Prices

The Management Company shall announce the Offer (Purchase) and Redemption (Repurchase) Price daily (on Business Days), calculated on the basis of the Net Asset Value of the Units and adjusted for such Load, Transaction Cost and Duties and Charges as are described, herein. The method of calculation shall be cleared to the Trustee's satisfaction that such method is adequate for ensuring accurate calculation of Unit Prices. Under certain circumstances as provided in this Offering Document, the Management Company may suspend the announcement of the prices. The Management Company shall publish the Purchase (Offer) and Redemption (Repurchase) Prices in at least one daily newspaper widely circulated in Pakistan and Purchase (Offer) and Redemption (Repurchase) Prices shall be made available on the website of the asset management company i.e. www.atlasfunds.com.pk

4.12 Purchase (Offer) and Redemption (Repurchase) of Units Outside Pakistan

Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the Purchase (Offer) of Units to persons not residing in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Purchase (Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise levied in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional

stamp duty or taxation whether national, local or otherwise levied in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility.

The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.

4.13 Transfer, Transmission and Conversion Procedure.

- (a) Unit Holder may, subject to the law, transfer any Units held by them to any other account holder. The transfer shall be carried out after the Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with. A Unit shall be transferable only in its entirety.
- (b) Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificates if the Certificates have been lost or destroyed, subject to compliance by the transferor with like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document or the Trust Deed. The Transfer Agent shall retain all instruments of transfer.
- (c) The Transfer Agent shall, with the prior approval of the Management Company be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered at any time after the expiration of twelve years from the date of registration thereof and all the Certificates which have been cancelled at any time after the expiration of six years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from transmission to the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided that (i) this provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall impose upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

Transmission of Units to successors in case of inheritance or distribution of the state of a deceased Unit Holder shall be processed by the Transfer Agent after satisfying as to all legal requirements. All costs, including legal costs and taxes, if any, shall be borne and paid by the transferees.

- (d) A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company. The Transfer Agent shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any,

has been received. The Management Company may impose a time limit before which conversion may not be allowed.

- (e) A Unit Holder may merge the Units when he/she has invested with two folio/registration numbers and wishes to merge both the Units into one Registration No./Folio No./AAML Account No. The Transfer Agent shall carry out the merger after satisfying that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, has been received.
- (f) The sale, redemption and transfer of Units and any other dealings in the Units may be carried out on-line, with the consent of the Trustee to the extent permitted by and in accordance with applicable law.
- (g) Partial transfer of Units covered by a single Certificate is permitted. Provided that in case of physical certificates issued, the Transfer Agent will cancel the Certificate and after redemption issue a new Certificate or more than one Certificate, if so requested by the Unit Holder, for the balance Certificate on payment of prescribed fee, as mentioned in this Offering Document.

5. DISTRIBUTION POLICY

5.1 Distribution Policy

Under Regulation 72 of the Regulations, the Fund is required to distribute by way of dividend (which expression includes bonus Units) to its Unit Holders, not less than ninety per cent of its income received or derived from sources other than capital gains as reduced by such expenses as are chargeable to a collective investment scheme under these Regulations. The net amount available for distribution at the end of the Accounting Period (or such interim period as may be decided by the Management Company), shall comprise of the revenues earned by the Fund including the net impact of the revenue collected and paid out in the NAV calculation through Offer (Purchase) and Redemption (Repurchase) of Units, less all expenses incurred or accrued attributable to the Fund. The Fund shall distribute 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends or both, in order to avail tax exemption or any other benefits in the interest of the Unit Holder.

5.2 Declaration of Dividend

The Management Company shall decide within the time limit specified by SECP after the Accounting Date, whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.

5.3 Determination of Distributable Income

The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of:

The total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, profit, fee etc.;

Net realized gains and appreciation as set out below from which shall be deducted, expenses as set out in Clause 6.2 and such other adjustments as the Management Company may determine in consultation with the Auditors, subject to the Regulations and the provisions of the Income Tax Ordinance and the Rules there under.

All the receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as

part of the Fund Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation and gains in the value of investment after setting forth the losses in the value of investment to be in the nature of net unrealized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account. The net realized loss and net unrealized loss shall be provided for.

The Management Company may pay interim dividend in the form of cash dividend or Bonus Units. In the event of cash dividend the Unit Holders may decide to reinvest the cash dividend to buy additional Units. In such event the Units will be issued without applying any Sales Load at the Net Asset Value (NAV) of Units at the Accounting Date, which means thirtieth day of June in each year or any interim dates at which the financial statements of the Trust are drawn. Similarly in the event of declaring bonus Units, a Unit Holder may decide to receive cash equivalent of bonus Units. The bonus Units will be issued without applying any Sales Load at the Net Asset Value (NAV) of Units at the Accounting Date, in the same manner cash dividend is utilized to buy additional Units, as stated above. The cash equivalent of bonus Units will also be calculated based on NAV of Units on the Accounting Date.

5.4 Reinvestment of Dividend

(i) Issue of Units under Cumulative Investment

Unit Holders may opt to receive the amount equivalent to their share of the annual cash distribution in the form of additional Units. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim distribution) issue such number of Units to the Unit Holder that approximately equates the value of the Cash Dividend for the period.

A Unit Holder may in writing at the time of opening of an account in the Unit Holder Register during the first purchase of Units or may by completing any other form as prescribed by the Management Company at a later date instruct the Management Company to reinvest the future dividends to which he will be entitled into Fund Units.

(ii) Issue Price

The issue price shall be determined on the basis of the NAV at the Accounting Date after appropriation of the distribution but without any charge of the Front-End Load. The issuance of the Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

5.5 Bonus Units

(i) Issue of Bonus Units and Issue Price

In case of distribution in the form of bonus Units on each distribution date the Management Company shall determine the amount available for distribution as bonus Units and inform the Trustee of the same. Such Units shall be added to the holding of the Unit Holders within the book closure period. The issue price shall be determined on the basis of the NAV at the Accounting Date after appropriation of the distribution but without any charge of the Front-Load normally deducted from the Offer Price. The issuance of the Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.

(ii) Encashment of Bonus Units

A Unit Holder may receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Registrar by

completing any other form as prescribed by the Management Company prior to the dividend declaration for any relevant period. The NAV applicable to the encashment of such Units will be the NAV announced by the Management Company on the Business Day immediately after the last day of the book closure announced for such purpose.

5.6 Payment of Dividend

All payments for dividend or encashment of bonus Units shall be made by transfer of funds to the Unit Holder(s) designated bank account or through any other mode(s) of payment and such payment shall be subject to Regulations. The dividend or proceeds of bonus Units shall be transferred within 45 days after the declaration of the dividend.

5.7 Dispatch of Dividend Warrants/Advice

Dividend warrants or advice shall be dispatched to the Unit Holder's registered address within 45 days after the declaration of dividend. In case of joint Holders, the dividend warrants shall be dispatched to the first joint Holder as recorded in the Register.

5.8 Closure of Register

The Management Company may close the Register with intimation to Trustee by giving at least seven (7) days notice to Unit Holders and for period not exceeding forty-five (45) days in a calendar year. During the period the Register is closed the sale and redemption of Units, including transfer applications, will be suspended.

6. FEES AND CHARGES

6.1 Fees and Charges Payable by Investor

(i) Sales and Processing Charges (Front-End Load)

The Unit Purchase Price includes front-end load of a maximum of five percent (5%) of the Offer (Purchase) Price. The current level of Front-End Load is 1.0%. The issue price applicable to bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any Front-end Load. Transfer of Units from one owner to another shall be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value at the date the request is lodged within business hours on the Business Day to the Authorized Distributor or Management Company, which shall be recovered from the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the transfer or may be charged separately. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder. The Management Company may also issue Units at a reduced or no Sales and Processing Charge under different administrative plans.

(ii) Allocation of Front-End Load

The remuneration of Distributors and Investment Facilitators for the sale of Units with front-end load shall be paid exclusively from any front-end load received by the Trustee and / or may be paid by the Management Company when the Trustee pays the front-end load to the Management Company for onward distribution to the Distributors and Investment Facilitators and no charges shall be made against the Fund Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

Such payments of Front-end Load may be made to the Management Company by the Trustee on the instructions of the Management Company normally on monthly basis in arrears within thirty days of the end calendar month or in some other frequency on mutually agreed basis.

A Distributor or Investment Facilitator located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

(iii) Allocation of Back-End Load

The amount of Back end Load shall form part of Deposited Property. The remuneration of Distributors on sales of Units with only Back-end Load shall be paid out of the management fee accruing to the Management Company, from its own resources, and there will be no separate charge to the Fund or the Unit holders.

6.2 Fees and Charges Payable by Fund

The following expenses will be borne by the Fund:

(i) Remuneration of the Management Company

The Management Company shall be entitled to receive a remuneration of an amount not exceeding three percent of the average annual net assets as defined under the Regulations during the first five years of the Scheme and two percent of such assets thereafter. The remuneration shall begin to accrue from the close of the Initial Offer Period and shall be calculated on a daily basis for the number of days in the Accounting Period. The remuneration due to the Management Company shall be paid within seven business days after the close of each calendar month after the receipt of the invoice by the Trustee.

In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules / Regulations and the Deed to be payable out of Fund Property.

The Management Company shall bear all expenditures in respect of its 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 however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules / Regulations and the Deed to be payable out of Fund Property.

(ii) Remuneration of the Trustee

The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges given below, which shall be applied to the average daily Net Assets during such calendar month. The remuneration shall begin to accrue from the close of the Initial Offer Period and shall be calculated on a daily basis.

Net Assets	Remuneration
On amount up to Rs 1,000 million	Rs. 0.7 million or 0.20% per annum. of NAV, whichever is higher.
On amount exceeding Rs 1,000 million	Rs. 2.0 million plus 0.10% per annum of NAV exceeding Rs. 1000 million.

Such remuneration shall be drawn by the Trustee on authorization from the Management Company, after the receipt of invoice from the Trustee, in arrears within thirty days after the end of each calendar month.

In consideration of the foregoing and save as aforesaid and as provided above, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. The Trustee shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized to be paid out of the Fund Property under the provisions of the Rules/ Regulations and the Deed.

The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Deed.

Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP.

The Trustee shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules Regulations and the Deed to be payable out of Fund Property.

(iii) Remuneration of Custodian

AIIF will pay the Custodian on the basis of inflow and outflow of securities as per the tariff structure which is agreed upon by the Management Company. For the time being, CDC will be performing the functions of the Custodian and the remuneration for this function is included in the tariff structure mentioned in 6.2 (ii).

(iv) Formation and Other Costs chargeable to the Fund

- Formation Cost shall be charged to the Fund which shall not exceed 1% of the pre-public offer investment in the Fund or Rs. 5.0 Million whichever is lower.
- Formation Costs will be amortized over a period not lesser than five years.
- Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
- Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders.
- Bank charges and borrowing/financial costs; provided that the charges payable to any bank or financial institution against borrowings on account of the Trust shall not be higher than the normal prevailing bank charges or normal market rates.
- Auditors' Fees and expenses and any printing costs and related expenses for issuing the Fund's quarterly, half yearly, and annual reports, etc.
- Listing Fee payable to the stock exchange (s) on which Units may be listed.

- Annual fee payable to the SECP; and
- Taxes, if any, applicable to the Trust and its income and/or its properties.
- Charges and levies of stock exchanges, national clearing and Settlement Company and central depository company.
- Credit rating fees payable against rating of the Scheme.
- Hedging costs including forward cover, forward purchase or option purchase costs.
- Any Haram Income, which shall be paid to the Charity, as determined by the SAB subject to the condition that such charity organization is not related to the Shariah Adviser, Management Company or any of their employees.
- Any other expenses or charges as may be permitted by the Commission from time to time.

7. TAXATION

7.1 Taxation on the Income of the Fund

(i) Liability for Income Tax

Under the Tax Law in Pakistan, the definition of a public company includes a Unit Trust Scheme; accordingly, the Fund will be regarded as a public company, liable to a tax rate applicable to a public company. The income of the Fund will accordingly be taxed at the following rates currently. Any change in the tax law from time to time will apply.

- Dividend income received from a company shall be taxed at an income tax rate of 10%.
- Capital gain arising on sale of securities listed on any Stock Exchange in Pakistan is exempt from tax up-to June 30, 2010.
- Income from term finance certificates/Sukuks, or corporate papers, Government Securities, return on deposit/ certificates of investment/deposit with bank/financial institutions, money market transactions, profit and loss sharing accounts with banks or any other income not mentioned above is taxable at the rate applicable to a public company.

(ii) Liability for Income Tax if 90% of the Income is distributed.

Notwithstanding the tax rates given above, the income from the Fund will be exempted from tax if 90% or more of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend, which expression shall include bonus Units. As the Fund shall distribute 90% or more of its income, as reduced by capital gains realized or unrealized, the income of the Fund will not be subject to any income tax.

(iii) Withholding Tax

Under the provisions of clause 47(B) of Part (IV) of the Second Schedule of the Income Tax Ordinance 2001 the Fund's income from dividend, profit on debt, brokerage and commission is exempt from withholding tax.

(iv) Capital Value Tax (CVT)

The Fund will be subject to a capital value tax (CVT) on purchase transaction at a rate of 0.02% (as amended by Government from time to time) of the purchase value of instruments of redeemable capital, or shares of public listed companies or modaraba. This tax will be collected by the stock exchange. The Fund will accordingly pay CVT on purchase of Sukuks or any Shariah compliant debt instruments purchased from the stock exchange. The Fund

will also pay the CVT on Ready Future spread transaction on purchase of shares. The CVT, so paid will be treated as an expense of the Fund.

(v) Zakat

The Fund is Sahib-e-Nisab under Zakat Ushr Ordinance, 1980.

7.2 Taxation on Unit Holders

(i) Disclaimer

The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his or her tax advisor with respect to the specific tax consequences of investing in the Fund.

(ii) Tax on dividend distribution

Unit Holder of the Fund will be subject to Income Tax on dividend income (excluding portion of dividend income which is distributed out of capital gains) at the rate of 10% of gross amount of cash dividend. The rate of tax so specified will be the final tax (except for companies, as defined in Income Tax Ordinance, 2001) and the payer (Trustee) will be required to withhold the amount of tax at source. The recognized provident funds, approved superannuation funds and approved gratuity funds will not be subject to any income tax or withholding tax on their investment in the Fund.

(iii) Capital Gains

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 Funds will be listed on the Stock Exchange (s). Consequently, subject to such listing, the Capital Gains on disposal of the Units shall be exempt from tax up-to Tax Year ending on 30th day of June 2010. Any changes in tax law from time to time shall apply.

(iv) Exemption Certificates

Unit Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income tax and provide the same to the Management Company and/ or Transfer Agent and on the basis of Exemption Certificate income tax will not be with-held. In terms if the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution except for companies, as defined in Income Tax Ordinance, 2001.

(v) Tax Credit

Unit Holder 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 amount invested in purchase of new Units, 10% of taxable income of the Unit Holder, and Rupees Three 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 12 months, the amount of tax payable for the tax year in which the Units are disposed shall be increased by the amount of tax credit.

(vi) Zakat

Unit held by Sahib-e-Nisab as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat at 2.5% of the Par Value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend or from the redemption proceeds.

(vii) Distribution of 90% Income

The Management Company shall distribute at least 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail Tax Exemption or any other benefits.

(h) Disclaimer

The tax and Zakat information given is based on the Management Company's interpretation of the law, which to the best of the Management Company's understanding is correct and is based on the opinion of the tax advisors, but Investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the Trust. Furthermore, tax and zakat laws, including rates of taxation and of withholding tax are subject to amendments form time to time. Any such amendments in future shall be deemed to have been incorporated herein. The above information is based in the current taxation status. The exemption and rates of taxation are subject to change from time to time.

8. REPORTS AND ACCOUNTS

8.1 Financial Year of Atlas Islamic Income Fund

The Accounting Period shall commence from the date on which the Deposited Property is first paid or transferred to the Trustee, to the thirtieth day of June for the first year; and for the subsequent years, from the first day of July to thirtieth day of June.

8.2 Financial Reportings

The following Reports will be sent to the Unit Holders.

- (i) Audited financial statements, together with the Auditors' Report, the report by the Management Company (Director's Report) and the report by the Trustee within four months of the close of each Accounting Period.
- (ii) Un-audited financial statements (subject to limited scope review by auditors), together with the report by the Management Company and the report by the Trustee within two months of the close of the second quarter of the Accounting Period, as per the Rules / Regulations.
- (iii) Un-audited financial statements, together with the report by the Management Company within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by SECP or the Rules / Regulations.
- (iv) The Trustee shall issue a report to the Unit Holders to be included in the annual report and second quarter report, or at such times as directed by the SECP, in accordance with the Law, whether in its opinion, the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Rules, Regulations and the Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- (v) The reporting will be according to the Rules, Regulations and the Ordinance.
- (vi) The Reports at (ii) and (iii) can be sent to Unit Holders through electronic means or by placing on the Management Company's web-site, subject to SECP approval, instead of sending the hard copy through mail, subject to the condition that a copy will be sent to those Unit Holders, who shall require a copy to be sent to them.

9. SERVICE TO UNIT HOLDERS

9.1 Availability of Forms

All the forms mentioned in this Offering Document will be available at all the Authorized Branches of all Distribution Companies as well as from the Management Company and from its web site. www.atlasfunds.com.pk

9.2 Register of Unit Holders

(i) Register

A Register of the Unit Holders shall be maintained by the Management Company at its Head Office. Every Holder will have a separate identification number for each type of Units. Such account shall be used for recording at all times, Units held by the Unit holder in various Schemes and the Administrative Plans and the transactions in the account. The Holder will be entitled, with the prior arrangement with the AAML or the Transfer Agent, 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. The Register shall be conclusive evidence as to the Units held by each Holder.

(ii) Transfer Agent

If, in future, the Management Company appoints any Transfer Agent, the roles and responsibilities will be assigned under a Transfer Agency Agreement and the Register of Unit Holders will then be maintained by the Transfer Agent. AAML shall then ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives reasonable access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the register or to make any entries therein or alterations thereto.

(iii) Inspection of Register

Except when the Register is closed in accordance with the provisions of the Trust Deed, the Register shall during business hours for a period or at least three hours in each business day be open (subject to any restriction in the Offering Document or Supplementary Offering Document) in legible form to the inspection of any Holder of his/ her record without charge.

9.3 Information in the Register

The Register will contain the following information:

(i) About Unit Holders

- a. Full name of Holder and Joint Holders;
- b. Full name of father/ husband of Holder and Joint Holders
- c. Addresses of Unit Holder/ first named Joint Holders
- d. Computerized National Identity Card Number and/or Passport Number of Holder and Joint Holders
- e. Name of Attorney/ Trustee in case of Institutions/ Companies/ Organization/ Trust
- f. Addresses of Attorney/ Trustee in case of Institutions/ Companies/ Organization/ Trust
- g. Computerized National Identity Card Number and/or Passport Number of Attorney/ Trustee in case of Institutions/ Companies/ Organization/ Trust

(ii) About Units

- a. Number, Classes and Types of Units held;
- b. Distinctive numbers of Units/ Certificate(s), if any;
- c. Date on which name of Unit Holder was entered in respect of Units standing in the name;
- d. Date on which any Transfer or Redemption registered;
- e. Information about lien, Pledge or charge on Units;
- f. Tax and Zakat status of the Unit Holder(s);
- g. Record of the signature of the Unit Holder(s);
- h. Nominees of the Unit Holder(s) and

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- i. Such other information as the Management Company may require;

(iii) Instructions

- a. Options regarding cash dividend/ re-investment;
- b. Option regarding bonus units/ encashment;
- c. Nominee information
- d. Pledge of Units;
- e. Bank details for Redemption/ Dividend mandate

9.4 Closure of Register

The Register may be closed with intimation to the Trustee for such period as AAML may from time to time determine and after giving at least seven calendar days notice to Holders, provided that it is not closed for more than forty-five days in any calendar year. During the period the register is closed, transfer application will not be received.

9.5 Account Statement

The Transfer Agent will send directly to each Unit Holder a non-transferable account statement each time there is a transaction in a registration number, i.e., Units are (1) subscribed, (2) redeemed, (3) transferred in favor of a third person, (4) pledged (5) transferred from a third person, (6) consolidated/split and (7) additional Units are issued in the form of income distribution. An account statement will be posted within 5 Business Days after each relevant transaction. However, the frequency of statements may vary under different administrative plans governed by the respective Supplementary Offering Documents.

9.6 Certificates

(i) Issue of Certificates

- a. Certificates shall be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of Rupees 25/= per certificate, payable to the Management Company and an amount sufficient to cover any Duties and Charges payable in connection with the issue of such Certificate(s).
- b. Certificates shall be issued within twenty-one Business days of request made by the Unit Holders and dispatched to the Unit Holder or his duly authorized nominee by registered post, or by courier service or may be collected by the Unit Holder from the Distributor.
- c. Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder. Separate Certificates shall be issued for each class of Units.
- d. Certificates for Fraction Units shall not be issued.
- e. In the case of Units held jointly, the Certificates will be in the name of Joint Holders and delivered to the Holders named first therein;
- f. Certificates shall be issued in such form as agreed between the Management Company and the Trustee. A Certificate shall be dated, bear the name and address of the Management Company and the Trustee, bear a distinctive number, number of Units representing the Certificate and the name and address of the Holder as appearing in the Register.
- g. Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on their behalf by a duly authorized officer(s). Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of an appointed Transfer Agent or the Management Company, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or AAML or the Transfer

Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or any authorized signatory.

(ii) Replacement of Certificates

- a. In case any certificate is lost, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled a new certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have returned the mutilated or defaced Certificate or furnished to the Transfer Agent evidence satisfactory to AAML and the Trustee of the loss, theft or destruction of the original Certificate, paid all expenses incurred in connection with the investigation of the facts in the case of joint Holders, obtained the written consent of the joint Holders for issuance of such new certificates, and furnished such indemnity as Management Company and the Trustee may require. Neither the Management Company nor the Trustee nor the Distributor/Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.
- b. Before issuing any Certificate(s) the Transfer Agent may require from the applicant a fee for issuing the Certificate at Rupees 25/= per Certificate and an amount sufficient to cover any Duties and Charges payable in connection with the issue of such Certificate(s).
- c. Every Holder shall be entitled to exchange upon surrender of the existing certificate any or all of his/her certificates for one or more certificates of such denominations as he may require representing the same aggregate number of Units on payment of fees and charges, as stated above.

9.7 Pledge / Lien / Charge of Units

All existing Unit Holders or Joint Unit Holder(s) / or those who have purchased Fund Units are eligible to apply for pledge / lien / charge of Units if they so desire in favor of any third party legally entitled to invest in such Units in its own right.. Such Pledge / Lien / Charge can be made via the Pledge of Units Form. These forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its web site. The Transfer Agent shall register a lien on any Units in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien. The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.

9.8 Nomination

Subject to any Personal Laws that may be applicable to a Unit Holder, a single Unit Holder (other than Joint Holders) can nominate a successor to receive the Units upon his/ her death by filling in the relevant portion of the Investment Form (or may request a nomination or change in nomination through the Special Instruction Form). The maximum number of nominees can be two in number with their respective shares mentioned against their respective names. Such nomination shall not restrict the Management Company or the Trustee or the Transfer Agent from demanding succession certificate from appropriate court of law and they shall not be liable in any manner in case of any dispute among the legal heirs of the deceased.

10. FINANCIAL INFORMATION

10.1 Auditors Certificate on Core Investors' Investment in the Units of the Fund

AC3/208/2008

August 21, 2008

The Chief Executive Officer
Atlas Asset Management Limited
Karachi

Dear Sir

ATLAS ISLAMIC INCOME FUND (THE FUND)
RECEIPT OF CORE CAPITAL

This has reference to your email dated 12 August 2008. As desired, we are pleased to confirm that as per the bank statement of the Fund and other information provided to us by the Management Company, a sum of Rs.103, 810,000 has been received by the Fund in its bank account on 21 August 2008 in respect of core capital, as per the attached statement prepared by the management, and duly initialed by us for identification purposes only.

This letter is being issued on specific request of the Management Company for onward submission to Securities and Exchange Commission of Pakistan.

Yours faithfully

s/d

FORD RHODES SIDAT HYDER & CO.
CHARTERED ACCOUNTANTS

10.2 Auditors Certificate on the Net Asset Value of the Fund

AC3/209/2008

August 21, 2008

The Chief Executive Officer

Atlas Asset Management Limited
Karachi

Dear Sir

ATLAS ISLAMIC INCOME FUND (THE FUND)
NET ASSET VALUE OF UNITS

This has reference to your email dated 12 August 2008. As desired, we are pleased to confirm that the net assets [as defined in Section 2 (1) (xvi) of the Non-Banking Finance Companies and Notified Entities Regulations 2007] of the Fund as of 21 August 2008 amounted to Rs. 103,947,667 as per the un-audited books and records of the Fund. The net asset value of each unit amounted to Rs. 500.66 which was arrived at by dividing the net assets value by the number of units in issue as of that date.

Yours faithfully

s/d

FORD RHODES SIDAT HYDER & CO.
CHARTERED ACCOUNTANTS

Formation Cost

All preliminary and floatation expenses of the Fund 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 open-end scheme and all expenses incurred during Initial Period, shall be borne by the Management Company and reimbursable over a period of not less than five years. The Formation Cost shall be amortized over a period of not less than five years. Such cost will not exceed one percent (1%) of the amount received during pre-IPO, including Core Investors Investment into the Fund or Rupees 5 million, whichever is lower.

11. WARNING

11.1 Offering Document

The provisions of the Trust Deed and the Rules / Regulations govern this Offering Document. This Offering Document sets out the arrangements covering the basis of the Fund Units. It sets forth information about the Fund that a prospective investor should know before investing in any Unit of the Fund. Prospective investors should consult one or more from amongst their legal advisor, stockbroker, bank manager, or other financial advisor.

11.2 Fluctuation in Price and Income

It may be stated that the Prices of Units and income from them may go up or down.

11.3 Disclaimer

If you are in any doubt about the contents of this Offering Document, you should consult your legal advisor or other financial advisor. The price of the units of this Fund and the income of this Fund (from which distribution to Unit Holders is made) may increase or decrease. Price of Units and income from them may go up or down. Investment in this Fund is suitable for investors who have the ability to take risks associated with financial market investments. Capital invested in the financial markets could, in extreme circumstances, lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

The Units of AIIF are not bank deposits and are not issued by, insured by, obligation of, or otherwise supported by the SECP, any Government Agency, 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. The portfolio of AIIF is subject to market risks and risks inherent in all such investments.

ATLAS ISLAMIC INCOME FUND AIIF's target return or dividend range cannot be guaranteed. AIIF's Unit price is neither guaranteed nor administered/managed. It is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets.

Investors are advised to read risk disclosure as mentioned in this document in clause 2.9, clause 2.10 and clause 11 for more information concerning risk.

12. GENERAL INFORMATION

12.1 Inspection of Constitutive Documents

The copies of Trust Deed and Offering Document, can be inspected free of charge at the addresses given below:

- (i) Atlas Asset Management Limited
Ground Floor, Federation House,
Sharae Firdousi,
Clifton,
Karachi - 74400

- (ii) Central Depository Company of Pakistan Limited
CDC House
99 – B, Block 'B'
S.M.C.H.S
Main Shahra-e-Faisal
Karachi

(iii) These can also be viewed at the web site of the Management Company at the following address.

www.atlasfunds.com.pk.

12.2 Statement of Responsibility

The Offering Document has been published on October 7, 2008. The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

13. TERMINATION OF ATLAS ISLAMIC INCOME FUND

13.1 By the Management Company

1. The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees Fifty (50) million. The Management Company shall give at least three (3) months notice in writing to the Unit Holders, Trustee and Commission and shall give the reasons for the decision.
2. The Management Company may announce winding up of the Trust in the event the redemption requests build up to a level where Management Company is of the view that the disposal of the Fund Property to meet such redemption would jeopardize the interest of the remaining Unit Holders and it would be in the interest of all the Unit Holders that the Trust be wound up.

13.2 By the Securities and Exchange Commission of Pakistan

If the SECP considers that further continuation of the authorization of the Fund will not be in the interest of Unit Holders, it will give a three months notice to the Unit Holders and the Trustee 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.

The Scheme may be terminated in accordance with the conditions specified in the Rules/Regulations, if there is material breach of the provisions of the Trust Deed or other agreement or arrangement entered into between the Trustee and the Management Company regarding the Unit Trust.

13.3 Administration Plan

The Trustee shall be acting as combined Trustee of two or more Unit Trusts and Administration Plan thereof. In the event of the termination of the Trustee of any one Unit Trust, which forms an integral part of any Administration Plan covering more than one Unit Trust, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is cost efficient for the Unit Trust.

13.4 Suspension of Sale and Redemption

Upon the Trust being terminated the Management Company shall suspend the Sale and Redemption of Units forthwith and proceed to sell all the Investment then remaining in the hands of Trustee as part of the Fund Property and shall repay any dues and borrowing affected by the Trust together with any mark up or profit remaining un-paid.

13.5 Distribution

The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property, after making payments as mentioned in 13.4 above and retaining such sum as may be necessary for all costs, charges, expenses, claims and demands.

13.6 Winding up

In case of the termination of the Fund, the Management Company shall be required to wind-up the Fund and refund the net proceeds to the Unit Holders in proportion to the number of units held by them and within such time as may be specified by the SECP

14. GLOSSARY

Unless the context requires otherwise the following words or expressions used in this Offering Document, shall have the following meanings respectively assigned to them viz.:

- 14.1 “Accounting Date” means the date thirtieth day of June in each year and any interim dates at which the financial statements of the Trust are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.
- 14.2 “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.
- 14.3 “Account Statement” means statement of transaction in Units in the folio of the Unit Holder.
- 14.4 “Administrative Plans” or “Investment Plans” means, investment plans offered by the Management Company, where such plans allow investors a focused investment strategy in any one or a combination of the Shariah compliant Unit Trust Schemes managed by the Management Company and for which a common Trustee is appointed. The management company with the prior approval of SECP issue income units and allocation schemes among the Funds managed by it and with same Trustee.
- 14.5 “Auditor” or Shariah Auditor” means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as the auditor for the Scheme, who shall be independent of the auditor of the Management Company and the auditor of the Trustee, as provided under the Rules and the Regulations.
- 14.6 “Authorized Branch” or “Branches” means those branches of the Distributors that have been authorized by the Management Company to perform distribution functions whose addresses are given in this Offering Document (Annexure “A”) or as disclosed by the Management Company from time to time.
- 14.7 “Authorized Investments” means any Shariah compliant investment instrument available within or outside Pakistan allowed under the Rules/ Regulations and that complies with the guidelines of Shariah Advisor of the Fund. These include:
- 14.7.1 Certificates of Investment, based on Shariah compliant structure issued by an entity with minimum investment grade rating in case the instrument itself is not rated.
- 14.7.2 Placements of deposits of various tenors in licensed Islamic Banks or Islamic financial institutions and licensed Islamic Banking windows/branches of conventional Banks or financial institutions, with minimum investment grade rating.

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- 14.7.3 Placements of funds under Mudarabah, Murabaha and Musharikah arrangements. Maximum exposure (as a percentage of Net Assets) to rated and non-rated entities/ in this asset class is identified separately by the Management Company and mentioned in the Offering Document Clause 2.2 (ii).
- 14.7.4 Spread (Ready-Future) as approved by the Shariah Advisor in eligible listed securities, as declared by the Stock Exchange and Commission.
- 14.7.5 Secured and listed Shariah Compliant income instruments/securities, including Sukuks:
- issued by local governments, government agencies and statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which is specified in the Offering Document Clause 2.2 (ii).
 - issued by private sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which is specified in the Offering Document Clause 2.2 (ii).
- 14.7.6 Secured and unlisted/privately placed Shariah Compliant income instruments/securities, including Sukuks:
- issued by local governments, government agencies, and statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which is specified in the Offering Document Clause 2.2(ii).
 - issued by private sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which is specified in the Offering Document Clause 2.2 (ii).
- 14.7.7 Unsecured and listed Shariah Compliant income instruments/securities, including Sukuks:
- issued by local governments, government agencies, statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable;
 - issued by private sector entities and/or Financial institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable.
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- 14.7.8 Unsecured and unlisted/privately placed Shariah Compliant income instruments/securities, including Sukuks:
- issued by local governments, government agencies, statutory bodies;
 - issued by public sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable;
 - issued by private sector entities and/or Financial Institutions. A minimum investment grade rating of either the entity or the instrument by an approved credit rating agency should be applicable.
- 14.7.9 Shariah Complaint Contracts, securities, instruments issued by companies, organizations and establishments issued on the principals of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Ijarah, Mudarabah, Murabahah, and Musharikhah. Minimum Investment Grade Rating will be applicable. Where credit rating is not available for either the entity or instrument in this category, the Management Company will identify maximum exposure limits and the requisite information regarding the issuer profile which is specified in the Offering Document Clause 2.2 (ii).
- 14.7.10 The above and other Investments available outside Pakistan, subject to the separate prior written approval of the State Bank of Pakistan, approval of the Commission and Shariah Advisor and compliance to any other applicable laws including:
- a) international profit bearing securities;
 - b) international debt/ money market instruments;
 - c) foreign currency bank deposits and certificates of investments of various tenors;
- 14.7.11 Any other Shariah compliant instrument that may be allowed by the Commission from time to time and as per the guidance of the Fund's Shariah Advisors, and under such parameters as mentioned in the Risk Management Policies of the Management Company.

The maximum exposure limits and minimum ratings of the above mentioned asset classes is specified in the Offering Document Clause 2.2 (ii).

The Fund may also make Shariah compliant investments overseas markets to the extent of 30% of the Net Assets of the Fund subject to a cap of US\$ 15 million at the time of investment. Such overseas Investments would be made according to prescribed guidelines of Commission/Shariah Advisory Board and if guidelines are not available, specific approval from the Commission will be obtained.

- 14.8 "Back-end Load" means sales charge or commission, not exceeding five (5) percent of the Net Asset Value deducted by the Management Company from the Net Asset Value in determining the Redemption Price; provided however that different levels of Back-end Load may be applied to different classes of units, as may be determined by the Management Company. The amount of Back end Load shall form part of Deposited Property.
- 14.9 "Bai Mu'ajjal" means a contract in which the seller earns a profit margin on his purchase price and allows the buyer to pay the price at a future date in lump sum or in installments.
- 14.10 "Bai' Salam" means a contract in which advance payment is made for certain defined goods (other than gold, silver and currencies) to be delivered later on a fixed date.

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- 14.11 “Bank” means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.
- 14.12 “Bank Accounts” means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownership of which shall vest in the Unit Holders.
- 14.13 “Broker” means any person engaged in the business of and licensed by the Commission to effect transactions in the securities for the account of others.
- 14.14 “Business Day/ Dealing Day” means a day when Banks are open for business in Pakistan.
- 14.15 “Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder(s) issued at the request of the Unit Holder(s) pursuant to the provisions of the Trust Deed.
- 14.16 "Charity" means amount paid out of the income of the Trust to a charitable/ welfare organization, in consultation with the Shariah Advisor, representing income, which is Haram.
- 14.17 “Collection Account(s)” means such temporary account(s), being maintained by the Trustee, where the amounts received for investment through Administrative Plans are deposited prior to the amount being transferred to the respective Funds accounts in proportion to the Units being allocated in both and the accounts where the redemption proceeds from the funds are transferred prior to the payment of the redemption proceeds to the Unit Holders.
- 14.18 “Commission or SECP” means Securities and Exchange Commission of Pakistan set up under Securities and Exchange Commission of Pakistan Act, 1997.
- 14.19 “Connected Person” shall have the same meaning as assigned in the Rules/Regulations.
- 14.20 “Constitutive Document” means this Trust Deed and any supplemental thereof which is the principal document governing the formation, management and the operation of the Trust, the Offering Document and any supplemental thereof and all related material agreements.
- 14.21 “Contingent Load” means Sales Load payable not exceeding 5% of the Net Asset Value, if Units are redeemed by any major Unit Holder in such period of time that the Management Company believes may adversely affect the interest of the other Unit Holders. Any Contingent Load received will form part of the Deposited Property of the Fund.
- 14.22 “Core Investors” means the initial investors whose subscription shall in aggregate, be in compliance of the requirements of Regulation 61 (2)(e)(ii) of the Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Particulars of the Core Investors shall be included in the Offering Document that shall be issued for this Fund.
- 14.23 “Core Units” shall mean such Units of the Fund that are issued to Core Investors at Par Value 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. Any transfer of these Core Units, during the first two years of their issue, shall be affected only on the receipt, by the Transfer Agent, of a written acceptance of this condition by the transferee.

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14.24 “Custodian” means a Bank, the Central Depository Company or any other depository or an investment finance company licensed under the Rules, which may be appointed by the Trustee in consultation with the Management Company, to hold and protect the Trust Property or any part thereof as Custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund.

14.25 “Deposited Property”. shall consist of:

14.25.1 The aggregate proceeds of all Units issued from time to time after deducting the sum of: (a) Duties and Charges; (b) applicable Sales Load; and (c) any other expenses chargeable to the Scheme.

14.25.2 All Investments made by the Trustee in terms of the Deed and all income, profit (including accrued profits) and other benefits arising there from and all cash and other assets including moveable or immovable and property of every description (including present and future actionable claims) for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to the Deed; and

14.25.3 Amounts standing to the credit of the Bank Account(s) maintained by the Scheme, including profits accruing therein and profits accruing in Distribution Account(s), until, from time to time, such amounts (or part thereof) are actually paid to Holders upon receipt of a request by such Holders to redeem their Units in accordance with the provisions of the Deed.

14.26 “Distribution Account” means the account (which may be a current, deposit or savings account) maintained by the Trustee with an Islamic Bank or a licensed Islamic branch of a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Deposited Property for the benefit of the Unit Holders.

14.27. “Distributor(s)” means Company (ies), Firm(s), Sole Proprietorship Concern(s), Individual(s), Central Depository Company, Bank(s) or any other Financial Institution appointed by the Management Company for performing any or all of the Distribution Functions and shall include the Management Company itself, if it performs the Distribution Functions.

14.28 “Distribution Function” means the functions with regard to:

- (a) Receiving applications for purchase of Units together with aggregate Offer Price for Units applied or by the applicants;
- (b) Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge applications, conversion notices, trading applications and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
- (c) Issuing receipts in respect of (a) & (b) above; and
- (d) Accounting to the Management Company for (i) monies received from the applicants when they issuance of Units; (ii) payments made to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Function.

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- 14.29 “Duties and Charges” means in relation to any particular transaction or dealing, bank charges, brokerage, registration fee, 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 Distributor/ Distribution Company or any Front-end or Back-end Load or commission payable to agents on sale and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 14.30 “Financial Institution” means a Bank, Development Finance Institution, Non Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services, including banking or brokerage, within or outside Pakistan.
- 14.31 “Formation Cost” means all expenses incurred in connection with the establishment and authorization of the Fund including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and all expenses incurred during the Initial Offering Period.
- 14.32 “Front-end Load” means the sales and processing charges or commission (excluding duties and charges) not exceeding five percent (5%) of the NAV payable to the Management Company, which may be included in the Offer Price of certain classes of Units; provided however that different levels of Front-end Load may be applied to different investors, as determined by the Management Company.
- 14.33 “Fund” means Atlas Islamic Income Fund or “Scheme” or “Trust” or “Unit Trust.” or “AIIF” constituted by the Trust Deed.
- 14.34 “Halal” means anything permitted by the Shariah and advised by the Shariah Advisor.
- 14.35 “Haram” means anything prohibited by the Shariah and advised by the Shariah Advisor.
- 14.36 “Holder(s)” or “Unit Holder(s)” means the investor(s) for the time being entered in the Register as owner(s) of Unit(s) or fraction(s) thereof including investor(s) jointly so registered pursuant to the provisions of this Deed.
- 14.37 “Initial Offer Price” or “Initial Price” means the price per Unit during the Initial Offering Period determined by the Management Company.
- 14.38 “Initial Offering Period” or “Initial Public Offer” means the period determined by the Management Company and indicated in the Offering Document during which the Units shall be offered at the Initial Offer Price.
- 14.39 “Investment” means any Authorized Investment forming part of the Deposited Property.
- 14.40 “Investment Facilitators/ Advisors” or “Sales Agents” means an individual, firm, corporate or other entity appointed by the Management Company, to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/ Advisors/ Sales Agents out of the Sales Load collected by it in the Offer Price and/or the Management Fee.

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- 14.41 “Istisna” means a contractual agreement for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a future payment and future delivery.
- 14.42 “Mudarabah” means a form of partnership where one partner provides funds, while other provides skill, expertise and management.
- 14.43 “Murabahah” means a sale on mutually agreed profit. Technically it is a contract of sale in which the seller declares his cost and profit. As a financing technique, it involves a request by the client to the financier to purchase certain item for him, which is then sold to the client at a mutually agreed price.
- 14.44 “Musharikah” means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses arising from a joint enterprise or venture. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- 14.45 “Net Assets” in relation to the Trust, means the excess of assets over liabilities of the Trust, such excess being computed in the manner as specified in the Rules and the Regulations from time to time.
- 14.46 “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.
- 14.47 “Offer Price” means the sum to be paid by the investor for the purchase of one Unit, such price to be determined pursuant to Clause 4.11 (ii) as stated in the Offering Document.
- 14.48 “Offering Document” means the prospectus, advertisement, supplemental offering document or other document (approved by the Commission), which contain the investment and distribution policy and all other information in respect of the Scheme, as required by the Rules/Regulations and is circulated to invite offers by the public to invest in the Scheme.
- 14.49 “Online” means transactions through electronic data-interchange whether real time transactions or otherwise which may be through internet, intranet networks and the like.
- 14.50 “Ordinance” means Companies Ordinance 1984.
- 14.51 “Par Value” means the face value of a Unit that shall be Five Hundred Rupees (Rs. 500/-) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time.
- 14.52 “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 4.11(iii) as stated in the Offering Document.
- 14.53 “Register” means the Register of the Unit Holders kept pursuant to the Rules/Regulations, the Trust Deed and the Offering Document.
- 14.54 “Registrar Functions” means the function with regard to:

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- (a) Maintaining the Register, including keeping a record of all particulars of the Unit Holder including record of any change of address/ other particulars of the Unit Holder;
 - (b) Receiving applications for redemption, transfer/ transmission and conversion/ switching of Units directly from Unit Holders or legal representatives or through Distributors;
 - (c) Processing requests for issue, redemption, transfer, transmission and conversion/ switching of Units and requests for recording of pledge or for recording of changes in information/particulars/data with regard to the Unit Holders;
 - (d) Issuing Account Statements to the Unit Holders;
 - (e) Issuing Certificates to Unit Holders, if requested by the Unit Holder;
 - (f) Canceling old Certificates on redemption or replacement thereof;
 - (g) Maintaining record of lien/pledge/charge, transfer/ conversion/ switching of Units, Zakat deduction status; and
 - (h) Dispatching income distribution warrants and/or bank transfer intimations and distributing Bonus Units or partly both and allocating Units to the Unit Holders for re-investments of dividends.
- 14.55 “Regulations” means the Non-Banking Finance Companies and Notified Entities Regulations, 2007 as amended from time to time.
- 14.56 “Rules” mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.
- 14.57 “Sales Load” means the sales and processing charge or commission (excluding Duties and Charges) not exceeding 5% of Net Asset Value and included the Front-end Load, Back-end Load and Contingent Load as determined by the Management Company from time to time; provided however that the Management Company may, at its discretion, charge different levels of the load to different Investors from time to time and may also apply different levels of Sales Load for different Administrative/ Investment Plans under the Scheme.
- 14.58 “Shariah” or “Islamic Shariah” means divine guidance as given by the Holy Qur’an and the Sunnah of Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles.
- 14.59 “Shariah Advisor” or “Shariah Advisory Board” or “SAB” means either an Islamic financial institution, a body of Islamic scholars or an individual appointed by the Management Company with the approval of the Commission, having knowledge of Islamic finance, to supervise and monitor the activities of the Scheme and to ensure that all its activities comply with Shariah.
- 14.60 “Shariah Compliant” means any activity that is in accordance with the Islamic Shariah.
- 14.61 “Stock Exchange” means Karachi Stock Exchange, Lahore Stock Exchange or Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969 and shall also include stock exchanges registered and operating outside Pakistan.
- 14.62 “Sukuk” means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.
- 14.63 “Supplementary Offering Document” means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the Commission.

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- 14.64 “Term Finance Certificates” means redeemable equity instruments issued on profit and loss sharing basis.
- 14.65 “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 may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Repurchase (Redemption) Price. The Transaction Costs may 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, with intimation to the Trustee, apply such charge either to the Offer or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Purchase (Offer) or Repurchase (Redemption) prices, under intimating the Trustee provided the difference between the Purchase (Offer) Price and the Repurchase (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.
- 14.66 “Transfer Agent” means a company, including a Bank, that the Management Company may appoint for performing the Registrar Functions and may also include a department of the Management Company, if the Management Company elects to perform the Registrar Function itself.
- 14.67 “Unit” means one undivided share in the Scheme and where the context so indicates a fraction thereof.
- 14.68 “Zakat” has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

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

15. ARBITRATION

In the event of any disputes arising out of the Trust Deed or Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and conditions of the Trust Deed and/or the Offering Document relating to the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst senior partners of renowned firms of chartered accountants, or senior partners of renowned Law Firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

Subject to Arbitration Clause above applicable between the Management Company and the Trustee interse, each party, including the Unit Holders, irrevocably submit to the exclusive jurisdiction of the courts at Karachi.

Annexure “A” – List of Distributors

Annexure “B”- Schedule of Charges

List of Distributors of Atlas Asset Management Limited

S. #	Distributor	Address Line 1	Address Line 2	City
1	Flow (Pvt) Ltd	403, Trade Tower	Abdullah Haroon Road	Karachi
2	IGI Financial Services	Suite # 701-713, 7th Floor, The Forum	G-20, Block- 9, Clifton	Karachi
3	Atlas Capital Markets (Private) Limited	B-209, 2 nd Floor, Park Towers	Sharae Firdousi, Clifton	Karachi
4	Alfalah Securities	12 th Floor, Tower A, Saima Trade Towers	I.I. Chundrigar Road	Karachi
5	Standard Chartered Bank (Pakistan) Limited	Operations Building, Opposite NBP Head Office	I.I.Chundrigar Road	Karachi
6	JS Global Capital Limited	6 th Floor, Faysal House	Main Sharah-e-Faisal	Karachi
7	Safe Securities	6 Punthakey Bagh, D.B. Avari Colony	Mehmoodabad Road (Near Parsi Gate)	Karachi
8	Pak Oman Investment Company	First Floor, Tower A	Finance & Trade Center, Shahra-e-Faisal	Karachi
9	Reliance Financial Products (Pvt.) Limited	215 Clifton Centre	Block -5, Clifton	Karachi
10	Plus Consultants	M-05, Mezanine Floor	Rahat Jo Dero, 172-L, Block II, PECHS	Karachi
11	Irfan Ali Lotia	5, Dr. Ziauddin Ahmed Road	Civil Lines	Karachi
12	NIB Bank Limited	7th Floor, Muhammadi House	I.I. Chundrigar Road	Karachi
13	Access Financial Services (Pvt.) Limited	414, Clifton Centre	Clifton	Karachi
14	Foundation Securities (Pvt.) Limited	Ground Floor, Bahria Complex No. 2	M.T. Khan Road	Karachi
15	Rashid Ahmed	Suite 205, Regency Plaza	Mini Market, 190-P Gulberg II	Lahore
16	Al- Habib Capital Markets (Pvt) Limited	GF-01, Technocity	Hasrat Mohani Road	Karachi
17	BMA Capital Management Ltd.	8 th Floor, UniTower	I.I.Chundrigar Road	Karachi
18	Atlas Bank Ltd.	3 Floor, Federation House	Shahrah-e-Firdousi, Clifton	Karachi
19	Amcap Securities (Pvt.) Ltd.	Suite # 303	Saddiq Trade Centre, Main Boulevard, Gulberg III	Lahore
20	Bank of Punjab	7 Eagerton Road		Lahore
21	Taurus Securities	Suite 604, 6 Floor	Progressive Plaza, Beaumont Road	Karachi-75530

Atlas Islamic Income Fund

Schedule of Charges:

	Current	Maximum
Management Fees	1.25%	3.0% First Five Years
		2.0% Onward
Front End Load	1.0%	5.0%
Back End Load	Nil	5.0%