

**Third Supplemental Offering Document
Atlas Pension Fund**

Dated: July 15, 2013

**Third Supplemental Dated July 15, 2013 to the
Offering Document of Atlas Pension Fund (APF)
Issued on June 27, 2007.**

(Managed by Atlas Asset Management Limited, as an Asset Management Company registered under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003)

Established in Pakistan under the Trusts Act 1882 by a Trust Deed dated June 8, 2007 between Atlas Asset Management Limited (Formerly Atlas Asset Management Company Limited), as the Pension Fund Manager and Central Depository Company of Pakistan Limited, as the Trustee, and authorized under Rule 9 of the Voluntary Pension System Rules, 2005 (Rules).

1. Addition of new sub-clause 1.1.A:

A new sub-clause 1.1.A shall be added after Clause 1.1 as under:

Additional sub-clause 1.1.A:

The Pension Fund Manager and the trustee have agreed to add a new APF- Gold Sub-Fund (APGF), for which approval of SECP has been obtained.

2. Amendment in sub-clause 5.1(i) (v):

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

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

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

3. Addition of new sub-clause in Clause 6.5(3):

A new sub-clause 6.5(3) shall be added after Clause 6.5(2) as under:

Additional sub-clause 6.5(3):

After successfully managing the Equity, Debt and Money Market Sub-Funds, the Pension Fund Manager with the approval of the Commission launched an additional Sub-Fund namely:

APF-Gold Sub-Fund (APGF): The objective of APGF is to provide investors with capital appreciation through investment in gold or gold futures contracts traded on the Pakistan Mercantile Exchange.

4. Amendment in sub-clause 6.6(1):

In Clause 6.6(1) after the words “requirements” and “Allocation of that Allocation Scheme in”, the words “in a combination of any two or more Sub-Funds of the Atlas Pension Fund, managed by the Pension Fund Manager” and “the equity Sub-Fund. Each Allocation Scheme being offered shall have a different percentage allocation in two or more of” respectively, shall be deleted. In addition, sub-clause “d) APF-Gold Sub-Fund (APGF)” shall be added after sub-clause c.

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

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

- a) APF-Equity Sub-Fund (AEF)
- b) APF-Debt Sub-Fund (ADF)
- c) APF-Money Market Sub-Fund (AMMF)
- d) APF-Gold Sub-Fund (APGF).”

5. Amendment in sub-clause 6.6 (3).- Redemption of Units:

In Clause 6.6 (3) the word “once” after the word “Allocation Scheme” shall be deleted and replaced by the words “twice in”. After the word “thereafter”, the words “or as allowed by the Commission from time to time.” shall be added.

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

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

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

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

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

High Volatility Scheme

High Volatility Scheme invests primarily in the APF – Equity Sub-Fund and APF – Gold Sub-Fund, with a small allocation in the APF – Debt Sub-Fund seeking long term growth of capital. Participants with long time horizon and/or high tolerance for risk may prefer this option.

High Volatility Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APF – Equity Sub-Fund (Min)	APF – Debt Sub-Fund (Min)	APF – Money Market Sub-Fund (Min)	APF – Gold Sub-Fund (Max)
High Volatility Scheme	40%	20%	Nil	25%

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

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

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

Medium Volatility Scheme

Medium Volatility Scheme offers a balance between asset classes through investments in APF – Equity Sub-Fund, APF– Gold Sub-Fund, APF – Debt Sub-Fund and with a small allocation in the APF – Money Market Sub-Fund seeking total return along with some capital appreciation. Participants with long to medium time horizon and/or moderate tolerance for risk may prefer this option.

Medium Volatility Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APF – Equity Sub-Fund (Min)	APF – Debt Sub-Fund (Min)	APF – Money Market Sub-Fund (Min)	APF – Gold Sub-Fund (Max)
Medium Volatility Scheme	20%	40%	10%	15%

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

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

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

Low Volatility Scheme offers a conservative mix by investing primarily in APF – Debt Sub-Fund and APF – Money Market Sub-Fund with a small allocation in the APF – Equity Sub-Fund and the APF – Gold Sub-Fund seeking total return with more focus on capital preservation. Participants with medium to short time horizon and/or lower tolerance for risk may prefer this option.

Low Volatility Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APF – Equity Sub-Fund (Min)	APF – Debt Sub-Fund (Min)	APF – Money Market Sub-Fund (Min)	APF – Gold Sub-Fund (Max)

Low Volatility Scheme	05%	60%	15%	05%
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9. Amendment in sub-clause 6.6.5. (d) – Very Conservative Allocation Scheme:

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

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

Lower Volatility Scheme

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

Allocation Scheme	APF – Equity Sub-Fund (Min)	APF – Debt Sub-Fund (Min)	APF – Money Market Sub-Fund (Min)	APF – Gold Sub-Fund (Max)
Lower Volatility Scheme	Nil	40%	40%	Nil

10. Amendment in sub-clause 6.6.5. (e) – Lifecycle Allocation Scheme:

In Clause 6.6.5.(e) after the word “ option.”, the words “Note: The Participant has an option to invest up to 25% of the exposure of Equity Sub-Fund in Atlas Gold Sub-Fund (APGF) or as allowed by the Commission from time to time.” shall be added.

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

Lifecycle Allocation Scheme allocates between the equity and fixed income instruments through investments in APF – Equity Sub-Fund, APF – Debt Sub- Fund and APF – Money Market Sub-Fund, varying allocations between the Sub-Funds in accordance with the age of the Participant and risk tolerance capability of that Participant as assessed by the risk assessment form, moving from a higher percentage in equities in the younger years to a lower percentage in equities during the older years to reduce the risk near retirement age, seeking capital growth during the early years and capital preservation towards the later years in the Participant’s life cycle. Participants wanting a systematic approach to allocating their Contributions may prefer this option. Note: The Participant has an option to invest up to 25% of the exposure of Equity Sub-Fund in Atlas Gold Sub-Fund (APGF) or as allowed by the Commission from time to time.

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

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

In Clause 6.6 (5) (f), the words “ scheme” shall be added after “personalized investment” and “Sub-Fund(s)” shall replace the word “ Sub-Funds”. The allocation table shall be deleted and replaced by the following:

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

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

Allocation Scheme	APF–Equity Sub-Fund	APF–Debt Sub-Fund	APF–Money Market Sub-Fund	APF–Gold Sub-Fund	Total Between four Sub-Funds
Customized Allocation Scheme	0-100%	0-100%	0-100%	0-25%	100%

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

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

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

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

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

13. Amendment in sub-clause 6.6.7:

In Clause 6.6.7., the words “Aggressive”, “Balanced”, “Conservative” and “Very Conservative” shall be deleted and replaced by the words “High Volatility”, “Medium Volatility”, “Low Volatility” and “Lower Volatility” respectively. Limits for the new Sub-Fund APF- Gold Sub-Fund shall be added in a new column as below:

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

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

Allocation Scheme	APF – Equity Sub-Fund	APF – Debt Sub-Fund	APF – Money Market Sub- Fund	APF – Gold Sub-Fund
High Volatility	Min 40%	Min 20%	Nil	Max 25%
Medium Volatility	Min 20%	Min 40%	Min 10%	Max 15%
Low Volatility	Min 05%	Min 60%	Min 15%	Max 05%
Lower Volatility	Nil	Min 40%	Min 40%	Nil

14. Amendment in sub-clause 6.6 (8):

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

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

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

15. Amendment in sub-clause 6.10 (4) - :

In Clause 6.10 (4), after the words “electronically” the words “Given that the current trading hours at PMEX for dealing in Gold Contracts is till 2:00 a.m. (to take in account international closing price of Gold for a given day), the Pension Fund Manager shall announce the NAV of APF- Gold Sub-Fund latest by 10:30 a.m. on the next Dealing Day and shall communicate the same to MUFAP.

Note: Any change in the Cut-Off Timings/Business Hours including for the month of Ramadan shall be notified to investors/Participants via the Company’s website.” shall be added

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

The NAV of the Units of the Sub-Funds shall be published in a leading daily newspaper on the next Dealing Day and shall also be made available on the website of the Pension Fund Manager and at the authorized branches of all the Distribution Companies. If desired it will also be made available to Participants, electronically. Given that the current trading hours at PMEX for dealing in Gold Contracts is till 2:00 a.m. (to take in account international closing price of Gold for a given day), the Pension Fund Manager shall announce the NAV of APF- Gold Sub-Fund latest by 10:30 a.m. on the next Dealing Day and shall communicate the same to MUFAP.

Note: Any change in the Cut-Off Timings/Business Hours including for the month of Ramadan shall be notified to investors/Participants via the Company's website.

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

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

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

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

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

17. Amendment in sub-clause 6.11 (6):

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

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

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

18. Amendment in sub-clause 6.11 (10):

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

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

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

19. Amendment in sub-clause 6.12(1):

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

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

Redemption of Units on Change of Pension Fund or Pension Fund Manager

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

20. Amendment in sub-clause 6.12(2):

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

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

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

21. Amendment in sub-clause 6.12(4):

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

22. Amendment in sub-clause 6.12(5):

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

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

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

23. Amendment in sub-clause 6.13 (1) (iii):

In Clause 6.13 (1) (iii), after the words “withdrawals” the words “/change of allocation scheme/re-allocation of units” shall be added.

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

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

24. Amendment in Clause 6.17 (1):

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

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

The Retirement Age for the Participants shall be any age between sixty and seventy years or twenty-five since the age of first contribution to a pension fund whichever is earlier . A notice shall be sent to the Pension Fund Manager by the Participant by submission of the Retirement Options Form, in writing or in such other form which may be acceptable to the Pension Fund Manager, at least thirty days before the chosen date of retirement, stating the selected Retirement Date, chosen mode of benefits to be received from the Scheme and such other details as may be required by the Pension Fund Manager, from time to time.

25. Amendment in sub clause 6.17 (2):

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

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

If a participant suffers from any of the following disabilities, which render him unable to continue any employment he may, if he so elects, be treated as having reached the retirement age at the date of such disability and all relevant provisions shall apply accordingly, namely:-

- (a) loss of two or more limbs or loss of a hand and a foot;
- (b) loss of eyesight;
- (c) deafness in both ears;
- (d) severe facial disfigurement;
- (e) loss of speech;
- (f) paraplegia or hemiplegia;
- (g) lunacy;
- (h) advanced case of incurable disease; or
- (i) wounds, injuries or any other diseases, etc, resulting in a disability due to which the participant is unable to continue any work.

26. Amendment in clause 6.18 (2)(a):

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

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

27. Amendment in clause 6.18 (2)(c):

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

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

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

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

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

Additional sub-clause 6.18 (2) (d):

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

29. Amendment in Clause 6.18 (3):

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

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

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

30. Amendment in sub-clause 8.1:

In Clause 8.1, after the words “APF – Debt Sub-Fund” the word “and” shall be deleted and after the words, “APF – Money Market Sub-Fund,” the words “ and APF – Gold Sub-Fund,” shall be added

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

The objective of introducing Atlas Pension Fund is to provide the individuals with a portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Fund is a one-window facility investment in diversified portfolio of equity securities offering consistent returns and capital growth and fixed income instruments offering consistent returns and lower risk. Consistent with this policy, the Contributions received from the Participants shall be allocated Units in APF – Equity Sub-Fund, APF – Debt Sub-Fund, APF – Money Market Sub-Fund and

APF – Gold Sub-Fund, in accordance with the Allocation Scheme selected by the Participant giving them not only the power over how much to invest in their pensions, and how to invest it, but also to continue investing in their pension accounts even if they change jobs.

31. Amendment in sub-clause 8.2- Investment Policy:

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

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

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

(2) All investment and disinvestment decisions shall be taken by the Pension Fund Manager of the Pension Fund in consultation with the Investment Committee of the Pension Fund Manager. Membership of and conduct of business by the Investment Committee shall be the same as provided in Regulation 37 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, or as may be specified by the Commission from time to time.

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

(a) The Pension Fund Manager with the approval of the Commission launched an additional Sub-Fund, APF- Gold Sub-Fund.

(4) Any investment made in a security for any of the Sub-Funds in a security for which any Connected Person of the Pension Fund Manager is, or has been, involved, during the past twelve months, as an arranger, manager, advisor, consultant or underwriter, will be reported to the Commission within six (6) working days of entering into such transaction. The Pension Fund Manager will also provide full justification for such investment.

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

(6) Investment Objective and Investment Policy of the APF- Equity Sub-Fund:

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

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

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

- (ii) Assets of an equity sub-fund shall primarily be invested in securities of those listed companies, which have minimum operational record of five (5) years subject to conditions stated in sub- Clause (iii) below.
- (iii) The pension fund manager of an equity sub-fund, for the reasons to be recorded by its Investment Committee in the minutes for the decision, may invest up to five per cent (5%) of the net assets of the equity sub-fund in securities of listed companies having operational record of less than five (5) years and where the paid up capital of a company is less than equity but investment in securities of any one such company shall not exceed one percent (1%) of net assets of the equity sub-fund or the paid-up capital of that company; whichever is lower.
- (iv) At least ninety percent (90%) of net assets of an equity sub- fund shall remain invested in listed equity securities during the year based on quarterly average investment calculated on a daily basis;
- (v) Investment in equity securities of any single company shall not exceed five percent (10%) of net assets of an equity sub-fund or paid-up capital of that single company, whichever is lower
- (vi) The Pension Fund Manager of the equity sub-fund may invest up to thirty per cent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35 %) of net assets of equity sub-fund in equity securities of companies belonging to a single sector as classified by Stock Exchanges.
- (vii) The pension fund manager of the equity sub-fund may invest any surplus (un-invested) funds in government treasury bills or government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than “A” by a rating agency registered with the Commission.
- (viii) Deposits up to ten percent (10%) of the net assets of a Pension Fund with scheduled commercial banks as mentioned in sub- Clause (vii) above, if kept for a period of less than ninety (90) days shall not be counted towards exposure limits.
- (ix) The pension fund manager of the equity sub-fund shall not deposit more than ten per cent (10%) of net assets of the equity sub-fund in a single bank.
- (x) The limits mentioned in sub- Clause (viii) above, shall not apply during the initial six (6) months of the launch of an equity sub-fund if the amount is deposited with a commercial bank owned by Federal Government or scheduled commercial bank rated “AA PLUS” or above with a stable outlook.
- (xi) The pension fund manager shall adhere to the limits stipulated herein above; however, if the limits are breached merely due to corporate actions including take up of right or bonus issue(s) or due to change in net assets resulting from fluctuation in price of equity securities, the pension fund manager shall regularize the deviation within three (3) months of the breach unless, on a written application of pension fund manager, the said period of three (3) months has been extended by the Commission.

(7) Investment Objective and Investment Policy of the APF- Debt Sub-Fund

- (a) The investment objective of the Debt Sub-Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity investments.
- (b)The investment policy of the Debt Sub-Fund is determined by the Commission. The current Investment Policy for debt sub-funds generally is determined by the Commission as stated below, and will be followed by the Pension Fund Manager in relation to the Debt Sub-Fund:

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

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

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

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

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

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

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

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

(8) Investment Objective and Investment Policy of the APF- Money Market Sub-Fund

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

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

(i) The weighted average time to maturity of net assets of the money market sub-fund shall not exceed ninety (90) days;

(ii) Time to maturity of any asset in the portfolio of the money market sub-fund shall not exceed six (6) months;

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

Entity/ Security	Investment
Federal Government securities	No limit
Deposits with Commercial Banks having "A Plus" or higher rating	No limits: provided that deposit with any one bank shall not exceed 20% of Net Assets of a Money Market Sub-fund.
Provincial or city government or government corporations or corporate entities	Up to 20% of Net Assets of the sub-fund subject to the limits specified below for each category:-
i) Provincial government	Up to 10% of Net Assets of a Money Market Sub-fund or the issue, whichever is lower
ii) City government	Up to 5% of Net Assets of a Money Market Sub-Fund or the issue, whichever is lower.
iii) Government Corporations with "A" or higher rating entity and in the instrument	Upto 5% of: <ul style="list-style-type: none"> a) Net Assets of a Money Market Sub fund; or b) Size of the issue; c) Size of all issues of one issuer whichever is lower
Corporate entities with "A Plus" rating or higher rating	Upto 5% of: <ul style="list-style-type: none"> a) Net Assets of a Money

of entity and the instrument	Market Sub fund; or b) Size of the issue; c) Size of all issues of one issuer whichever is lower
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(9) Investment Objective and Investment Policy of the APF- Gold Sub-Fund

(a) The investment objective of Gold sub fund is to provide investors with capital appreciation through investment in gold or gold futures contracts traded on the Pakistan Mercantile Exchange.

Sr. No.	Description	Maximum Exposure (% of NAV)	Minimum Exposure (% of NAV)
1.	Gold/ Gold Contracts listed on the Commodity Exchange and/or any other instrument (as allowed by SECP)	90%	70% - based on quarterly average investments calculated on daily basis
2.	Cash and near Cash instruments which include Cash in bank accounts (excluding Term Deposit Receipts)	30% - based on quarterly average investments calculated on daily basis	10%
3.	Treasury Bills		

(b) The Gold Sub Fund of a Pension Fund shall invest only in those gold futures contracts that are traded at the Pakistan Mercantile Exchange (PMEX).

(b) APF- Gold Sub-Fund shall invest in cash settled futures and also in deliverable futures contracts.

(c) The fund will seek to invest at least 70% of the net assets in gold or gold futures contracts during the year based on quarterly average investments calculated on daily basis.

(d) At least 10% of the net assets of the fund shall remain invested in government treasury bills or government securities having less than 90 days time to maturity or kept as deposits with scheduled banks which are rated not less than AA (Double A) by a rating agency registered with the Commission.

(e) A PFM may invest any surplus (un-invested) funds in government treasury bills and government securities having less than one year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than AA (double A) by a rating agency registered with the Commission.

(f) Maximum exposure of the Gold Sub-Fund shall not at any time exceed 90% of its net assets to ensure no gearing/leverage by the Gold Sub-Fund. For this purpose, the difference between the contract price and upfront margin i.e. the “earmarked cash” shall be blocked in an earmarked account for settlement purposes and the Pension Fund Manager along with the Trustee of the pension fund shall ensure payment of settlement amount and margin calls on behalf of the Gold Sub-Fund within the time stipulated by the exchange.

(g) A Pension Fund Manager may invest the earmarked amount in the following manner:

- i. In cash and near cash instruments which include cash in bank accounts (excluding TDR) and treasury bills.
- ii. Rating of any bank with which funds are placed shall not be lower than AA (Double A).
- iii. Time to maturity of any instrument/asset shall not exceed 90 days. Further, maturity of each investment/asset shall not exceed the maturity of the corresponding gold futures contracts for which the cash/assets have been earmarked.

(h) A PFM shall not sell gold futures contracts on behalf of gold sub-fund without pre-existing interest of the Gold Sub-Fund.

(i) PFM shall ensure that before launch of the gold Sub-Fund, it possesses sufficient systems and employs capable human resource, which includes qualified fund managers with requisite skill set to understand and deal in gold or gold futures contracts.

(j) PFM shall follow forward pricing mechanism for the Gold Sub-Fund and shall mark to market on daily basis the exposure of the Gold Sub-Fund in gold or gold futures contracts.

32. Amendment in sub-clause 8.3- Investment Restrictions:

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

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

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

- (a) invest in securities of the Pension Fund Manager or any of its associated companies.
- (b) take exposure to a single group exceeding twenty per cent (20%) of the Net Assets of the Pension Fund *provided that* for the purposes of this limit “group” shall have the same meaning as provided in the “Explanation” to clause (a) of sub-regulation (10) of regulation 55 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- (c) invest or enter into contract to invest in securities for which the Pension Fund Manager or any of its connected party is or has been involved, during the past six (6) months, as an arranger, manager, advisor, consultant, underwriter or sub underwriter.

- (d) invest in securities issued by companies of any one sector (sector shall be the same as classified by the Stock Exchanges) exceeding thirty per cent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of the Net Assets of the Pension Fund unless specified otherwise in the Investment Policy. These limits shall, however, be reviewed for adjustments as and when classification of sectors is changed by the Stock Exchanges.
- (e) invest in securities of a company if equity is less than paid-up capital of the company, irrespective of the limits stated in the Investment Policy.
- (f) invest or deposit or place assets of the Pension Fund if the issuer or the Bank or the security does not fulfill the minimum rating specified in the investment policy or has not been assigned a stable or positive outlook.
- (g) enter into a short sale transaction in any security, whether listed or unlisted;
- (h) purchase from or sell to any Connected Person any security;
- (i) enter into transactions with any single Broker, who is a Connected Person, that account for ten per cent (10%) or more of the Pension Fund's brokerage commissions in any one Accounting Period, except that the Pension Fund Manager has requested the Commission to exempt the Pension Fund from this requirement for the first Accounting Period if that Accounting Period is of less than ten (10) months.
- (j) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; *provided that* investment in sale and repurchase transactions involving Government Securities or such listed securities which are regulated by the stock exchanges shall not be prohibited under this paragraph (i) subject to the condition that risk management parameters are disclosed in the Offering Document;
- (k) borrow any funds except for meeting withdrawal requests or transfer of funds to other pension fund managers in relation to the Pension Fund and such borrowing shall not exceed fifteen per cent (15%) of the total Net Asset Value of the Pension Fund at any time and shall be repayable within a period of ninety (90) days; *provided that* any such borrowing shall be immediately communicated to the Commission with details of amount and payback plan;
- (l) invest in any security of a company if any director or officer of the Pension Fund Manager owns more than five per cent (5%) of the total nominal amount of the securities issued or collectively the directors and officers of the Pension Fund Manager own more than ten per cent (10%) of those securities; or
- (m) except where it is necessary to protect its investment, seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest which would give it primary responsibility for management.
- (n) Sell gold futures contracts on behalf of the gold sub fund without pre-existing interest of the gold sub fund;
- (o) For the purpose of exposure in Gold Futures Contracts, the Fund shall only be eligible to invest in exchange-traded futures contract that have underlying asset as Gold.

33. Amendment in sub-clause 8.4:

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

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

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

34. Amendment in sub-clause 8.5 (2)- Risk Disclosure:

In Clause 8.5 (2), following sub clauses shall be added after sub clause (j).

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

The Sub-Fund(s) of the Atlas Pension Fund will be investing in equity securities listed on the Stock Exchanges and also in fixed income securities including deposits with Banks. Such investments are subject to varying degree of risks that include but are not limited to:

(a) **Business Risk:** This is the uncertainty of income flows caused by the nature of a firm's business. It includes: (i) Change in business cycles affecting the business of the company in which the investment is made; (ii) Change in business circumstances of the company, its business sector, industry and/or the economy in general; and (iii) Mismanagement of the invested company, third party liability through class action or occurrence of other events such as strikes, fraud etc., in the company in which the investment was made.

(b) **Equity Risk:** Investment in equity securities is subject to price risk, which is dependent on a multiple of factors, including the profitability/ performance of investee companies, technological development, which may render the processes of investee companies obsolete, Government regulations, economic and political situation within the country, region and internationally. As a result of these factors, the dividend income and the share price of equity securities may go up as well as down.

(c) **Volatility in Market Price Risk:** Volatility in prices resulting from their dependence on market sentiment, speculative activity, supply and demand for the securities and liquidity in the market. The volatility in securities prices results in volatility in the NAV based price of the Unit.

(d) **Liquidity Risk:** Some securities listed at the Stock Exchanges are illiquid and difficult to sell. Liquidity Risk is the uncertainty introduced by the secondary market for an investment and assesses: 1) How long it takes to convert the investment into cash. 2) How certain is the price to be received. It is effected by: (i) Volatility in shares prices resulting from their dependence on market sentiment, speculative activity, supply and demand for the shares and the liquidity in the market; and (ii) Increase in lending rates as a result of a change in the supply and demand of liquidity in the market or on account of an increase of the underlying inflation rate.

(e) **Credit Risk:** These include default risk, credit spread risk, and down grade risk. These risks are associated with fixed income securities. Default risk will involve possibility of non payment of mark up or principal. Credit spread risk will involve increase in difference of mark up rate of an issuer and Government Securities. Such increase is due to macro economic factors in local as well as global markets. Increase in spread will result in decrease in value of fixed income

securities. Down grade risk means lower rating by credit rating agencies and will result in decrease in value of fixed income securities.

(f) **Financial Leverage Risk:** This is the uncertainty introduced by the method by which the firm finances its investments. If a firm borrows money to finance investments, it must pay fixed financing charges (in the form of interest to creditors) prior to providing income to the common stockholders. It includes: (i) Senior rights of creditors over shareholders of the company in the event of winding up; (ii) The inability of the issuer of the instrument, the relevant financial institution or the counter party in the case of reverse repurchase or other arrangements to fulfill their obligations; and (iii) The possibility of defaults by participants or failure of stock exchanges, the depositories, the settlement or clearing system.

(g) **Interest Rate Risk:** This arises due to increase in lending rates as a result of a change in the supply and demand of liquidity in the market or on account of an increase in the underlying inflation rate. An increase in the interest rates will result in decrease in value of fixed income securities, including Government Securities.

(h) **Country or Political Risk:** This is the uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as break down of law and order, war, natural disasters, etc. and any governmental actions, legislative changes or court orders restraining payment of principal or income.

(i) **Purchasing Power Risk:** This is the risk of loss in the value of capital due to inflation.

(j) **Inflation Risk:** This is the possibility that the value of assets or income will decrease as inflation shrinks the purchasing power of a currency. Inflation causes money to decrease in value at some rate, and does so whether the money is invested or not. It is the risk associated with the return from an investment not covering the loss in purchasing power caused by inflation.

(k) **Foreign Exchange Risk** – Gold prices are typically denominated in US dollars globally and this implies that the exposure gained from buying/selling gold is influenced by changes in the exchange rate of US dollars. In case of Fund's investment in USD denominated Gold Contracts or USD denominated International Gold based ETFs mutual fund(s) Fund's exposure to such instruments will be converted into the base currency (i.e. PKR) for Valuation purposes. In such a case, an appreciation of PKR against USD may negatively impact Fund's NAV/return.

(l) **Commodity Exchange Risk** - The Scheme's Investments in Gold/ Gold Futures Contracts will be an exposure on the Commodity Exchange itself and may be attributable to the functional and non-functional of the Commodity Exchange under certain extreme situations, which may lead to suspension of business or closure of or application of floor at the Commodity Exchange and such other factors.

35. Amendment in Clause 12.3:

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

(a) prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditor's report of the pension fund within four months of closing of the accounting period to the Commission and the participants.

(b) within one month of the close of the first and third quarter of its year of account of the fund and within two months of the close of second quarter, prepare and transmit to the participants and the Commission a balance sheet as at the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the pension fund. The Pension Fund Manager may, with the prior approval of the Commission, post the said quarterly accounts on their website.

36. Addition of new sub clauses in Clause 20- Definitions:

New sub-clauses shall be added in Clause 20 as under:

Additional sub-clause 20.17.A:

"Commodity Exchange" means any body or organization in Pakistan registered by the SECP as a commodity exchange under the laws of Pakistan and/or any other commodity exchange outside Pakistan.

Additional sub-clause 20.33.A:

"Gold Contracts" means contracts listed at the Commodity Exchange including Gold Futures, MiniGold, Tola Gold, GoldKilo etc and any other gold related contracts that may be introduced by Commodity Exchange.

Additional sub-clause 20.48.A:

"PMEX" means Pakistan Mercantile Exchange Limited.

Additional sub-clause 20.48.B:

"PMEX Regulations" shall include the Pakistan Mercantile Exchange General Regulations and the Commodity Exchange and Futures Contracts Rules 2005, as amended or substituted from time to time and inclusive of any specific or general directives, circulars and/or relaxations in respect of applicability of such regulations granted or to be granted by the SECP.



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

No.22 (1) SEC/SCD/PW-AAML-01/542

July 15, 2013

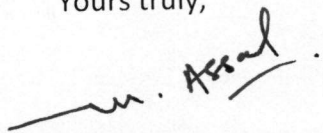
Chief Executive,
Chief Executive
Atlas Asset Management Limited
Ground Floor, Federation House,
Shahrae Firdousi, Clifton,
Karachi

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

Dear Sir,

1. Please refer to your letter No. AAML/12-13/INV/187/3540 dated June 07, 2013, seeking approval of the third supplemental offering document of Atlas Pension Fund (the "Fund"); and your letter No. AAML/13-14/INV/187/19 dated July 02, 2013 whereby evidence of contribution of seed capital in APF Gold sub-fund was submitted.
2. I am directed to inform that this office, under rule 22 of the Voluntary Pension System Rules, 2005 (the "Rules"), has approved the supplemental Offering Document of the Fund submitted with your above referred letter.
3. Atlas Asset Management Limited may proceed further in accordance with the provisions of the Rules, the Trust Deed and the Offering Document of the Fund.

Yours truly,


(Muhammad Assad Saeed)
Assistant Director

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