

THE PARTICIPANTS ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE OFFERING DOCUMENT IN PARTICULAR THE RISK FACTORS AND DISCLAIMER MENTIONED IN PARA 8.5 AND 8.6 AND WARNINGS IN PART XV BEFORE MAKING ANY DECISION

OFFERING DOCUMENT
of
**ATLAS PENSION
ISLAMIC FUND (APIF)**

Launch Date: November 6, 2007

**Managed by:
Atlas Asset Management Limited**

Please note that this 'Offering Document' is comprised of twenty three parts which should be read in conjunction with each other. Atlas Asset Management Limited has prepared and accepted responsibility of the 'Offering Document'. The contents in the 'Offering Document' are accurate as of November 1, 2007.

IMPORTANT: If you are in any doubt about the contents of this Offering Document you should seek independent professional advice, from your legal, financial or tax adviser.

The provisions of the Rules and the Trust Deed govern this Offering Document. It sets forth information that a prospective Participant should know before contributing in the Fund. The Units of the Sub-Funds are offered on the basis of the information and representations contained in this Offering Document and any further information given, or representations made, by any person may not be relied upon as having been authorised by the Pension Fund Manager or the Trustee. Neither the delivery of this Offering Document nor the issue of Units in Sub-Funds shall under any circumstances create any implication that there has been no change in the affairs of the Trust or in the information provided in this Document since the date of publication hereof.

The Pension Fund Manager is responsible for the information contained in this Offering Document. To the best of the knowledge and belief of the Pension Fund Manager (who has taken all reasonable care to ensure that such is the case) the information contained in this Offering Document as on the date of the publication, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Atlas Pension Islamic Fund (APIF) is launched to serve as a Shariah Compliant primary saving vehicle for retirement savings (pension) of individuals and is created pursuant to the Trust Deed having an umbrella structure comprising of numerous Sub-Funds in the form of unit trust schemes under its wing, in which Contributions received from Participants shall be allocated Units proportionate to their respective preferences, on a continuing basis.

Persons interested in contributing their savings for retirement to the Pension Fund should inform themselves as to:-

- (i) the legal requirements for such Contribution; and
- (ii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Units.

The income tax benefits applicable on Contribution to the Pension Fund, taxation on early redemption and any other tax consequences, as stated in this Offering Document are relevant to the date of the publication of this Document only. The Pension Fund Manager will post any subsequent amendment in the income tax and other applicable rules on its web-site. **Participants are advised to consult their tax or financial consultants, as to fully understand the consequences of this Fund.**

Participants must recognize that all investments involve varying levels of risk. The portfolios of the Sub-Funds of APIF consist of market-based investments and are subject to market fluctuations and risks inherent in all such investments. It should be noted that the value of Units of the Sub-Funds can fall as well as rise. It should also be noted that under certain circumstances the dealing in the Pension Fund may be restricted. The Participants are advised in their own interest to carefully read the contents of the Offering Document in particular the risks mentioned in Para 8.5 and Warnings in Part XV before making any investment/Contribution decision.

The formation of the Atlas Pension Islamic Fund and each of its Sub-Funds, has been authorised by the Securities and Exchange Commission of Pakistan (Commission) under Rule 9 of the Voluntary Pension System Rules, 2005 (Rules) and the publication of this Offering Document has been approved by the Commission pursuant to Rule 22 of the Rules. **However, such Approval or authorisation neither implies official recommendation by the Commission to invest in the Atlas Pension Islamic Fund nor does the Commission take any responsibility for the financial soundness of the Atlas Pension Islamic Fund and its Sub-Funds or for the correctness of any statements made or opinions expressed in this Offering Document.**

Date of Publication: November 1, 2007

Contact Details

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PART I – INTRODUCTION OF ATLAS PENSION ISLAMIC FUND (APIF)**1.1 Introduction**

The objective of launching a pension fund is to encourage a concept of saving for retirement amongst the individuals, by providing a suitable investment option.

The Atlas Pension Islamic Fund (APIF) is being launched to serve as a Shariah Compliant primary savings vehicle for retirement savings (i.e. pension savings) for individuals and is created as a Pension Fund under the Rules having an umbrella structure composed of numerous Sub-Funds in the form of unit trust schemes under its wing, in which Contributions received from Participants, shall be allocated in Units proportionate to their respective preferences, on a continuing basis.

Initially, the Atlas Pension Islamic Fund is offering six Allocation Schemes, the details of which are provided in Para 6.6 of this Offering Document, which are available for dealing in the following three Sub-Funds of the Atlas Pension Islamic Fund, that are being offered on the terms of this Offering Document and the Trust Deed:

- (a) APIF – Equity Sub-Fund (AIEF)
- (b) APIF – Debt Sub-Fund (AIDF)
- (c) APIF – Money Market Sub-Fund (AIMMF)

All Participants of the Atlas Pension Islamic Fund will in turn be holders of Units of the Sub-Funds in various proportions, or in certain conditions prescribed under the Rules including where cash is held on behalf of Participants is not allocated to the Sub-Funds and where Units are redeemed and cash is held before disbursement, of cash held in an appropriate Bank Account in the name of the Trustee.

The Pension Fund Manager, after successfully managing the above mentioned Allocation Schemes and three Sub-Funds, for a minimum period as required by the Commission, may introduce additional Allocation Schemes as may be permissible under the Rules from time to time and may further establish additional Sub-Funds for investments in other asset classes, including securitised investment in real estate or in assets outside Pakistan, with the prior approval of the Commission.

1.2 Governing Law

The Trust Deed and this Offering Document of Atlas Pension Islamic Fund Deed shall be subject to and be governed by the Laws of Pakistan including the Ordinance, the Rules and all other applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in the Trust Deed of Atlas Pension Islamic Fund as a part and parcel thereof and in the event of any conflict between the Trust Deed of Atlas Pension Islamic Fund and the Rules, the latter shall supersede and prevail over the provisions contained in the Trust Deed of Atlas Pension Islamic Fund, unless specific exemption has been granted by the Commission. The Pension Fund Manager, Trustee, and the Pension Fund including all Sub-Funds, Allocation Schemes, Individual Pension Accounts, Income Payment Plan or any other structure relating to the Pension Fund shall be subject to the full compliance of the Rules, the Trust Deed and this Offering Document.

1.3 Definitions

Unless the context require otherwise, all words, terms or expressions used in this Offering Document shall have the meaning assigned to them in Part XX hereof.

PART II – REGULATORY APPROVAL AND CONSENT

2.1 Registration of Pension Fund Manager

The Securities and Exchange Commission of Pakistan (Commission) has issued the Certificate of Registration to Atlas Asset Management Limited No. SECP/PW/Reg-02/2007 dated January 8, 2007 to act as a pension fund manager.

2.2 Appointment of Trustee of Atlas Pension Islamic Fund

The Commission has approved the appointment of Central Depository Company of Pakistan Limited as the Trustee under Rule 29 of the Voluntary Pension System Rules, 2005 (Rules) vide the letter No. 9 (1) SEC/SCD/PW-AAML-02/2007/55 dated July 24, 2007.

2.3 Registration of the Trust Deed of Atlas Pension Islamic Fund

The Atlas Pension Islamic Fund is constituted by a registered Trust Deed entered into at Karachi on August 31, 2007.

2.4 Appointment of Shariah Advisor of Atlas Pension Islamic Fund

The Commission has approved the appointment of Dr. Fazlur Rahman as the Shariah Advisor of Atlas Pension Islamic Fund vide the letter No. 9 (1) SEC/SCD/PW-AAML-02/2007/54 dated July 24, 2007.

2.5 Authorization of Atlas Pension Islamic Fund

The Commission has authorized the formation of the Atlas Pension Islamic Fund under Rule 9 of the Voluntary Pension System Rules, 2005 (Rules) vide the letter No. 9(1)SEC/SCD/PW-AAML-02/2007/86, dated September 29, 2007.

2.6 Approval of the Offering Document of Atlas Pension Islamic Fund

The Commission has approved the publication of this Offering Document pursuant to Rule 22 of the Rules, vide the letter No. 22(1) SEC/SCD/PW-AAML-02/2007/94 dated October 31, 2007.

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

2.7 Date of Start of Public Offer

Atlas Pension Islamic Fund is open for Contributions by the eligible Participants on a continuous basis from November 6, 2007.

PART III – FILING OF THE OFFERING DOCUMENT

The Pension Fund Manager has filed a copy of this Offering Document signed by the Chief Executive along with the documents (3.1) to (3.9) below with the Commission. Copies of documents 3.2 to 3.9 are attached with the Offering Document. The Trust Deed and the Offering Document can be viewed at the web site of the Pension Fund Manager.

- 3.1 Trust Deed of the Atlas Pension Islamic Fund dated August 31, 2007 between Atlas Asset Management Limited, as the establisher and Pension Fund Manager and Central Depository Company of Pakistan Limited, as the Trustee;
- 3.2 The Commission's letter No. SC/MF-DD(MS)/363/2002 dated Oct 8, 2002 registering Atlas Asset Management Limited as an asset management company together with the Certificate of Registration;
- 3.3 License for undertaking Asset Management Services issued by Commission under its letter No. NBFC-II/AAML/AMC-03/2006 dated June 14, 2006 under the NBFC Rules;
- 3.4 The Commission's Certificate of Registration No. SECP/PW/Reg-02/2007 dated January 8, 2007 registering Atlas Asset Management Limited as a pension fund manager;
- 3.5 The Commission's letter No. 9 (1) SEC/SCD/PW-AAML-02/2007/55 dated July 24, 2007, approving the appointment of Central Depository Company of Pakistan Limited as the trustee of APIF;
- 3.6 The Commission's letter No. 9 (1) SEC/SCD/PW-AAML-02/2007/54 dated July 24, 2007, approving the appointment of Dr. Fazlur Rahman as the Shariah Advisor of APIF;
- 3.7 The Commission's letter No. 9(1)SEC/SCD/PW-AAML-02/2007/86, dated September 29, 2007 authorizing a voluntary pension scheme named Atlas Pension Islamic Fund (APIF) under Rule 9 of the Rules;
- 3.8 Letters No. AC3/085/2007 and No. AC3/086/2007 dated September 15, 2007 from Messrs. Ford Rhodes Sidat Hyder & Co. Chartered Accountants, Auditors of APIF, consenting to the issue of statements and reports appearing in Para 14.1 and 14.2 of this Offering Document.
- 3.9 The Commission's letter 22(1)SEC/SCD/PW-AAML-02/2007/94 dated October 31, 2007, approving this Offering Document under Rule 22 of the Rules.

PART IV – CONSTITUTION OF ATLAS PENSION ISLAMIC FUND (APIF)**4.1 Constitution**

Atlas Pension Islamic Fund is constituted by a registered Trust Deed entered into at Karachi on August 31, 2007 between:

- (1) **Atlas Asset Management Limited (AAML)**, a company incorporated under the Companies Ordinance 1984, having its registered address at Ground Floor, Federation House, Sharae Firdousi, Clifton Karachi – 75600, as the establisher and Pension Fund Manager; and

- (2) **Central Depository Company of Pakistan Limited (CDC)**, a company incorporated under the Companies Ordinance 1984, having its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi – 74400 as the Trustee.

4.2 Registered Address, Place and Date of Authorization and Creation

Registered Address of the Atlas Pension Islamic Fund: Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600

Place: Karachi

Date of Registration of Trust Deed: 31st day of August 2007

Date of Authorization: 29th day of September 2007

4.3 Trust Deed

The Trust Deed shall be subject to and governed by the Voluntary Pension System Rules, 2005 (Rules) and all other applicable laws and regulations and shall be deemed for all purposes, whatsoever, to incorporate the provisions required to be contained in a trust deed by the Rules as a part and parcel hereof, and in the event of any conflict between the Trust Deed and the Rules, the latter shall supersede and prevail over the provisions contained in the Trust Deed unless specific exemption has been granted by the Commission. In the event of any conflict between the Trust Deed and the Offering Document, the Trust Deed shall supersede and prevail over the provisions contained in this Offering Document.

The terms and conditions in the Trust Deed and any supplemental deed shall be binding on each Participant as if he has been a party to it.

4.4 Modification of the Trust Deed

The Trustee and the Pension Fund Manager, acting together with the approval of the Commission, shall be entitled, by supplemental deed, to modify, alter, or add to the provisions of the Trust Deed on any of the following grounds:

- (a) To the extent required pursuant to any amendment in the Rules or to ensure compliance with any applicable laws and regulations and any fiscal or statutory requirement;
- (b) To enable the provisions of the Trust Deed to be more efficiently, conveniently or economically managed;
- (c) To include more Sub-Funds to the Pension Fund; or
- (d) To otherwise benefit the Participants;

Provided that in the case of (b), (c), and (d) above, such alteration or addition shall not prejudice the interests of the Participants; and in any event, it shall not release the Trustee or the Pension Fund Manager of their responsibilities.

Provided further that notice of any material modification will be given to Participants and participating employers of the Atlas Pension Islamic Fund at least 30 days before such material modification becomes effective.

If the Commission grants any relaxations or exemptions of Rules for the Pension Fund, these shall be deemed to be part of this Document without the need of altering it.

However, in cases of significant changes, the Commission may require issuance of a supplementary Offering Document from time to time.

4.5 Seed Capital and Core Investors

300,000 Units with a value of Rs. thirty million (Rs. 30,000,000) in each Sub-Fund of the Atlas Pension Islamic Fund have been subscribed by the Core Investors at Par Value of Rs. 100 per Unit for the minimum period of three years from the date of payment in full of such Units.

The details of the Core Investors are as follows:

Name of Core Investor	APIF-Equity Sub-Fund		APIF-Debt Sub-Fund		APIF-Money Market Sub-Fund	
	Units	Amount in Rs.	Units	Amount in Rs.	Units	Amount in Rs.
Atlas Asset Management Limited	300,000	30,000,000	300,000	30,000,000	300,000	30,000,000

- (1) Core Units subscribed by the Core Investors in each Sub-Fund shall be offered and issued at the Par Value and shall not be redeemable/ transferable/ tradable for a minimum period of three years from the date of such issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Accounts Statement issued in respect of such Units.
- (2) Core Units shall be issued in a non-certificated form; however, certificates may be issued, if required by the Core Investors.
- (3) The Core Units shall not be reallocated.

4.6 Types/Features of Units to be offered

- (i) All Units and fractions thereof represent an undivided share in the respective Sub-Fund and rank *pari passu* as to their rights in the Net Assets and earnings of that Sub-Fund. Each Participant has a beneficial interest in the Pension Fund proportionate to the Units held by such Participant in the respective Sub-Fund in his Individual Pension Account. The liability of the Participant shall be limited to the amount paid against the number of Units or in certain circumstances cash, as may be allowed by the Rules, held by each Participant in his Individual Pension Account.
- (ii) All Units shall be issued in a non-certificated form, except the Core Units that may be issued in a certificated form, if required by the Core Investors.
- (iii) The Units in the Sub-Funds issued to the Participants would be non-transferable to another Participant/person. They shall only be redeemable in case of retirement (including retirement in the instance of disability), premature encashment/redemption, death of the Participant, and change of pension fund manager, change of Allocation Schemes and/or rebalancing of the portfolio/ Allocation Schemes.

- (iv) Core Units issued to the Core Investors in each Sub-Fund shall be offered and issued at the Par Value and shall not be redeemable/ transferable/ tradable for a minimum period of three years from the date of such issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on the certificates/Accounts Statement issued in respect of such Units. Except for the above condition, such Units shall all rank *pari passu* with all other Units.

4.7 Procedure for Contributions after Launch Date

From the Launch Date, the Pension Fund Manager shall open participation in the Atlas Pension Islamic Fund to the eligible Participants on a continuous basis, through offer of Units of Sub-Funds issued at NAV calculated in the manner prescribed under the Rules or as may be specified by the Commission from time to time, after deduction of Front-end Fee from the Contribution amounts received. Please see Paragraph 6.3 of this Offering Document for details.

4.8 Duration

The duration of Atlas Pension Islamic Fund is perpetual. The management of the Fund can be transferred by the Commission or by the Pension Fund Manager to another pension fund manager and on the occurrence of certain events as stated in Para 6.13 (3) and Part XIX of this Offering Document under the heading “Termination of Atlas Pension Islamic Fund”, the Fund can be wound up by transfer of all Individual Pension Accounts to another pension fund manager.

PART V – OPERATORS AND PRINCIPALS

5.1 Pension Fund Manager – Atlas Asset Management Limited

- a. **Name and Registered Address:** The Pension Fund Manager to the Atlas Pension Islamic Fund is:
Atlas Asset Management Limited
Ground Floor, Federation House
Sharae Firdousi, Clifton,
Karachi – 75600, Pakistan
- b. **Brief Profile:** 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/21AAML/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 also managing Atlas Pension Fund 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.

- c. 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.
- d. Shareholders:** The Company has a paid up capital of Rupees 250 million, of which Rupees 220 million is held 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), an Atlas Group Company, started its operations in 1990 as Atlas Investment Bank Limited (AIB). 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 and a new bank under the title of Atlas Bank Limited was formed after the merger of Dawood Bank Limited and AIB with transfer of all brokerage and related businesses of AIB to Atlas Capital Markets (Pvt.) Limited.

e. The Board of Directors of the Pension Fund Manager:

NAME, OCCUPATION AND ADDRESS

OTHER DIRECTORSHIP

Chairman

Mr. Yusuf H. Shirazi
Business

2, Khayaban-e-Ghazi,
Phase V, DHA,
Karachi

Allwin Engineering Industries Limited
Atlas Bank Limited
Atlas Battery 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

Vice Chairman & Chief Executive

Mr. M. Habib-ur-Rahman
Business Executive

Nil

65/ III 25th Street,
Khayaban-e-Badban
Phase V DHA,
Karachi.

Director**Mr. Peter A. Smyth**

Business Executive

1/F, 24A, Repulse Bay Road,
Repulse Bay,
Hong Kong.

Amfas Pty Limited
ANZ Insage Pty Limited
Athelas Pty Limited
ING Australia Holding Limited
ING Australia Limited
ING Asia/ Pacific Limited
ING Corporation Service Pty Limited
ING Funds Berhad
ING Insurance Berhad
ING Management Holdings (Malaysia)
Sdn. Berhad
ING Mauritius Holdings
ING Mauritius Investments I
ING Mauritius Investments II
ING Pension Services Limited
ING Pension Trust Limited
ING Vysya Bank Limited
ING Vysya Life Insurance Co. (Pvt.)
Limited
Insurance Brokers Hotline Pty Limited
Kelso King Endowment Fund Pty
Limited
MAFG Pty Limited
Mercantile Mutual Insurance Equities
Pty Limited
NNA Pty Limited
Prosafe Investments Pty Limited

Director**Mr. Frahim Ali Khan**

Business Executive

10 – B/II, South Park Avenue,
DHA Phase II,
Karachi.

Atlas Bank Limited
Allwin Engineering Industries Limited
Atlas Foundation
Atlas Insurance Limited
Shirazi Trading (Pvt.) Limited

Director**Mr. Tariq Amin**

Business Executive

34/ II, Khayaban-e-Badar,
Phase V DHA, Karachi.

Atlas Bank Limited
Barret Hodgson (Pvt.) Limited
Rhodia Pakistan (Pvt.) Limited

Director**Mr. M.P. Bhandara**

Business

House No.1, Murree Brewery
Estate, National Park Road,
Rawalpindi.

Murree Brewery Co. Limited
D.P. Edulji & Co. (Pvt.) Limited

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

Business

2, Khayaban-e-Ghazi,
Phase V, DHA, Karachi.

Allwin Engineering Industries Limited
Arabian Sea Country Club
Shirazi Capital (Pvt.) Limited
Shirazi Investments (Pvt.) Limited

(Alternate Director nominated by Mr. Peter A. Smyth)**Mr. Michael Ferrer**

Business Executive

2/F, 1-3 Homestead Road
The Peak, Hong Kong

ING Asia Pacific (Singapore) Limited
ING Investment Management Asia Pacific
(Hong Kong) Limited
ING Investment Management (I) Pvt.
Limited
Sequoia Realty Holdings and
Development INC.

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

D/20-A, Z.C.H.S.,
Cyrus Minwala Colony, Parsi Gate,
Mahmoodabad, Karachi - 75460

Board of Directors – Particulars**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.

Mr. Shirazi was on the Board of Harvard Business School Alumni Association, Boston, USA. He is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He is also 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. He has attended the Advanced Management Program (AMP) from the Harvard Business School USA.

Mr. M. Habib-ur-Rahman – Vice Chairman and Chief Executive

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants in England & Wales and has attended management level programme PMD from Harvard Business School, USA. 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 JS ABAMCO Limited (formally ABAMCO Ltd.) till December 2003. He was a founding member and Vice Chairman of the Mutual Funds Association of Pakistan.

He was the Commission's nominee on the Board of the Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE/ LSE.

Mr. Peter A. Smyth – Director

Mr. Smyth is currently the Regional General Manager for ING Insurance Asia/Pacific, with specific responsibilities for the insurance, funds management and pension activities in Australia, India, Malaysia, New Zealand and Thailand.

Mr. Smyth joined ING in May 1997 in charge of the operations in Korea and Taiwan, before expanding his portfolio to include Australia, various functional responsibilities and the identification of potential business opportunities in the region, including India. With the acquisition of Aetna in July 2000 and the subsequent reorganization of the company's activities due to the increased scale of the business, he took over management of the Australia, India, Malaysia and New Zealand units, with responsibility for Thailand added in March 2006.

Joining ING from Legal & General, Mr. Smyth started his career in 1970 and served in a variety of support and managerial roles in the actuarial, business development and marketing, before focusing on Asia.

Mr. Smyth is a Fellow of the Institute of Actuaries (London) and holds a Bachelor of Arts in Actuarial Studies (Sydney).

Mr. Fahim Ali Khan – Director

Mr. Fahim Ali Khan has been associated with 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 law and commerce from the University of Karachi and has attended the Senior Managers' Program from Harvard University, USA, as well as the Financial Management Program from Stanford University, USA. He was the Chief Executive Officer of Atlas Investment Bank Limited, till its merger with Atlas Bank Limited. He is also a member of the Group Executive Committee of the Atlas Group.

Mr. Tariq Amin – Director

Mr. Amin is the Chairman of Rhodia Pakistan, 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. M.P. Bhandara - Director

Mr. Bhandara has graduated in Commerce from the Punjab University and read PPE (Philosophy, Politics & Economics) at Brasenose College, Oxford. He has attended the 81st session of the Advanced Management Program (AMP) from the Harvard Business School USA. He has been working as the Chief Executive of Murree Brewery Group since 1961. Under his leadership, the Murree Brewery Company Limited branched in the manufacture of food products, fruit juices and glass containers. The traditional activities of the Company extend to brewing of beers and distilling of fine liquors.

Mr. Bhandara is presently serving as an elected Member of the National Assembly of Pakistan since October 2002. He has previously served as a Member of the National Assembly of Pakistan from 1985 to 1988. He was the Adviser to the President of Pakistan on Minorities Affairs with the rank and status of a Minister of State from 1982 to 1985. He has previously been the member of Pakistan Delegation to the 37th Session of the U.N. General Assembly, member of Majlis-e-Shura, member of the unofficial Parliamentary delegation to India in May 2003, member of Pakistan Parliamentary Delegation to the Russian Federation in October 2003 and member of the President of Pakistan's delegation to USA/UK in September 2006.

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.

Mr. Michael Ferrer (Alternate Director nominated by Mr. Peter A. Smyth)

Mr. Ferrer is currently ING Investment Management (IIM) Asia Pacific's Regional General Manager for South Asia, as part of IIM Regional Office in Hong Kong. He is responsible for the over-all management of the investment management operations in Thailand, Malaysia, Singapore, India and the Philippines. Mr. Ferrer has over fifteen years experience in the financial field and has worked with the ING Group for over ten years, initially with ING Bank prior to joining IIM Philippines in 1997 as CEO. His previous roles with ING include experience in fund management, risk management, sales & marketing and general management. Prior to taking on his current role, Mr. Ferrer was the IIM Country Manager for IIM's Taiwan operations. Mr. Ferrer holds a Bachelor of Economics degree for the University of Philippines.

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

Ms. Lilly R. Dossabhoy is a Fellow Chartered Accountant from the Institute of Chartered Accountants of Pakistan. She joined the Company in May 2005 as the Chief Financial Officer & Company Secretary, bringing along versatile experience in accounting, auditing and taxation matters gained mainly in A. F. Ferguson & Co., Chartered Accountants, Karachi, a member firm of PricewaterhouseCoopers. Earlier, she was associated with M/s. A. F. Ferguson & Co. for over twelve years.

f. Senior Management of the Pension Fund Manager:

- (i) A **Management Committee** oversees the workings of the Company and Funds under Management. The Committee meets once in a month or earlier as required. The Board sets the terms of the Committee. The Management Committee members include:

Mr. Habib-ur-Rahman – Chief Executive Officer

Please refer to Paragraph 5.1 (e) captioned “Board of Directors” above.

Mr. Ali H. Shirazi – Executive Director

Please refer to Paragraph 5.1 (e) captioned “Board of Directors” above.

Ms. Lilly R. Dossabhoj – Company Secretary and Chief Financial Officer

Please refer to Paragraph 5.1 (e) captioned “Board of Directors” above.

Mr. Ather Husain Medina – Chief Investment Officer

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

Ms. Mashmooma Zehra Majeed – Head of Business Development

Ms. Mashmooma Z. Majeed is a qualified CFA Charter Holder. She completed her Chartered Financial Analyst (CFA) program in 2001 from the CFA Institute, USA. She is presently heading the business development department, including product development of new mutual funds, voluntary pension schemes and promotion/marketing of new as well as the existing funds. She joined Atlas Asset Management Limited in December 2004, as the Fund Manager, to oversee Fund Management Department for the Company’s open and closed end funds. Ms. Majeed was previously associated with JS ABAMCO Limited, which she joined in 2002 in the Fund Management Department.

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. Hassan Khan - Head of Marketing and Sales

Mr. Hassan Khan joined Atlas Asset Management Limited as Head of Marketing & Sales in July 2007. Prior to his appointment, he was Vice President - Investment Products Unit (Wealth Management Division) at HBL, where he worked on Mutual

Funds and Bancassurance Products. Prior to HBL, he served with JS Investments (formerly JS ABAMCO Limited) as Head of Marketing. He also served as Manager Marketing at Central Depository Company (CDC), and was part of the team that launched the CDC Investor Account Services (IAS), a retail depository product aimed at high networth individuals. Mr. Khan holds an MBA Degree from the Institute of Business Administration (IBA) Karachi with majors in Marketing. He is also a qualified Engineer from the NED University of Engineering & Technology, Karachi.

(ii) Senior Management team of the Company also includes the following members:

Mr. Saood Hasan– Head of Internal Audit

Mr. Saood Hasan is a fellow Cost and Management Accountant from Institute of Cost and Management Accountants of Pakistan. He is presently heading the Internal Audit Department. 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.

Mr. Amjad Pervaiz – Head of Human Resource & Administration

Mr. Amjad Pervaiz is a qualified Cost and Management Accountant. He is presently leading the Human Resource and Administration Department. He joined the Company in December 2004 as Assistant Manager Finance, and was earlier responsible for overseeing the finance and accounting functions of one of the open ended funds managed by the Company – Atlas Stock Market Fund.

g. Investment Management Team:

All investment/ disinvestment decisions of the Atlas Pension Islamic Fund will be based on research data, fundamental and technical analysis provided by the following investment management team:

Mr. Ather Husain Medina – Chief Investment Officer

Please refer to Paragraph 5.1 (f) above.

Mr. Muhammad Abdul Samad – Fund Manager

Mr. Muhammad Abdul Samad is an MBA with a major in Finance from the Southeastern University, London. He did his Master in Commerce from University of Karachi securing first class first position (Gold Medalist). He has extensive experience of equity research and investment management. He started his career as an investment analyst. During his five years experience, he has covered almost all major sectors listed on Pakistani Stock Markets. He was also actively involved in Merger & Acquisition and Corporate Governance related issues. Prior to joining the Atlas Asset Management Limited, his last assignment was to oversee the research department of NIT.

Ms. Uzma Khan – Head of Research

Ms. Uzma Khan is an MBA with a major in Finance. She is enrolled as a candidate for the level III Exam of Chartered Financial Analyst (CFA) program and Intermediate level of Chartered Institute of Management Accounting (CIMA). She obtained Banking Diploma in 2003 with SBP gold medal in stage III. She has previously worked as an Investment Analyst with Arif Habib Securities for two years.

h. Brief of Mutual Funds under Management

Atlas Asset Management Limited is presently managing three open-end mutual funds, namely Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF) and Atlas Islamic Fund (AISF), one closed-end mutual fund, Atlas Fund of Funds (ATFF) and one Voluntary Pension Fund, Atlas Pension Fund (APF). The total net assets of the funds under the management of Atlas Asset Management are over Rs. 7.6 billion as of September 30, 2007.

Highlights of the funds performances are summarized below:

a. Atlas Income Fund (AIF)**Fact Sheet (AIF)**

Initial Public Offering	March 22, 2004
Seed Capital	Rs. 300 million
Par Value	Rs. 500
Net Assets (September 30, 2007)	Rs. 4,883 million
Net Asset Value (September 30, 2007)	Rs. 512.93
Strategy	Fixed Income
Rating	5 Star (by PACRA)
Listing	LSE

b. Atlas Stock Market Fund (ASMF)**Fact Sheet (ASMF)**

Initial Public Offering	November 23, 2004
Seed Capital	Rs. 314 million
Par Value	Rs. 500
Net Assets (September 30, 2007)	Rs. 1,522 million
Net Asset Value (September 30, 2007)	Rs. 584.45
Strategy	Equity
Rating	5 Star (by PACRA)
Listing	LSE

c. Atlas Islamic Fund (AISF)**Fact Sheet (AISF)**

Initial Public Offering	January 15, 2007
Initial Capital (Seed & Pre-IPO)	Rs. 378.475 million
Par Value	Rs. 500
Net Assets (September 30, 2007)	Rs. 514.845 million
Net Asset Value (September 30, 2007)	Rs. 505.24
Strategy	Shariah Compliant
Rating	Not Applicable
Listing	LSE
Risk Profile	Moderate
Shariah Board	Dr. Fazlur Rahman & Mr. Muhammad Yahya Asim

d. Atlas Fund of Funds (ATFF)

Fact Sheet (ATFF)	
Initial Public Offering	December 13, 2004
Paid-up Capital	Rs. 525 million
Par Value	Rs. 10
Net Assets (September 30, 2007)	Rs. 572 million
Net Asset Value (September 30, 2007)	Rs. 10.91
Strategy	Fund of Funds
Rating	5 Star (by PACRA)
Listing	KSE

e. Atlas Pension Fund (APF)

Fact Sheet (APF)	
Launch Date	June 28, 2007
Seed Capital	Rs. 90 million (i.e. Rs. 30 million in each Sub-Fund)
Par Value	Rs. 100
Net Assets (September 30, 2007)	
APF - Equity Sub-Fund	Rs. 32.50 million
APF - Debt Sub-Fund	Rs. 30.97 million
APF - Money Market Sub-Fund	Rs. 30.60 million
Net Asset Value (September 30, 2007)	
APF - Equity Sub-Fund	Rs. 106.77
APF - Debt Sub-Fund	Rs. 101.70
APF - Money Market Sub-Fund	Rs. 101.68

i. Duties and Obligations of the Pension Fund Manager

- (i) The Pension Fund Manager shall manage the assets of the Atlas Pension Islamic Fund including all the Sub-Fund(s) and cash forming part of the Individual Pension Accounts in the interest of the Participants in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties or its officers, and subject to the restrictions and limitations as provided in the Rules and the Trust Deed;
- (ii) The Pension Fund Manager shall comply with the provisions of the Rules, the Trust Deed and the Offering Document 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 Pension Fund Manager by any officer or responsible official of the Pension Fund Manager or by any nominee or agent appointed by the Pension Fund Manager under intimation to the trustee and in accordance with the Guidelines issued by the Commission from time to time, and any act or matter so performed shall be deemed for all the purposes to be the act of the Pension Fund Manager;
- (iii) The Pension Fund Manager shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Deposited Property where such loss has been caused

by its negligence, reckless or wilful act and/or omission or by its officers, officials or agents/ delegates/ nominees;

- (iv) The Pension Fund Manager shall maintain at its principal office, proper accounts and records of Atlas Pension Islamic Fund, to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Atlas Pension Islamic Fund, records of all transactions for the account of the Atlas Pension Islamic Fund and Contributions received by the Atlas Pension Islamic Fund and withdrawals by the Participants including details of withholding tax deducted at source, if applicable, and transfer of balances from the Individual Pension Accounts of the Participants to other pension fund managers or receipt of balances in the Individual Pension Accounts from pension schemes managed by other pension fund managers in accordance with the provisions of the Rules and the Trust Deed;
- (v) 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 Islamic Fund within three 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.
- (vi) The Pension Fund Manager shall also prepare and transmit, within one month of the close of the first and third quarter of its year of account of the Fund, or such other period as may be permitted by the Commission from time to time, to the Participants, the Trustee and the Commission, a balance sheet as on the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the Atlas Pension Islamic Fund. The Pension Fund Manager however, may post the said quarterly accounts on its website, subject to the approval of the Commission and inform the Participants.
- (vii) The Pension Fund Manager shall also within two months, with the prior approval of the Commission, after the close of the first half of its year of account, prepare and transmit to the Participants, the Trustee and the Commission a profit and loss account for that half year and balance sheet in respect of each Sub-Fund and of the Trust as at the end of the half year, whether audited or otherwise which shall be in compliance with the requirements set out in the Rules;
- (viii) The Pension Fund Manager shall also prepare separate balance sheet and income and expenditure accounts for each Sub-Fund as prescribed by the Commission from time to time;
- (ix) The Pension Fund Manager shall maintain a Register of Participants of the Atlas Pension Islamic Fund and inform the Commission of the address where the Register is kept. Such Register shall be accessible by the Trustee and the Participants (to the extent of his/her Individual Pension Account) during Business Hours;
- (x) The Pension Fund Manager shall appoint, with the consent of the Trustee, at the establishment of the Atlas Pension Islamic Fund and upon any vacancy, an auditor independent of the auditor of the Pension Fund Manager and the Trustee and such auditor shall not be appointed for more than three

consecutive years or such other period as may be specified in the Rules from time to time. The contents of the Auditors' Report shall be in accordance with the Rules;

- (xi) The Pension Fund Manager shall furnish to the Commission within one month of the close of any Accounting Period; (i) the particulars of the personnel (executive, research and others) managing the Pension Fund; (ii) the total number of Participants and (iii) total value of all Individual Pension Accounts (iv) total Contributions for the previous year and (v) such other information that may be prescribed by the Commission from time to time;
- (xii) The Pension Fund Manager shall send an Account Statement, as at 30th June and 31st December each year, within thirty days thereafter to each Participant, confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received: Contribution from the employer or the employee, incoming transfers from other pension fund manager(s) or incoming transfers from Provident Fund or transfer from a deceased person's account or other; types of benefit disbursements: retirement, pre-retirement payment along with the taxes withheld, death benefit payment or transfer to heirs, outgoing transfer to purchase an Approved Annuity Plan from a life insurance company, outgoing transfer to other pension fund manager(s), withdrawals or other. The statements shall include details of the number of Units allocated and held, the current valuation of the Units and such other information as may be specified by the Commission free of charge. Additionally, the Participant shall be entitled to receive any statement, in respect of his account, at any time, on written application. Such information may also be posted on the website or emailed and furnished electronically, subject to prior approval of the Commission;
- (xiii) The Pension Fund Manager shall, send any other statement or certificate to the Participants which may be necessary under the Rules.
- (xiv) The Pension Fund Manager shall send on or before 31st July each year a certificate of Contribution made to the Atlas Pension Islamic Fund for the previous year ended June 30. The Pension Fund Manager shall also send, before June 30, statement of accounts, as may be required by the employer of the Participant, confirming payment by the Participant to the Atlas Pension Islamic Fund under Sections 63 and 149(1) of the Income Tax Ordinance, 2001.
- (xv) The Pension Fund Manager shall provide to the Participants, any information in respect of their Individual Pension Account, at any time, on receipt of an application in writing, or in any other form as the Pension Fund Manager may deem satisfactory. The Pension Fund Manager may also post such information on its website and furnish such details electronically, with the prior approval of the Commission;
- (xvi) The Pension Fund Manager shall make reallocation of Units between the Sub-Funds annually to ensure that the allocation of Units of all the Participants are according to the Allocation Scheme selected by the Participants or where no selection has been made, according to the default Allocation Scheme;

- (xvii) The Pension Fund Manager shall notify the Net Asset Value of the Unit of each of the Sub-Funds, calculated at the close of each Business Day, on the following Business Day in a leading daily newspaper and also post on its web site;
- (xviii) The Pension Fund Manager shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust;
- (xix) The Pension Fund Manager shall instruct the Trustee on purchase, including placement of cash, and sale of investments;
- (xx) Any purchase or sale of Investments made under any of the provision of the Trust Deed shall be made by the Trustee according to the instructions of the Pension Fund Manager in this respect, unless such instructions are in conflict with the provisions of the Rules and/or the Deed. The Pension Fund Manager shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control;
- (xxi) The Pension Fund Manager shall, after intimating the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Pension Fund Manager;
- (xxii) The Pension Fund Manager shall if it considers necessary request the Trustee in writing, for the protection of Deposited Property or safeguarding the interest of the Participants, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof; and
- (xxiii) The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed under the Rules and the Trust Deed nor shall the Pension Fund Manager (save as otherwise provided) be liable for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed, the Pension Fund Manager shall not be under any liability there for 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.

j. Restrictions for the Pension Fund Manager

The Pension Fund Manager on behalf of the Pension Fund shall not:

- (i) merge with, acquire or take over management of any other pension fund or pension fund manager unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
- (ii) pledge any of the securities held or beneficially owned by the Fund except for the benefit of the Fund, subject to prior approval of the Commission;
- (iii) accept deposits from another pension fund;

- (iv) make a loan or advance money to any person except in connection with the normal business of the Fund;
- (v) participate in a joint account with others in any transaction;
- (vi) make any investment with the purpose of having the effect of vesting the management, or control, in the Pension Fund;
- (vii) apply any part of its assets to real estate provided that the company may purchase real estate for its own use out of its shareholders' funds;
- (viii) employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any connected broker, which shall equal or exceed ten per cent or more of the brokerage or commission paid by the Fund in any one accounting year: provided that the Commission may, in each case on merits, permit the ten per cent to be exceeded if the connected broker offers advantages to the Fund not available elsewhere; and
- (ix) purchase or sell any security from/ to any of the Connected Person(s).

k. Retirement or Removal of Pension Fund Manager

- (i) The Pension Fund Manager may retire at any time after issuing a three months notice to the Participants about its intention, with the prior approval of the Commission and the Trustee.
- (ii) The Trustee may, with the prior approval of the Commission, remove the Pension Fund Manager if the Pension Fund Manager has contravened the provisions of the Deed and/or Offering Document in any material respect and has failed to rectify the contravention within (1) 30 days from the date of notification in writing, under intimation to the Commission or (2) such other period as may be specified by the Commission, in respect of the subject contravention; provided that such notice per se shall not be considered as an admission of contravention on part of the Pension Fund Manager who shall have the right to defend such notice or consequent action.
- (iii) The Pension Fund Manager will stand retired immediately in case of the following events and no notice shall be required to be served. All the other provisions relating to audit and approvals as mentioned herein shall be applied accordingly:
 - (a) The Pension Fund Manager goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); or
 - (b) A receiver is appointed over any of the assets of the Pension Fund Manager.
- (iv) If the Commission is of the opinion that the Pension Fund Manager has contravened any provision of the Rules, or has otherwise neglected or failed to comply with any order or direction of the Commission or with any requirement of the Rules or has failed or neglected to carry out its duties to the satisfaction of the Trustee, or the Commission, as the case may be, and considers that it would be in the interest of the Participants so to do, the Commission, on its own motion or on the report of the Trustee, by order in

writing may after providing the Pension Fund Manager the opportunity of being heard:-

- cancel or suspend the registration of the Pension Fund Manager;
 - remove the Pension Fund Manager managing the Pension Fund;
 - issue appropriate orders to the Pension Fund Manager;
 - order compensation to be paid to the Participants;
 - impose fine; or
 - take any combination of the above mentioned actions.
- (v) The Commission may cancel the registration of the Pension Fund Manager or impose fine on it if in the opinion of the Commission, the performance of the Pension Fund Manager is substantially below par and the investment return in the Sub-Funds during any particular year is well below the specified benchmark.
- (vi) If the Commission has cancelled the registration of the Pension Fund Manager under the provisions of the Rules as outlined in sub clause (ii) and (iv) above, the Commission shall appoint another pension fund manager with the consent of the Trustee as the pension fund manager for the Pension Fund according to the provisions of the Deed and the Rules.
- (vii) The retirement of the Pension Fund Manager and appointment of a new pension fund manager shall always require the prior approval of the Commission and the Trustee, and issuance of a three months notice to the Participants about such an intention.
- (viii) Upon a new pension fund manager being appointed, the Pension Fund Manager will take immediate steps to deliver all the documents and records pertaining to the Trust to the new pension fund manager and shall pay all sums due to the Trustee.
- (ix) Upon its appointment the new pension fund manager shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Pension Fund Manager hereunder as fully as though such new pension fund manager had originally been a party hereto.
- (x) If so directed by the Commission, the Pension Fund Manager shall not receive any Contributions from any of the Participants or make any other transaction on account of the Pension Fund as from the date of issue of such notice as referred to in sub-clauses (i), (ii) and (iv) above.
- (xi) The Trustee shall ensure that the accounts of the Pension Fund till the day of the appointment of the new pension fund manager are audited by the Auditors of the Pension Fund and the audit report is submitted, within one month from the date of such appointment, to the Commission and the Trustee. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.

5.2 Trustee – Central Depository Company of Pakistan Limited

- a. Name and Registered Address:** The Trustee to the Atlas Pension Islamic Fund is:
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B',
S.M.C.H.S, Main Shahrah-e-Faisal,
Karachi – 74400, Pakistan
- b. Brief Profile:** Central Depository Company of Pakistan Limited (CDC) was incorporated as a public limited company on January 21, 1993 in Pakistan and received certificate of commencement of business on August 10, 1994. The principal business activity of the company is to manage and operate the Central Depository System (CDS), which is an electronic book entry system to record and transfer securities. It was formed for facilitating 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 activity to provide trustee/custodial services to mutual funds sector. CDC is acting as the trustee for both open-end and closed-end mutual funds under management of all the leading asset management companies and investment advisers. All trustee related operations of CDC are completely automated and supported by strong and efficient computerized systems and dedicated staff. The Trustee division has the benefit of CDC's existing structure, as well as that for handling the National Clearing and Settlements System. The Voluntary Pension System Rules, 2005 allows a central depository company to act as a trustee for the pension fund set up under the Rules.

- c. Shareholders:** The main sponsors and the shareholders of CDC include the Karachi Stock Exchange, the Lahore Stock Exchange, the Islamabad Stock Exchange, International Finance Corporation (IFC), Citibank Overseas Investment Corporation, National Investment Trust Limited, Investment Corporation of Pakistan, Pakistan Industrial Credit & Investment Corporation Ltd. (PICIC), Muslim Commercial Bank Limited and Habib Bank Limited
- d. Management:** CDC is run purely on professional management basis and most of the Directors on the Board of CDC represent their respective investor institutions, without nay personal stake in the company. The chief executive is a highly qualified professional, without any affiliation in any investor institution. Operations of the company are carried out by a team of high calibre professionals from a wide spectrum of relevant disciplines possessing graduate and postgraduate qualifications from distinguished local and international institutions.

e. Obligations of Trustee

- (i) The Trustee shall take into its custody or under its control all the Deposited Property of the Atlas Pension Islamic Fund including all the Sub-Fund(s) and cash in the Individual Pension Account and hold it in trust for the Participants in accordance with law and the provisions of the Trust Deed; and the cash and register-able assets shall be registered in the name of, or to the order of, the Trustee. The Deposited Property in respect of each Sub-Fund shall be recorded, maintained and accounted for separately;

- (ii) The Trustee shall comply with the provisions of the Rules and the Trust Deed or any directive given by the Commission under the Rules 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 in consultation with the Pension Fund Manager: Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Pension Fund for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents;
- (iii) The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Participants. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Pension Fund Manager provided they are not in conflict with the provisions of the Rules or the Trust Deed. Whenever pursuant to any provision of the Deed and this Offering Document any certificate, notice, direction, instruction or other communication is to be given by the Pension Fund Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Pension Fund Manager by any person whose signature the Trustee is for the time being authorized in writing by the Pension Fund Manager to accept;
- (iv) The Trustee shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control;
- (v) The Trustee shall be liable for the acts and omissions of the lenders and its agents in relation to assets forming part of the Deposited Property of the Atlas Pension Islamic Fund and, where borrowing is undertaken for the account of the Atlas Pension Islamic Fund, such assets may be registered in the lender's name or in that of a nominee appointed by the lender;
- (vi) The Trustee shall not be under any liability on account of anything done or suffered by any Sub-Fund(s) of the Atlas Pension Islamic Fund in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Trust Deed or the Rules;
- (vii) The Trustee shall ensure that the issue, redemption and cancellation of Units of the Sub-Funds are carried out in accordance with the provisions of the Rules, the Trust Deed and the Offering Document;
- (viii) The Trustee shall ensure that the methods adopted by the Pension Fund Manager in calculating the value of the Units of each Sub-Fund of the Atlas Pension Islamic Fund are adequate and that the Net Asset Value is

calculated in accordance with the provisions of the Trust Deed or as specified by the Commission;

- (ix) The Trustee shall carry out the instructions of the Pension Fund Manager in all matters including all payments, investments and disinvestments of the Deposited Property of the Sub-Funds unless such instructions are in conflict with the Investment Policy prescribed by the Commission from time to time, provisions of the Rules or the Trust Deed, or the Offering Document or any other applicable law;
- (x) The Trustee shall ensure that the Investment Policy prescribed by the Commission from time to time and the borrowing limitations set out in the Rules, the Trust Deed and the Offering Document and the conditions under which the Atlas Pension Islamic Fund was authorized are complied with at all times;
- (xi) The Trustee shall issue a report to be included in the annual report to be sent to Participants whether, in the Trustees' opinion, the Pension Fund Manager has in all material respects managed the Atlas Pension Islamic Fund in accordance with the provisions of the constitutive documents, and if the Pension Fund Manager has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof;
- (xii) The Trustee shall ensure that Units are not allocated until Contributions have been received;
- (xiii) The Trustee shall make available or ensure that there is made available to the Pension Fund Manager such information as the Pension Fund Manager may reasonably require from time to time in respect of the Deposited Property and all other matters relating to the Trust;
- (xiv) The Trustee shall, if requested by Pension Fund Manager and may if it considers necessary for the protection of Deposited Property of the Pension Fund or safeguarding the interest of Participants, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, 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 directors and officers. All costs, charges and expenses (including reasonable 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 negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Offering Document and the Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Offering Document or the Deed, the Trustee and the Pension Fund Manager 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 Trust;

- (xv) Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Pension Fund Manager shall sell or purchase any Investment with the Trust save in the capacity of an intermediary or in the normal course of business;
- (xvi) The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Participants, or in the interest of the capital market and public, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information;
- (xvii) The Trustee shall obtain and maintain replication of all the records of the Participants maintained by the Pension Fund Manager or the Registrar, as the case may be, and shall keep the records updated on fortnightly basis;
- (xviii) The Trustee shall promptly provide proxies or other forms of power of attorney to the order of the Pension Fund Manager with regards to any voting rights attaching to any Investments;
- (xix) The Trustee shall promptly forward to the Pension Fund Manager any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Pension Fund Manager in all such matters relating to recovery of the Deposited Property;
- (xx) The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible; and
- (xxi) The Trustee shall, from time to time appoint, remove or replace one or more Custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee.

5.3 Registrar

Atlas Asset Management Limited has the facilities to provide efficient Registrar services to the Atlas Pension Islamic Fund and its Participants through an in-house arrangement as stated in Paragraph 13.2 of this Offering Document.

The Register shall be maintained by the Registrar at the following address:

Atlas Asset Management Limited
Ground Floor, Federation House
Sharae Firdousi, Clifton – 75600
Karachi, Pakistan

5.4 Distribution Companies

The main Distribution Company of the Atlas Pension Islamic Fund shall be Atlas Asset Management Limited.

Atlas Pension Islamic Fund shall be distributed through the main office and branch offices of Atlas Asset Management Limited. The addresses of these branches are as given below. This list is based upon the current addresses of the branch offices of Atlas Asset Management Limited updated up to the publication date of this Offering Document and can be subsequently changed due to relocation of offices or addition or deletion of authorized branches. The updated addresses will be available on the website of the Pension Fund Manager from time to time.

Main Office:

Ground Floor, Federation House,
Sharae Firdousi, Clifton,
Karachi-75600, Pakistan
Telephone # (92-21) 5379501-04
Fax # (92-21) 5379280
UAN # (92-21) 111-6-888-25 (111-MUTUAL)

Branch Offices:

Karachi

(A) c/o Atlas Bank Limited P & O Plaza, I.I. Chundrigar Road, Karachi, Pakistan Telephone # (92-21) 2463746-51 Fax # (92-21) 2463744	(B) c/o Atlas Bank Limited Ground Floor, Nice Trade Orbit, Plot # 44-A, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, Pakistan Telephone # (92-21) 4386184-87 Fax # (92-21) 4386180	(C) c/o Atlas Bank Limited Plot # 28, Block – 3, Adam Arcade, B.M.C.H.S., Karachi, Pakistan Telephone # (92-21) 4145323-24 Fax # (92-21) 4145325
(D) c/o Atlas Bank Limited 1/15, Hassan Square, Block 13-A, Gulshan-e-Iqbal, Karachi, Pakistan Telephone # (92-21) 4818759-63 Fax # (92-21) 4818720	(E) c/o Atlas Bank Limited B/53, Estate Avenue, S.I.T.E. Area, Karachi, Pakistan Telephone # (92-21) 2587533,35,37 Fax # (92-21) 2587672	

Lahore

(A) c/o Atlas Capital Markets (Pvt.) Limited
2nd Floor, Ajmal House,
27-Egerton Road,
Lahore, Pakistan
Telephone # (92-42) 6366170-4
UAN # (92-42) 111-6-888-25 (111-MUTUAL)

Rawalpindi

(A) c/o Atlas Bank Limited
Bank Road Branch, 60, Bank
Road, Rawalpindi, Pakistan

Telephone # (92-51) 5566671,
 5564123, 5856411 (direct)
 Fax # (92-51) 5528148
 UAN # (92-51) 111-6-888-25
 (111-MUTUAL)

The Pension Fund Manager may also appoint or remove other Distribution Companies for the Fund under intimation to the Commission and the Trustee, from time to time, the details of which will be available on the website of the Pension Fund Manager.

- (a) The Distribution Companies will be responsible for receiving Contribution applications and amount, in the name of the Trustee, from the Participants and issuing receipts of acknowledgement of receipt of the same and receiving redemption/ retirement/ transfer to/from other pension fund manager(s) applications.
- (b) The Distribution Companies will be interfacing with and providing services to the Participants including receiving applications for change of address or any other status, instructions, in writing, of any kind or any other information for immediate transmission to the Pension Fund Manager or the Registrar, as appropriate; and
- (c) The Distribution Companies will be accounting to the Trustee for (i) Contribution monies received from the Participants for issuance of Units in the Sub-Funds; and (ii) payments made to the Participants on redemption of Units in the Sub-Funds.
- (d) The Distribution Companies Offices have been equipped with the necessary support staff, computer hardware and software to provide service to the Participants and have established an efficient communication link with the Trustee, Pension Fund Manager and the Registrar.

5.5 Auditors

- a) **Pension Fund Manager:** The auditors of the Pension Fund Manager (Atlas Asset Management Limited) are Anjum Asim Shahid Rahman, Chartered Accountants, Karachi.
- b) **Atlas Pension Islamic Fund:** The first auditors of Atlas Pension Islamic Fund shall be:

Ford Rhodes Sidat Hyder & Co.
 Chartered Accountants
 Progressive Plaza,
 Beaumont Road,
 Karachi, Pakistan

 - (i). The Auditor shall hold office until the transmission of the annual reports and accounts and may be re-appointed by the Pension Fund Manager as provided in the Rules from time to time.
 - (ii). The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Pension Fund Manager, Trustee, Custodian, Registrar, Distribution Company or elsewhere and shall be entitled to require from the Pension Fund Manager, Trustee and their directors, officers

and agents such information and explanations as considered necessary for the performance of audit.

- (iii). The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules.
- (iv). The Auditors shall prepare a written report to the Participants on the account and books of accounts of the Sub-Funds and 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.
- (v). The contents of the Auditor's report shall be as outlined in the Rules.

5.6 Legal Advisers

The legal advisers of Atlas Pension Islamic Fund are:

Bawaney & Partners
404, 4th Floor,
Beaumont Plaza,
Beaumont Road,
Karachi.

The Pension Fund Manager may, in consultation with the Trustee, replace the legal adviser or appoint a new legal adviser to a vacancy created by the resignation or removal of the legal adviser.

5.7 Shariah Advisor

The Pension Fund Manager shall appoint, with the approval of the Commission, a Shariah Advisor that shall advise the Pension Fund Manager regarding Shariah.

Dr. Fazlur Rahman has been appointed as the Shariah Advisor of the Atlas Pension Islamic Fund.

- (i) All activities of the Pension Fund shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisor.
- (ii) The Shariah Advisor shall prescribe screening criteria and guidelines for determining Shariah compatibility of Investments made/ to be made by the Pension Fund.
- (iii) The Shariah Advisor shall also determine Shariah non compliant (Haram) income that may have been earned by the Pension Fund during any period of review. This income would be given out in Charity to purify the remaining income of the Pension Fund. The Shariah Advisor shall also advise on the procedure of disbursement of this Charity income as per the Guidelines issued by the Commission from time to time.
- (iv) The Shariah Advisor shall conduct an annual audit of the operations of the Pension Fund to check compliance to the guidelines issued by it from time to

time. This audit would be followed by issuance of a certificate/ report to the Participant by the Shariah Advisor to be included in the Annual Report of the Pension Fund. This certificate/ report will contain Shariah Advisor's comments on the Shariah compliance status of the Pension Fund for the period under review.

5.8 Bankers

The Bankers of Atlas Pension Islamic Fund are Bank Islami Pakistan Limited. The Trustee may open new accounts or close existing accounts with one or more banks with the approval of the Pension Fund Manager. The Trustee will operate the bank accounts on instructions of the Pension Fund Manager.

PART VI – CHARACTERISTICS OF ATLAS PENSION ISLAMIC FUND

6.1 Eligibility – Who can apply?

- (1) Pakistani nationals who hold a valid National Tax Number or Computerized National Identity Card.
- (2) Employers on behalf of their employees.
- (3) Non-resident Pakistanis holding a National Tax Number or Computerized National Identity Card.
- (4) Accumulated balance from Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund) can be transferred to Atlas Pension Islamic Fund.

The Commission may review the eligibility criteria from time to time, and any amendments made to the criteria shall immediately become applicable to the Atlas Pension Islamic Fund without requiring any amendment to this Offering Document.

6.2 Application and Payment Procedure

- (1) All applications for Contributions to the Atlas Pension Islamic Fund are subject to the provisions of the Rules, Guidelines issued by the Commissions or by the Pension Fund Manager, this Offering Document and the Trust Deed.
- (2) **Prescribed Application Forms:** The Prescribed Application Forms which are required to be submitted by the Participant include the following:
 - (a) **Participant Registration Form:** This is required to be filled in and submitted to the Distribution Company/ Pension Fund Manager when the applicant is registering as a Participant with the Atlas Pension Islamic Fund for the first time. The Participant Registration Form shall include the Allocation of Contributions Section wherein the Participant is required to select his Allocation Scheme according to which his/her Contributions shall be allocated amongst the three Sub-Funds.
 - (b) **Nomination Form:** This form is required to be submitted by the Participant along with the Participant Registration Form or subsequently at any other point in time to nominate the nominees entitled to the accumulated balance

of the Participants Individual Pension Account in the unfortunate event of the death of the Participant.

- (c) **Participant Contribution Form:** This form is required to be submitted by the Participant or on his/her behalf by the Employer, if authorised by the Participant subsequently for each time he/she makes the Contribution.
- (d) **Change of Allocation Scheme Form:** This form is required to be submitted by the Participant for changing the Allocation Scheme for all new Contributions as well as the accumulated balance of the Individual Pension Account. This change may be done only once in a year.

Along with Participant Registration Form, Allocation of Contributions Form and Nomination Form, the Participant will be required to submit duly attested copies of his and his nominee(s) Computerized National Identity Card (B-Form Number in case of minors) or any other form of identification acceptable to Pension Fund Manager.

The Participant shall inform the Pension Fund Manager any change in the particulars in writing or such other form as may be acceptable to the Pension Fund Manager from time to time.

- (3) Participant can make payment by cheque or bank draft or pay order, made payable to the **“CDC-Trustee-Atlas Pension Islamic Fund”** crossed **“Account Payee only”**, and drawn on a Bank in the same town where, the office of the Fund Manager, Trustee or the Authorized Branch of the Distribution Office to which the Application Form is being submitted is located. Payment can also be made through direct deposit of cheque/ bank draft/ pay order in a designated bank account (and attaching specially designed deposit slip and/or Participant Contribution Form evidencing payment into the designated bank account) or through direct (auto) debit from Participant’s bank account to the designated bank account for which the instructions along with the date of such transfers and all relevant details have been provided in writing earlier to the Pension Fund Manager, or in an electronic form through credit or debit cards or in any such other form (other than cash or any bearer instruments), as is prescribed by the Pension Fund Manager, from time to time. **Payment in cash will not be accepted.** Only the Pension Fund Manager and Authorized Branches of Distribution Companies are authorized to collect application forms and payment in the form, as stated above, for the Contribution in Atlas Pension Islamic Fund. No other person (including Sales Agents) is authorized to accept the forms or payment.
- (4) In the event that the cheque or bank draft or pay order accompanying the application, is not realized and is returned unpaid, the application will be rejected.
- (5) The Participants shall indicate their Individual Pension Account number at the time of every Contribution in Atlas Pension Islamic Fund except in cases where the Participants Registration Form is sent with the first Contribution in Atlas Pension Islamic Fund.
- (6) Employers can remit the Contributions on behalf of their employees registered as Participant with the Pension Fund Manager. Such Contributions must be accompanied by the duly filled in Employer Application Form along with the complete details of each employee on whose behalf the Contribution is being

submitted including the name of employees, Individual Pension Account numbers and amount of Contribution are conveyed to the Registrar and Pension Fund Manager. The Contributions for all the employees registered with the Atlas Pension Islamic Fund can be done through one payment.

- (7) The amount of Contribution to be received from employer may change, due to employee leaving the organization or changing the pension fund manager or new employee joining, in which cases the employer will be required to inform the Pension Fund Manager or the Registrar in writing or such other form as may be acceptable to the Pension Fund Manager from time to time or where required submit the employees' Participant Registration Form.
- (8) A group of Participants can make and vary arrangement to send their Contribution(s) through one payment. Such arrangement will be acceptable to the Pension Fund Manager and the Trustee, provided that the said arrangement is conveyed to the Registrar and Pension Fund Manager prior to such payments along with the Individual Pension Account numbers and amount of Contributions for each Participant. The Participants should inform the Registrar and Pension Fund Manager of any change in the arrangement.
- (9) The Pension Fund Manager or Distribution Company shall verify the particulars given in the Prescribed Application Form and ensure that the application form is complete in all fields and shall verify that the applicant is eligible to join the Fund and that the signature of any applicant on any document required to be signed by him under or in connection with the application for joining the Pension Fund shall match with the signature as per CNIC. After such necessary verification, the Distribution Company shall forward the application to the Registrar/ Pension Fund Manager.
- (10) The Distributor/ Pension Fund Manager shall issue a receipt, acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be.
- (11) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor shall advise the applicant in writing to remove the discrepancy, in the meanwhile the application shall be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the application will be cancelled and the amount will be refunded without any interest or mark-up. Also in the event of incorrect or misleading information, the application is likely to be rejected. The implication of any tax consequence of such misleading information will also fall on the Participant and the Pension Fund Manager/ Trustee will take such action as required under law, including withholding of tax from amount being refunded, if applicable.
- (12) The Pension Fund Manager may refuse to accept the Contributions where the Contribution is contrary to the Know-Your-Customer (KYC) rules or policy of the Pension Fund Manager or any other Anti Money Laundering rules that the APIF may be subject to or that the Pension Fund Manager may frame for self regulation, or where the Contribution is from an applicant who does not have a valid National Tax Number or where the Contribution is from an applicant who does not have a valid CNIC Number.

- (13) The Registrar will issue acknowledgement confirming the receipt of Participant Registration Form and payment, to the Participant and to the employer, if so required, after the proceeds are credited to the account, within one week of the receipt of such Contribution.
- (14) Each Participant shall only be liable for the credit of his Contribution amount and no further liability shall be imposed on him in respect of any Units held by him in the Sub-Fund(s). The Units shall be allocated against receipt of full payment from the Participant.
- (15) The Pension Fund Manager may make arrangements to accept Contribution/ redemption requests through electronic, IVR (Interactive Voice Response) or other means.
- (16) The Pension Fund Manager may also make arrangements through branches of banks to facilitate the receipt of Contributions.
- (17) The Pension Fund Manager shall make arrangements that all Forms shall be available and can be obtained from the Pension Fund Manager or any Distributor or Sales Agent of the Pension Fund Manager or downloaded from the Pension Fund Manager's website or requested from the Pension Fund Manager by courier or through electronic means

6.3 Contribution Procedure

The Contribution Procedures are subject to Rules, Guidelines and Income Tax Ordinance, 2001, as amended from time to time.

- (1) Pakistanis who hold a valid National Tax Number or Computerized National Identity Card can directly or through their employers contribute into Atlas Pension Islamic Fund.
- (2) Members of an Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund) would be eligible to transfer their existing balance to their Individual Pension Account with the Pension Fund Manager.
- (3) The Participant and/or employer shall voluntarily determine the Contribution amount subject to the minimum contribution limit, which shall then be payable in annual, semi-annual, quarterly, bi-monthly or monthly instalments as may be determined by the Participant / employer contributing on behalf of the Participant. The Participant shall inform the Pension Fund Manager of the frequency and amount of his/her Contributions along with the mode of such Contributions at the time of filling the Participant Registration Form and shall inform the Pension Fund Manager in writing of any changes in the mode, frequency and/ or amount of the Contributions.
- (4) **Minimum Contribution Limit:** The minimum Contribution amount per month within any financial year, shall not be less than 10% of the Participant's monthly income or Rupees Five Thousand (Rs. 5,000/-) per month, which ever is lower. The Pension Fund Manager may, from time to time amend the minimum contribution limit which shall be notified on its website.

- (5) **Maximum Contribution Limit:** There is no maximum limit for Contribution, however the total Contribution amount to avail tax credit in any one tax year by any Participant within any financial year, shall not exceed 20% of their taxable income up to a maximum of Rupees Five Hundred Thousand (Rs. 500,000/-), or any other amount as may be specified from time to time, under the Income Tax Ordinance, 2001.

However, a person joining in the Atlas Pension Islamic Fund at the age of 41 years or above, during the first ten years starting from July 1, 2006, shall be allowed an additional contribution of 2% per annum for each year of age exceeding 40 years up to a maximum contribution of 50% of the taxable income of the preceding year or Rupees Five Hundred Thousand (Rs. 500,000/-).

- (6) The Contribution received from any Participant by the Pension Fund Manager on any Dealing Day shall be credited to the Individual Pension Account of the Participant after deducting the Front-end Fee, and the amount in the Individual Pension Account shall be utilized for purchasing the Units of Sub-Funds of the Pension Fund proportionate to the Allocation Scheme selected or the default Allocation Scheme prescribed by the Commission, at the Net Asset Value of the respective Sub-Fund, notified by the Pension Fund Manager at the close of the day on which the payment is realised, if that day is a Dealing Day or on the immediate next Dealing Day.
- (7) Notwithstanding the condition stated in Sub-Para (6), above the entire Contribution received from a Participant on transfer of individual pension account from other pension fund manager and Contribution received under Sub-Para (2) above, shall be credited in the Individual Pension Account and no deduction in respect of Front-end Fee shall be made.
- (8) **Receipt of Contributions from outside Pakistan:** Subject to specific exchange control and other applicable laws, rules and regulations, in the event of permission being received from the Government of Pakistan or the State Bank of Pakistan for receiving the Contributions from or on behalf of non-resident Pakistanis or for delivery in any country outside Pakistan, the Pension Fund Manager, with the consent of the Trustee and the prior approval of the Commission, shall likewise make arrangements to accept the Contributions from non-resident Pakistanis. The Pension Fund Manager may, with the consent of the Trustee and the prior approval of the Commission, in addition to the Front-end Fee, charge a further amount sufficient to cover any additional stamp duty or taxation whether national, local or which could otherwise be levied in that country in respect of such remittance of money to/ from Pakistan.
- (9) The currency of transaction of the Fund is the Pakistan Rupee and the Pension Fund Manager, Trustee or any Distributor/ Distribution Company/ Sales Agent are not obliged to accept the Contributions or to make the redemption of the Units of the Sub-Funds, in any other currency and shall not be held liable, save as may be specifically undertaken by the Pension Fund Manager, for receipt or payment in any other currency or for any obligations arising there from.

6.4 Procedure/Options in case of cessation, temporary or permanent, of Contributions by the Participants

- (1) The Participant may decide to stop contributing to his/her Individual Pension Account in the event that they suffer from long term sickness or incapacity or loss of employment or financial distress or for any other reason and shall inform the Pension Fund Manager in writing of such decision along with the expected period of such cessation, if possible.
- (2) An employer must inform the Pension Fund Manager in writing of the cessation of employment of any of its employee on whose behalf the employer is contributing in the Atlas Pension Islamic Fund and the date of such cessation of employment.
- (3) In the event of temporary or permanent cessation of Contributions by the Participant, the accumulated balance contributed by the Participant shall remain in his/her Individual Pension Account with the Pension Fund Manager and shall continue to be re-allocated between the Sub-Funds in accordance with the Allocations Scheme selected by the Participant, till the time of retirement, early redemption or transfer of pension fund manager.
- (4) The Pension Fund Manager shall send along with the Account Statement for the period ending on the 30th of June and 31st of December every year, or earlier as may be decided by the Pension Fund Manager, a reminder to the Participant mentioning the date of last Contribution received and the date on which the next Contribution was due, calculated on the basis of the frequency mentioned by the Participant in the application form.
- (5) The Individual Pension Account shall be marked as a preserve account (inactive account) in the Register of the Participants if the Contributions have not been received for at least twelve months after the receipt of the last Contribution. It is clarified that for the purpose of calculation of Net Asset Value, there will be no difference between “preserve” and “active” account.
- (6) The preserve account (inactive account) status shall cease the day the next Contribution is received from the Participant and the Individual Pension Account shall be marked as an active account in the Register of the Participants.
- (7) In the event of a permanent cessation where majority of the Participants stop contributing to the Atlas Pension Islamic Fund, the Pension Fund Manager may decide to wind up the Atlas Pension Islamic Fund in accordance with the procedure mentioned in Para 6.13 (3) and Part XIX of this Offering Document.

6.5 Sub-Fund(s) of Atlas Pension Islamic Fund

- (1) Initially the Atlas Pension Islamic Fund shall consist of the following three Sub-Funds:
 - a) **APIF-Equity Sub-Fund (AIEF):** The objective of AIEF is to achieve long term capital growth. AIEF shall invest primarily in equity securities, with a minimum investment of 90% of its net asset value in listed shares.

- b) **APIF-Debt Sub-Fund (AIDF):** The objective of AIDF is to provide income along with capital preservation. AIDF shall invest primarily in tradable debt securities with the weighted average duration of the investment portfolio of the Sub-Fund not exceeding ten years.
 - c) **APIF-Money Market Sub-Fund (AIMMF):** The objective of AIMMF is to provide regular income along with capital preservation. AIMMF shall invest primarily in short term debt securities with the average duration of the fund not exceeding one year.
- (2) The Atlas Pension Islamic Fund, after successfully managing the Equity, Debt and Money Market Sub-Funds, may with the approval of the Commission launch other Sub-Funds through a Supplemental Trust Deed and a Supplementary Offering Document to incorporate information for investments in other classes of assets, including securitized investment in real estate or in assets outside Pakistan.

6.6 Allocation Schemes

- (1) 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, in a combination of any two or more Sub-Funds of the Atlas Pension Islamic Fund, managed by the Pension Fund Manager. The risk profile of each Allocation Scheme shall be dependent on the percentage Allocation of that Allocation Scheme in the equity Sub-Fund. Each Allocation Scheme being offered shall have a different percentage allocation in two or more of the following sub-Funds:
- a. APIF-Equity Sub-Fund (AIEF)
 - b. APIF-Debt Sub-Fund (AIDF)
 - c. APIF-Money Market Sub-Fund (AIMMF)
- (2) The Contributions received from any Participant shall be allocated amongst the Sub-Funds in accordance with the Allocation Scheme selected by the Participant.
- (3) 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 **once a year** thereafter. 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.
- (4) In the event that the Participant does not select any Allocation Scheme/ product, the Pension Fund Manager will allocate the Contributions in accordance with the default Allocation Scheme as prescribed by the Commission, from time to time.
- (5) The Pension Fund Manager is offering the following six Allocation Schemes to allocate the Contributions received from the Participants in the Sub-Funds:
- a. **Aggressive Allocation Scheme**
Aggressive Allocation Scheme invests primarily in the APIF – Equity Sub-Fund with a small allocation in the APIF – Debt Sub-Fund, seeking long term growth of capital. Participants with long time horizon and/or high tolerance

for risk may prefer this option. Aggressive Allocation Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APIF – Equity Sub-Fund (min)	APIF – Debt Sub-Fund (min)	APIF – Money Market Sub-Fund (min)
Aggressive Allocation Scheme	65%	20%	Nil

b. Balanced Allocation Scheme

Balanced Allocation Scheme offers a balance between equity and fixed income instruments through investments in APIF – Equity Sub-Fund, APIF – Debt Sub-Fund with a small allocation in the APIF – 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. Balanced Allocation Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APIF – Equity Sub-Fund (min)	APIF – Debt Sub-Fund (min)	APIF – Money Market Sub-Fund (min)
Balanced Allocation Scheme	35%	40%	10%

c. Conservative Allocation Scheme

Conservative Allocation Scheme offers a conservative mix between equity and fixed income instruments investing primarily in APIF – Debt Sub-Fund and APIF – Money Market Sub-Fund with a small allocation in the APIF – Equity 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. Conservative Allocation Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APIF – Equity Sub-Fund (min)	APIF – Debt Sub-Fund (min)	APIF – Money Market Sub-Fund (min)
Conservative Allocation Scheme	10%	60%	15%

d. Very Conservative Allocation Scheme

Very Conservative Allocation Scheme invests solely in fixed income instruments with no allocation equity securities, by offering a mix between APIF – Debt Sub-Fund and APIF – 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. Very Conservative Allocation Scheme shall be allocated between the Sub-Funds as follows:

Allocation Scheme	APIF – Equity Sub-Fund (min)	APIF – Debt Sub-Fund (min)	APIF – Money Market Sub-Fund (min)
Very Conservative Allocation Scheme	Nil	40%	40%

e. Lifecycle Allocation Scheme

Lifecycle Allocation Scheme allocates between the equity and fixed income instruments through investments in APIF – Equity Sub-Fund, APIF – Debt Sub-Fund and APIF – 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. Lifecycle Allocation Scheme shall be allocated between the Sub-Funds as follows:

(i) Lifecycle Allocation Scheme for Participants with high tolerance for risk

Allocation Scheme	APIF – Equity Sub-Fund	APIF – Debt Sub-Fund	APIF – Money Market Sub-Fund
Age of Participant			
18 – 30 (Yrs)	80%	20%	Nil
31 – 40 (Yrs)	70%	30%	Nil
41 – 50 (Yrs)	50%	40%	10%
51 – 60 (Yrs)	25%	45%	30%
61 & above (Yrs)	15%	40%	45%

(ii) Lifecycle Allocation Scheme for Participants with moderate tolerance for risk

Allocation Scheme	APIF – Equity Sub-Fund	APIF – Debt Sub-Fund	APIF – Money Market Sub-Fund
Age of Participant			
18 – 30 (Yrs)	70%	30%	Nil
31 – 40 (Yrs)	60%	40%	Nil
41 – 50 (Yrs)	40%	50%	10%
51 – 60 (Yrs)	20%	50%	30%
61 & above (Yrs)	5%	45%	50%

(iii) Lifecycle Allocation Scheme for Participants with low tolerance for risk

Allocation Scheme	APIF – Equity Sub-Fund	APIF – Debt Sub-Fund	APIF – Money Market Sub-Fund
Age of Participant			
18 – 30 (Yrs)	60%	40%	Nil
31 – 40 (Yrs)	50%	50%	Nil
41 – 50 (Yrs)	30%	60%	10%
51 – 60 (Yrs)	10%	55%	35%

61 & above (Yrs)	Nil	40%	60%
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f. Customized Allocation Scheme

Customized Allocation Scheme offers a personalized investment between the equity and fixed income instruments through investments in APIF – Equity Sub-Fund, APIF – Debt Sub-Fund and APIF – Money Market Sub-Fund, varying allocations between the Sub-Funds 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	APIF – Equity Sub-Fund	APIF – Debt Sub-Fund	APIF – Money Market Sub-Fund	Total between three Sub-Funds
Customized Allocation Scheme	0-80%	20-75%	0-60%	100%

Note: This allocation scheme should only be selected by Participants who have an awareness of the various risks associated with investing in a particular assets class and capable of making an informed investment decision after reviewing their risk/return requirements.

Atlas Pension Islamic Fund may provide additional allocation schemes or products subject to approval of the Commission after five years.

The Participant shall have the option to allocate the remaining 15% between the three Sub-Funds in the Allocation Schemes mentioned in Sub-Paras 5 (a) to (d) above ensuring that at least the minimum percentages in each Sub-Fund are met. In the event that the Participant does not make the allocation, the Pension Fund Manager at its discretion shall allocate the remaining 15% between the three Sub-Funds as they deem appropriate.

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 the Conservative Allocation Scheme or the Very Conservative Allocation Scheme, as deemed fit.

- (6) The Pension Fund Manager may add more Allocation Schemes in the existing or additional Sub-Funds, after five years of operations, with the prior approval of the Commission.
- (7) 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	APIF – Debt Sub-Fund (%)	APIF – Equity Sub-Fund (%)	APIF – Money Market Sub-Fund (%)
Aggressive	Min 20	Min 65	Nil
Balanced	Min 40	Min 35	Min 10
Conservative	Min 60	Min 10	Min 15
Very Conservative	Min 40	Nil	Min 40

- (8) The Participant shall have the option to change his selected Allocation Scheme to another Allocation Scheme being offered by the Pension Fund Manager on the Anniversary Date. The notice for the change in Allocation Scheme shall be provided to the Pension Fund Manager by the Participant before the relevant date, in writing through submission of the Change of Allocation Scheme Form or in such form as may be acceptable to the Pension Fund Manager. On the relevant date, 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.
- (9) As a part of the Prescribed Application Form, each Participant shall provide an undertaking that he/she has no objection to the investment/allocation policy determined by the Commission and offered by the Pension Fund Manager and he/she is fully aware of the risks associated with his/her selection of Allocation Scheme.**

6.7 Allocation of Units in Sub-Funds

- (1) From the Launch Date, all the Contributions received by the Pension Fund Manager/ Distributor and realised into the Bank Account of the Pension Fund in the name of the Trustee during the Business Hours on any Dealing Day, shall be credited to his Individual Pension Account after deduction of Front-end Fee, on the same Dealing Day and shall be used to purchase Units of the respective Sub-Fund(s) in accordance with the Allocation Scheme selected, at the Net Asset Value of the respective Sub-Funds calculated as of the close of that Dealing Day. Any Contribution amount received or realized after Business Hours on any Dealing Day, shall deemed to have been received or realized on the subsequent Dealing Day and shall be credited to his Individual Pension Account after deduction of Front-end Fee and shall be allocated Units in the respective Sub-Fund(s), at the Net Asset Value of the respective Sub-Funds calculated as of the close of that Dealing Day.
- (2) The Net Asset Value calculated for each Sub-Fund at the close of any Dealing Day, shall be made available on the next Dealing Day to the public by the Pension Fund Manager at the office and branches of the Distribution Companies and published in a leading daily newspaper in Pakistan, and on the website of the Pension Fund Manager or to the Participants in an electronic or other form.
- (3) The proportionate amount of the Contribution used for the purchase of the Units of any Sub-Fund shall depend on Allocation Scheme selected by the Participant.

In the event of no Allocation Scheme being selected by the Participant, the Pension Fund Manger shall allocate the Contributions among the various Sub-Funds in accordance with the default Allocation Scheme, as may be considered fit in the interest of the Participant.

- (4) Contributions received shall be allocated to the Units of each Sub-Fund in whole and fractions shall be issued up to four decimal places of a whole Unit.
- (5) For any Contribution received as a transfer of individual pension account from another pension fund manager or as a transfer of accumulated balance from any Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund or approved gratuity scheme) any pension policies issued by life insurance companies, on any Dealing Day, Units shall be issued at the Net Asset Value of each Sub-Fund calculated at the close of that Dealing Day on which the Contribution is realised without any deduction of Front-end Fee.
- (6) All Units and fractions thereof represent an undivided share in the respective Sub-Fund and rank *pari passu* as to their rights in the Net Assets and earnings of that Sub-Fund. Each Participant has a beneficial interest in the Pension Fund proportionate to the Units held by such Participant in the respective Sub-Fund(s) in his Individual Pension Account. The liability of the Participant shall be limited to the clearance of the Contribution amount received.
- (7) All Units shall be issued in a non-certificated form.
- (8) Units of the Sub-Funds that are issued to Participants of the Pension Fund shall not be transferable or tradable as securities. They shall only be redeemable in case of retirement (including retirement in the instance of disability), premature encashment, death of Participant, and change of pension fund manager, change of Allocation Schemes and/or rebalancing of the portfolio/ Allocation Schemes. The Units shall only be transferable in the event of the transfer of the deceased Participant's Units to his heir(s) Individual Pension Account being maintained with the same Pension Fund Manager.
- (9) With the prior approval of the Commission and by a Supplementary Offering Document, the Pension Fund Manager may at any time with the consent of the Trustee on giving not less than twenty-one days prior notice in writing to each Participant subdivide or consolidate the whole or any part of the Units of each/ any Sub-Fund and the Participant shall be bound accordingly.

6.8 Reallocation of Units in Sub-Funds

- (1) The allocation of the Contributions between the various Sub-Funds at the date of opening of Individual Pension Account and on any Anniversary Date thereafter shall be in accordance with the Allocation Scheme selected by the Participants, or the default Allocation Scheme if no such selection is made by the Participant.
- (2) The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds at least yearly, based on the NAV calculated for the last Business Day of each quarter, to make sure that the allocation of Units of all the Participants are according to the percentages selected by the Participants or where no selection has been made according to the default Allocation Scheme. The Pension Fund Manager

shall notify the Participants, if there is any change in the reallocation dates or frequency of reallocation.

6.9 Individual Pension Account

- (1) The Pension Fund Manager shall open an Individual Pension Account in the name of each Participant on the receipt of the Participant's Registration Form along with the first Contribution from that Participant and assign a distinct number to that Individual Pension Account, which shall then be used for any further activity/ correspondence in that account. The distinct number of the Individual Pension Account for a Participant shall be the Computerized National Identity Card (CNIC) number followed by a two digit suffix denoting the Pension Fund Manager.
- (2) The Individual Pension Account shall contain, at any particular point of time, the details of the Units outstanding in each Sub-Fund, the unallocated Contribution amount, if any, and in the event of retirement, early redemption, change of pension fund manager, death of participant and payment to nominees, the total outstanding amount for payment.
- (3) All Contributions received from any Participant by the Pension Fund Manager on any Dealing Day shall be reflected as an amount outstanding awaiting realisation and once the amount is realized i.e. the Contribution amount payment has been credited to the Pension Fund's collection account, the same shall be used to purchase the Units of Sub-Funds of the Pension Fund at the Net Asset Value notified by the Pension Fund Manager at the close of that day, if such day is a Dealing Day or on the immediate next Dealing Day.
- (4) At the Retirement Date or date of intimation of death of the Participant all the Units of the Sub-Funds, standing in his name shall be redeemed at the Net Asset Value notified at the close of that day and the amount shall be credited to his Individual Pension Account, which shall earn the applicable market rate.
- (5) Individual Pension Account shall not be subject to any lien, pledge or encumbrance, attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and on the bankruptcy of a Participant, no sum shall pass to any trustee, official assignee or person acting on behalf of his creditors.
- (6) The Participant can transfer his Individual Pension Account with the Pension Fund Manager to another pension fund manger and vice versa. For this purpose the Units of each Sub-Fund shall be redeemed at the Net Asset Value of each Sub-Fund notified at the close of the Business Day corresponding to the date of transfer.

6.10 Dealing and Valuation of Units

- (1) **Calculation of the Net Asset Value:** The Net Asset Value of each Sub-Fund means the excess of assets over liabilities of the Sub-Fund, divided by the number of Units outstanding of the respective Sub-Fund, such excess being computed in the manner as specified in the Rules from time to time. Such sum shall be rounded off to the nearest two decimal places.

- (2) **Frequency of Unit Valuation:** Each of the Sub-Funds shall be valued on a daily basis on each Business Day. The Net Asset Value of a Unit of each Sub-Fund shall be determined at the close of each Business Day, by dividing each of the Sub-Fund's total Net Assets by its respective number of Units outstanding, according to the procedure as stated in (1) above. Such sum shall be rounded off to the nearest two decimal places.
- (3) **Frequency of Dealing:** The Dealing Days shall be all Business Days from Monday to Friday every week, or as notified otherwise by the Pension Fund Manager, from time to time. The Business Hours shall be from 9.00 am to 4.00 pm on any Dealing Day, or as notified otherwise by the Pension Fund Manager, from time to time and made available on the website of the Pension Fund Manager.

The calculated Net Asset Value of each Sub-Fund shall be applicable for allocation of Units in each Sub-Fund for all the Contributions received during the Business Hours on that Dealing Day on which the Contribution amount is realised and credited in the Bank Account being maintained in the name of the Trustee. Any Contribution received/ realised after Business Hours on any Dealing Day shall deemed to be received/ realised on the following Dealing Day and shall be allocated Units of each Sub-Fund on the Net Asset Value determined at the close of that Dealing Day.

- (4) **NAV Announcement:** 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.
- (5) **Circumstances leading to change in dealing/ valuation:** The Pension Fund Manager may defer or suspend the dealing of the Units of the Sub-Funds and the method of valuation and pricing may be changed in the event of extra-ordinary circumstances, which may include the circumstances as mentioned in Para 6.13 (1) of this Offering Document.

6.11 Redemption/ Withdrawal of Units and Payment of Proceeds Procedure

- (1) The Units can be redeemed under the circumstances as mentioned in Paragraphs 6.12 (relating to change of Pension Fund Manager), 6.16 (relating to pre-mature withdrawal before retirement), 6.19 (relating to withdrawal on retirement) and 6.20 (relating to withdrawal on death) below.
- (2) All applications for redemptions/withdrawals from the Atlas Pension Islamic Fund are subject to the terms of the Rules, Guidelines, this Offering Document and the Trust Deed.
- (3) The redemption of the Units, wherever applicable, shall always be at the Net Asset Value of the Unit of each of the Sub-Funds of the Atlas Pension Islamic Fund. The redemption of Units, wherever applicable, shall be subject to deduction of any taxes as required under the Rules and the Income Tax Ordinance, 2001 and/or any amendments or substitutions thereof.

- (4) **Prescribed Redemption Forms:** The Prescribed Redemption Forms which are required to be submitted by the Participant to the Distribution Company/ Pension Fund Manager, for the various scenarios of redemption/withdrawal include the following:
- (a) **Retirement Options Form:** This is required to be filled in and submitted to the Distribution Company/ Pension Fund Manager thirty days prior to the selected Retirement Age/Date.
 - (b) **Early Redemption Form:** This form is required to be submitted by the Participant (or the nominees of the deceased Participant) if he/she wishes to withdraw all or part of the Individual Pension Account balance.
 - (c) **Change of Pension Fund Manager Form:** This form is required to be submitted if the Participant wishes to change the Pension Fund Manager and transfer the Individual Pension Account to another pension fund manager on the Anniversary Date of the opening of the Individual Pension Account. This form must be submitted thirty days prior to the Anniversary Date.
- (5) **Redemption/Withdrawal at Retirement/ Death of Participant:** On receipt of the relevant Form, the Distribution Company/ Pension Fund Manager shall verify all the particulars and on ensuring that Form is complete in all respects, all Sub-Funds Units shall be automatically redeemed on the close of the Dealing Day at which the Retirement Date falls or death of a Participant has been confirmed with necessary evidence to the Pension Fund Manager in writing, and the amount due shall be credited to his Individual Pension Account. The Participants or his successor(s), as the case may be, shall be entitled to withdraw amounts from the Atlas Pension Islamic Fund under the provisions of the Rules, Guidelines, Trust Deed, this Offering Document and Income Tax Ordinance, 2001.
- (6) **Redemption/Withdrawal due to Change of 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 at which the Anniversary Date falls and instruct the Trustee to pay the accrued amount to the designated pension fund manager on account of such Participant.
- (7) **Redemption/Withdrawal before Retirement:** The Participant will be required to fill the relevant Form and forward to the Distribution Company/ Pension Fund Manager. On receipt of such form and after verifying all the particulars, the Pension Fund Manager shall redeem the Sub-Fund Units, against the requested amount, at the Net Asset Value prevailing at the close of the Dealing Day on which the request, complete in all respects, was received and will instruct the Trustee to pay the accrued amount to the Participant, subject to such conditions as mentioned in the Offering Document, Rules and Income Tax Ordinance, 2001 (including any modifications or substitutions thereof) and after deducting the tax, if any, as required under the law and depositing the same in the Government treasury. Proceeds payable to the Participant shall be net of this withholding tax.
- (8) **Maximum Interval between request for redemption of Units and the Payment of proceeds:** The maximum time for the payment of the proceeds shall be six business days from the date of redemption/ withdrawal/ retirement, provided that all the details as required at the time of redemption/ withdrawal/ retirement have been provided by the Participant to the Pension Fund Manager

within the required notice period. If any information/ details have not been provided, the Pension Fund Manager shall inform the Participant within the six days.

- (9) The withdrawals may be through single or multiple payments. In case of partial withdrawal, Sub-Fund Units shall be redeemed on pro rata basis by ensuring that the remaining Units are in accordance with the Allocation Scheme last selected by the Participant.
- (10) 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/Takaful 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).
- (11) In the event that the relevant Form is incomplete in any respects, the Pension Fund Manager or the Registrar, as the case may be, shall inform the Participant of the discrepancies within six days of the receipt of the relevant Form to provide the missing information. The withdrawal/ redemption payment shall not be made until all discrepancies have been removed and the relevant Form is complete in all respects.
- (12) The amount payable on transfer on behalf of the Participant shall be paid to the requested pension fund or the Life Insurance/ Takaful Company, as the case may be, within six Business Days from the Anniversary Date or the Retirement Date as the case may be. In the event transfer requests on any day exceed 10% of the Atlas Pension Islamic Fund, the Pension Fund Manager may take extra time under intimation of the Trustee but not more than 30 days for the transfer of the requested amount.
- (13) The receipt of the Participant or banking documents showing transfer of withdrawal amount to the Participant, insurance/Takaful company or another pension fund as the case may be or proof of issue of a cheque and mail to the Participants address for any moneys payable in respect of the Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager.
- (14) **Payment of redemption proceeds of Units outside Pakistan:** Subject to specific exchange control and other applicable laws, rules and regulations, in the event of permission being received from the Government of Pakistan or the State Bank of Pakistan for paying the redemption proceeds to non-resident Pakistanis for delivery in any country outside Pakistan, the Pension Fund Manager, with prior approval of the Commission, shall likewise make arrangements to pay the redemption proceeds to non-resident Pakistanis. In the event that the amount due at the time of redemption of Units is to be paid in any country outside Pakistan, the NAV at which such Units may be redeemed Pension Fund Manager may, with the consent of the Trustee and the prior approval of the Commission, include as a deduction from the amount payable, a further amount sufficient to cover any additional stamp duty or taxation whether national, local or otherwise levied in that country in respect of such payment or withdrawal or any bank or

other charges incurred in arranging the payment. The Pension Fund Manager may take such extra time as is required to remit the redemption proceeds to the Participant outside Pakistan.

- (15) The currency of transaction of the Fund is the Pakistan Rupee and the Pension Fund Manager, Trustee or any Distributor/ Distribution Company/ Sales Agent are not obliged to accept the Contributions or to make the redemption of the Units of the Sub-Funds, in any other currency and shall not be held liable, save as may be specifically undertaken by the Pension Fund Manager, for receipt or payment in any other currency or for any obligations arising there from.
- (16) **Withholding Tax: The Trustee on the advice of the Pension Fund Manager shall withhold the tax on payments to the Participants, nominees or successors as the case may be, applicable according to the Income Tax Ordinance, 2001 (XLIX of 2001), including any amendments and/or substitutions thereof and deposit the same in the Government treasury.**

6.12 Redemption of Units on Change of Pension Fund Manager

- (1) The Participant may, after submitting the prescribed Change of Pension Fund Manager Form to the Distribution Company/ Pension Fund Manager, thirty days prior to the Anniversary Date, chose to transfer his Individual Pension Account being maintained with the Pension Fund Manager to another pension fund manager.
- (2) **Such transfer shall only take place once a year on the Anniversary Date of the opening of the Individual Pension Account in Atlas Pension Islamic Fund.**
- (3) Units shall be redeemed at the Net Asset Value of each of the pertinent Sub-Funds notified at the close of the Dealing Day corresponding to the date of transfer. It is clarified that the date of transfer shall be the date, as mentioned in Sub-Para (6) below.
- (4) No charge shall be deducted for transfer of the individual pension account from one pension fund manager to another.
- (5) The application for transfer of the account, specifying the name of the new pension fund manager, 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 thirty days before the relevant Anniversary Date.
- (6) On receiving relevant Form mentioned in clause above, complete in all respects, the Pension Fund Manager shall redeem all Units of the Sub-Funds in the Individual Pension Account of the Participant at the close of first Dealing Day that falls on or immediately after the Anniversary Date and instruct the Trustee to transfer the requisite withdrawal amount to the requested pension fund specifying the name and new Individual Pension Account number, if available, of the Participant.
- (7) In the event of receipt of amount, Pension Fund Manager shall use the transferred amount received from the other pension fund(s) to purchase the Units of the Sub- Funds at the Net Asset Value notified at the close of that Dealing Day

on which the payment is realised, according to the Allocation Scheme selected by the Participant.

- (8) In the event the Commission de-authorizes the Pension Fund Manager, the transfer shall take place without any restriction thereon.
- (9) Policyholders having pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 (XLIX of 2001) and issued by life insurance companies would also be eligible to redeem their Units and transfer the balance to an Individual Pension Account with the Atlas Pension Islamic Fund, subject to the Rules and the Trust Deed. This may be subject to change due to any changes in or substitutions of the Income Tax Ordinance, 2001.
- (10) The members of Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund) can transfer their existing balances to their Individual Pension Account maintained with the Pension Fund Manager.

6.13 Suspension of Dealing, Queue System and Winding up

- (1) **Suspension in Dealing:** The Pension Fund Manager may, under immediate intimation to the Commission and the Trustee defer or suspend the dealing of the Units of the Sub-Funds during extraordinary circumstances including:
 - (a) war (declared or otherwise);
 - (b) natural disasters;
 - (c) a major break down in law and order;
 - (d) breakdown of the communication system;
 - (e) closure of one or more Stock Exchanges on which any of the Securities invested in by the Fund are listed;
 - (f) closure of the banking system;
 - (g) strikes or other events that render the Pension Fund Manager or the Distributors unable to function;
 - (h) the existence of a state of affairs, which in the opinion of the Pension Fund Manager, 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 Participants;
 - (i) a break down in the means of communication normally employed in determining the price of any Investment;
 - (j) when remittance of money can not be carried out in reasonable time; and
 - (k) if the Pension Fund Manager is of the view that it would be detrimental to the remaining Participants to redeem Units at a price determined in accordance with the Net Asset Value.

The above measures shall be taken to protect the interest of the Participants in the event of extraordinary circumstances. During suspension, the Pension Fund Manager will act as under:

- (i) The Pension Fund Manager shall, in the event of the above mentioned circumstances shall also have the fact published the next day, immediately following such decision, in the newspaper in which the Sub-Fund's prices are normally published.

- (ii) The suspension of withdrawal will not be applicable on Approved Income Payment Plan Accounts of the respective Participants provided that payment is possible through the banking system in the events mentioned in Sub-Para (a), (b), (c), (d) & (f) above.
 - (iii) Contributions shall not be accepted and no Units of any Sub-Funds shall be issued during any period of suspension. Also requests for withdrawals will not be accepted during any period of suspension.
 - (iv) Such suspension shall end on the day following the first Business Day on which the conditions giving rise to the suspension shall in the opinion of the Pension Fund Manager have ceased to exist and no other condition under which suspension is authorized under the Deed or the Rules exists and the Pension Fund Manager shall immediately notify the Commission and the Trustee and shall cause the same to be published on the next possible day immediately following such decision, in the newspaper in which the Sub-Fund's prices are normally published.
- (2) **Queue System:** In the event redemption/ withdrawal requests or transfer requests before retirement on any day exceed ten percent (10%) of the Net Assets of the Pension Fund or any Sub-Fund, the Pension Fund Manager may invoke a queue system whereby requests for withdrawal shall be processed on a first come first served basis for up to ten percent of the Net Assets of the Pension Fund or the Sub-Fund. The Pension Fund Manager shall proceed to sell adequate assets of the Pension Fund and/ or arrange borrowing, with the consent of the Trustee, as it deems fit in the best interest of the Participants and shall determine the withdrawal amount to be applied to the withdrawal requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The withdrawal requests in excess of ten percent (10%) of the Net Assets of the Pension Fund or any Sub-Fund shall be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Business Day still exceeds ten percent (10%) of the Net Assets of the Pension Fund or any Sub-Fund, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the withdrawal amount shall be repeated and such procedure shall continue till such time the outstanding withdrawal requests come down to a level below ten percent of the Net Assets of the Pension Fund or the Sub-Fund.

Notwithstanding anything contained above, the extra time taken by the Pension Fund Manager for meeting withdrawal or transfer request, as the case may be, shall not exceed 30 days from the date of receipt of such application provided that such payments are possible through the banking system in the events mentioned in Sub-Para (a), (b), (c), (d) & (f) above.

- (3) **Winding up of the Trust:** The duration of the Pension Fund is perpetual. It shall not be wound up or terminated by way of liquidation. However it can be wound up by the Commission or by the Pension Fund Manager on the occurrence of the events as mentioned below, by transferring the Individual Pension Accounts of the Participants maintained in the Pension Fund to another pension fund manager.

- (i) The Pension Fund Manager may decide to terminate the Trust, with the prior approval of the Commission, if in its opinion it is impractical or inadvisable for the Trust to continue, by giving at least three months notice to Participants and disclosing the grounds of its decision.
- (ii) In the event the Pension Fund Manager is of the view that the quantum of withdrawal requests that have built up shall result in the Sub-Funds / Fund being run down to an unmanageable 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 Participants who are not redeeming, it may apply to the Commission to de-authorise the Pension Fund. In such an event, the queue system, if already invoked, shall cease to apply.
- (iii) If the Commission considers that further continuation of the authorization of the Pension Fund shall not be in the interest of the Participants, it shall issue a three months notice to the Participants about its intention to not maintain such authorization. Such a decision to de-authorize the Trust by the Commission shall be made on the grounds given in the Rules and after offering an adequate opportunity of explanation to the Pension Fund Manager.
- (iv) The Trust may be terminated in accordance with the conditions specified in the Rules if there is any breach of the provisions of the Trust Deed or any other agreement or arrangement entered into between the Trustee and Pension Fund Manager regarding the Trust, leading to extra-ordinary situation, after giving a three months notice to the Participants and after approval of the Commission to such a decision. The action in this respect shall be taken by the Pension Fund Manager or the Trustee (or a new pension fund manager or a new trustee) as may be directed by the Commission.
- (v) The Trust may also be wound up if the Commission decides to cancel the registration of the Pension Fund Manager on the grounds given in the Rules and after offering an adequate opportunity of explanation to the Pension Fund Manager.
- (vi) Upon the Pension Fund being de-authorised, the Pension Fund Manager shall suspend receiving Contributions forthwith from any of the Participants from the date of issue of such notice and proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager appointed by the Commission with the consent of the Trustee.
- (vii) The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new pension fund manager are audited by the Auditors of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the Commission, the new pension fund manager and the Trustee. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.

6.14 Features and costs of the additional benefits

The Fund may be marketed in conjunction with group life or other insurance schemes or any other scheme subject to approval of the Commission. Joining these

supplementary schemes would not be compulsory for the Participants and the Trustee would be authorized to deduct the premiums only from the Contributions of those Participants who have opted to join and contribute to such schemes. The Trustee would directly deposit the deducted premium with the relevant Life Insurance Company or Takaful Company. Only the net amount of Contributions after deduction of the premium shall form part of the Deposited Property. The Participant may also provide the premium amount in addition to the Contribution payment through a separate cheque in favour of the life insurance or Takaful or other insurance company. The Front-end Fee shall be deducted from the Contribution after the deduction of the premium amount and only then the Units in the Sub-Funds shall be issued. It is clarified that the purpose of introducing such Schemes will be to provide additional benefits/ risk cover to the Participants at economical/ competitive rates. Features of all such Schemes introduced from time to time will be available in the relevant brochures.

6.15 Requirement for survivor/ heir nomination in case of Death of the Participant

At the time of the opening of the Individual Pension Account by the Participant with the Pension Fund Manager, the Participant must complete and provide the Nomination Form along with the Participant Registration Form containing the following information:

- (1) names of the nominees;
- (2) CNIC numbers or B-Form number in case of minors;
- (3) contact information of the nominees;
- (4) percentage of benefits of allocated to each nominee (totalling to 100%).

In case of the death of any Participant, the nominees shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the Participant. Provided however, the Registrar, Pension Fund Manager or the Trustee may at their discretion request the nominees to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary under the law or under the prevailing circumstances, including disputes that may arise among the nominees and/or the legal heirs or legal representatives of the deceased Participant. Under no circumstances whatsoever will the Pension Fund Manager, the Trustee, the Registrar or the Distributor or any other person acting for the Pension Fund Manager shall be liable for any disputes or claims that may arise among the legal heirs or legal representatives of the deceased even after the transfer of the Units or payments to the nominees. The Pension Fund Manager, the Trustee, the Registrar, the Distributor and other persons acting for the Pension Fund Manager shall stand indemnified in this regard.

6.16 Procedure for withdrawal of funds before Retirement

- (1) A Participant, at any time before attaining the Retirement Age, shall be entitled to withdraw, in the total or part, the accumulated balance to his credit in the Individual Pension Account. The withdrawals may be through single or multiple payments. Such redemption will be subject to deduction of Income Tax at the average tax rate of the Participant for the three preceding tax years.
- (2) The Participant shall send prescribed Early Redemption Form to the Pension Fund Manager by submitting the to the Distribution Company/ Pension Fund Manager, requesting the Pension Fund Manager to encash in all or part of the

balance of his Individual Pension Account. The Participant shall provide to the Fund Manager, along with the Early Redemption Form, calculation of Applicable Tax Rate for the last three years together with such evidence as may be prescribed in the Early Redemption Form.

- (3) On receipt of the redemption request and after verifying all the particulars, the Pension Fund Manager redeem the requisite number of Units of each Sub-Fund at the Net Asset Value notified at the close of the Dealing Day on which the request, complete in all respects, was received and shall credit the amount to his Individual Pension Account and then instruct the Trustee to make the payment, within six Business Days of the receipt of such application, after deducting the tax, as required. Proceeds payable to the Participant shall be net of withholding tax.
- (4) Withholding tax and tax penalty, applicable on all such withdrawals shall be deducted by the Trustee before payment of the redemption proceeds and the same shall be deposited in the Government treasury.
- (5) The withdrawals may be through single or multiple payments. In case of partial withdrawal, Sub-Fund Units shall be redeemed on pro rata basis by ensuring that the remaining Units are in accordance with the Allocation Scheme last selected by the Participant.
- (6) The redemption amount, shall be paid to the Participant by direct transfer to the Participant's designated bank account or a crossed cheque/ draft for the amount will be dispatched to the registered address of the Participant, within six Business Days from the date of redemption, subject to the receipt of all the requisite information and documentation as is required to be provided by the Participant to the Pension Fund Manager at the time of withdrawal and after deduction of any applicable withholding tax and tax penalties.

6.17 Retirement Age

- (1) The Retirement Age for the Participants shall be any age between sixty and seventy years. Participant may choose his/her age of retirement between sixty and seventy years. 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.
- (2) 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) total loss of eyesight;
 - (c) total deafness in both ears;
 - (d) very sever facial disfigurement;
 - (e) total loss of speech;
 - (f) paraplegia or hemiplegia;

- (g) lunacy;
 - (h) advance case of an 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.
- (3) An assessment certificate from the medical board approved by the Commission would be required to confirm any of the disability, specified in sub clause (2) above.

6.18 Benefits on Retirement

- (1) At the date of retirement of the Participant all the Units of the Sub-Funds to his credit shall be redeemed at the Net Asset Value notified at close of the day of retirement, if such day is a Dealing Day and otherwise on the next following Dealing Day and the amount due shall be credited to his Individual Pension Account, which shall earn the applicable market rate of profit offered for deposits of such amount and duration (i.e. from the date the Units of the Sub-Funds are redeemed till the date that the complete retirement options form is received).
- (2) The Participant shall be given Forms listing their choices under the Rules and shall then have the option to avail the following benefits without any tax liabilities, namely:
- a. To withdraw up to twenty five per cent of the amount in his Individual Pension Account, as cash (or such other amount subject to the conditions laid down in the Income Tax Ordinance, 2001 from time to time);
 - b. To use the remaining amount to purchase an Approved Annuity Plan from a Life Insurance/Takaful Company of his choice, such payment shall be made directly by the Trustee of the Fund to the Life Insurance/ Takaful Company; **or**
 - c. To Enter into an agreement with the Pension Fund Manager of his choice to withdraw from the remaining amount, monthly installments till the age of seventy-five years or earlier 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.
 - d. It is clarified that any income received under annuity scheme or income payment plan may be subject to income tax/ withholding tax.
- (3) At the expiry of the Approved Income Payment Plan according to sub clause (c) of clause (2) above, the Participant shall have use the outstanding balance in his Individual Pension Account to purchase an Approved Annuity Plan from a Life Insurance/Takaful Company, of his choice.
- (4) The Approved Annuity Plan purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, investment linked and retail price index linked or with any additional features as may be offered by Life Insurance/ Takaful Company.

6.19 Procedure for withdrawal of funds at Retirement

- (1) The Participant shall inform the Pension Fund Manager, in writing, thirty days before the chosen Retirement Date by submitting the relevant Retirement Options Form to the Distribution Company/ Pension Fund Manager.

- (2) The options selected by the Participant in Para 6.18 (2) above, shall be notified to the Pension Fund Manager in writing, in the relevant Retirement Options Form prior to the selected Retirement Date.
- (3) On the Retirement Date selected by the Participant all the Units of the Sub-Funds in his Individual Pension Account shall be redeemed at the Net Asset Value notified at close of the day of retirement and the amount due shall be credited to his Individual Pension Account, which shall earn the applicable market rate of interest for such deposits.
- (4) After verifying all the particulars, the Pension Fund Manager will instruct the Trustee to pay the twenty-five per cent of the amount (please refer paragraph 6.18 (2) (a)) to the Participant without deduction of income tax, as permitted in the Offering Document, Rules and Income Tax Ordinance and transfer the remaining balance to an Approved Income Payment Plan or an Approved Annuity Plan as selected by the Participant and intimated to the Pension Fund Manager.
- (5) The Fund Manager shall instruct the Trustee to pay the lump sum amount payable as mentioned in sub-para (4) above to the Participant by direct transfer to the Participant's designated bank account or a crossed cheque/ draft for the amount will be dispatched to the registered address of the Participant, within six Business Days from the Retirement Date, subject to the fulfilment of all the requirements relating to the retirement process and after receipt of all the requisite information and documentation as is required to be provided by the Participant to the Pension Fund Manager at the time of retirement. Such information shall be required to be submitted along with the Retirement Options Form at the authorized branch or office of the Distribution Company, Pension Fund Manager or Registrar.
- (6) The Participant may decide to utilize the remaining amount to purchase an annuity from a life insurance company, selected by the Participant and notified to the Pension Fund Manager or invest in the Income Payment Plan, which may be offered by the Pension Fund Manager.
- (7) The Participant may choose to receive more than twenty five per cent of his accumulated balance in the Individual Pension Account in lump sum and shall inform the Pension Fund Manager of such a decision in the notice. Any excess amount, over and above the amount specified in Para 6.18 (2) (a) above shall be subject to income tax/ withholding tax, as specified in the Income Tax Ordinance, 2001, at a rate equal to Participant's average rate of tax of last three consecutive years and the Trustee shall be required to deduct that amount before making the payment of the redemption to the Participant. In order to comply with the provision of the Income Tax Ordinance, 2001, the Participant shall provide to the Pension Fund Manager, before the Retirement Date, the calculation of his Applicable Tax Rate for the last three consecutive years and such other information, including income tax returns as may be required by the Fund Manager.

6.20 Procedure for redemption of Units on Death of Participant before Retirement

- (1) In case of death of a Participant before the Retirement Age, all the Units of the Sub-Funds to his credit shall be redeemed at the Net Asset Value notified at close of the Dealing Day on which the confirmation of death has been received in

writing by the Pension Fund Manager and the amount due shall be credited to Individual Pension Account in his name, which shall be deposited in a Bank Account or any other Investments as authorized by the Commission and earn the applicable market rate of interest for such Bank Accounts/ Investments for the duration starting from the date of redemption of Units in the Sub-Funds till the date when the available options mentioned in sub-para (3) below are exercised by the nominees.

- (2) Each of the nominees of the Participant as nominated in the Nominations Form, shall separately submit the Early Redemption Form.
- (3) The total amount in the Individual Pension Account of the deceased Participant shall be divided among the nominated survivor(s) according to the percentages specified in the Nominations Form and each of the nominated survivor shall then have the following options, namely :-
 - (i) withdraw his share of the amount subject to the conditions laid down in the Income Tax Ordinance; 2001 (XLIX of 2001);
 - (ii) transfer his share of the amount into his existing or new individual pension account to be opened with the Pension Fund manager, according to the Rules;
 - (iii) use his share of the amount to purchase an annuity on his life from a Life Insurance/Takaful Company, only if the age of the survivor is fifty five years or more; or
 - (iv) use his share of the amount to purchase a deferred annuity on his life from a Life Insurance/Takaful Company to commence at age fifty five years or later.
- (4) Death benefits paid under the group life cover, if any, would be constituted as additional benefit payable to the nominated survivor(s) of the deceased.
- (5) The nominee(s), in case of nomination(s), and the executors or administrators or succession certificate holders in case no nomination has been made, of deceased Participant shall be the only persons recognized by the Trustee and the Pension Fund Manager as having title to the Sub-Fund Units represented thereby.
- (6) Any person or persons becoming entitled to an account in consequence of the death of any Participant may, subject as hereinafter provided, upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself/ themselves as Participant(s) upon giving the Registrar such notice in writing of his/her desire or withdraw funds from the account under sub-clause (2) above. All the limitations, restrictions and provisions of this Offering Document and the Trust Deed relating to transfer shall be applicable to any such notice or transfer as if the death had not occurred and such notice or transfer was executed by the Participant. Provided however, the Registrar or the Trustee may at their discretion request the nominated survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary and they shall not be liable or be involved in any manner whatsoever in any disputes among the nominated survivors and/or the rest of the legal heirs or the legal representatives of the deceased Participants. The Pension Fund Manger, the Trustee, the Registrar, the Distributor and other persons acting for the Pension Fund Manager shall stand indemnified in this regard.

PART VII – FEES AND CHARGES**7.1 Front-end Fee**

- (1) A Front-end Fee amounting to three percent (3%) shall be deducted from all Contributions received during any Dealing Day prior to the issuance of any Units in the respective Sub-Funds, unless such Contributions are exempt from a Front-end Fee.
- (2) The following Contributions are exempt from a Front-end Fee:
 - (a) Incoming transfer of the Individual Pension Account from other pension fund manager to the Pension Fund Manager;
 - (b) Incoming transfer from pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 and issued by Life Insurance Companies before 30th June 2005;
 - (c) Incoming transfers of accumulated balance from any Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund); and
 - (d) Such other Contributions or Transfers as may be declared by the Commission from time to time.
- (3) Front-end Fee is intended to cover costs of issue, including sales promotion, transfer, and redemption of units and no additional charge may be made to the Pension Fund.
- (4) The remuneration of Distribution Companies and Sales Agents shall be paid exclusively from any Front-end Fee received by the Trustee and no charges shall be made against the Deposited Property. The remainder of any Front-end Fee after such disbursement shall be paid by the Trustee to the Pension Fund Manager. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Sales Agents, the Pension Fund Manager shall pay to the Trustee the amount necessary to pay in full such remuneration.
- (5) The Commission may review the fees specified from time to time and any change shall also be applicable to Atlas Pension Islamic Fund as well.

7.2 Remuneration payable to the Pension Fund Manager

- (1) The Pension Fund Manager shall be entitled to an annual management fee of 1.5% of the average of the values of the Net Assets of the respective Sub-Funds calculated during the year for determining the NAVs of the respective Sub-Funds.
- (2) The remuneration shall begin to accrue from the date of payment in full of all Core Units of each Sub-Fund subscribed by the Core Investors. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days accrued in the Accounting Period concerned.
- (3) The remuneration due to the Pension Fund Manager shall accrue on a daily basis and be paid on monthly basis within 30 days following the end of the calendar month. However, the Pension Fund Manager may, with the consent of the Trustee, receive in advance any amount from the accrued remuneration.

- (4) In consideration of the foregoing and save as aforesaid the Pension Fund Manager shall be responsible for the payment of all expenses incurred by the Pension Fund Manager from time to time in connection with their responsibilities as Pension Fund Manager of the Trust, including the remuneration and expenses of Registrar and the Investment Advisor, if appointed. The Pension Fund Manager shall not make any charge against the Participants or against the Deposited Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules, the Trust Deed and this Offering Document.
- (5) The Pension Fund Manager 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 Trust Deed.
- (6) In the event that a Pension Fund Manager erroneously makes an incorrect charge, the Pension Fund Manager shall immediately notify the Trustee and the Commission and credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.
- (7) The Commission may review the fees specified from time to time and any change shall also be applicable to Atlas Pension Islamic Fund as well.

7.3 Other Fees and Charges of Atlas Pension Islamic Fund

- (1) Formation Cost not exceeding half of one percent (0.5%) of the Seed Capital of each Sub-Fund or PKR 750,000/- in total whichever is lower, shall be borne by each Sub-Fund and shall be paid out of the Deposited Property within three months of the full receipt of Seed Capital and amortized over a period of three years in equal instalments subject to the approval of the Commission.
- (2) Other fees and Charges that will be borne by respective Sub-Fund(s) of the Atlas Pension Islamic Fund include:
 - (a) Brokerage and Transaction Cost(s) relating to investing and disinvesting of the Deposited Property of each Sub-Fund;
 - (b) Legal costs, as may be incurred in protecting the interests of the Fund or the collective interests of the Participants subject to the approval of the Trustee;
 - (c) Routine operational Bank charges relating to the Pension Fund;
 - (d) Financial costs related to borrowing on behalf of the Sub-Fund(s) to meet the requests for withdrawals and transfers;
 - (e) External Auditor's Fees;
 - (f) Commission's Annual Fee but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies;
 - (g) Taxes applicable to the Trust on its income, turnover, assets or otherwise if any;
 - (h) Custodial charges including Central Depository Company of Pakistan charges, if any; and
 - (i) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity as per Guidelines issued by the Commission from time to time.

7.4 Remuneration payable to Trustee

- (1) A trustee shall be entitled to such fee or remuneration as may be allowed by the Pension Fund Manager after prior approval of the Commission.
- (2) The Trustee shall be entitled to a monthly remuneration that shall consist of reimbursement of actual custodial charges, if any, plus the tariff agreed with the Pension Fund Manager as attached as Annexure "A".
- (3) The calculation for remuneration shall be based on average daily Net Assets during each calendar month for determining the prices of the Units of the Sub-Funds. The remuneration shall begin to accrue from the date of payment in full of the Core Units subscribed by the Core Investors. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- (4) Such remuneration shall accrue on daily basis and shall be paid to the Trustee in arrears within thirty days after the end of each calendar month. However, the Trustee may, with the consent of the Pension Fund Manager, receive in advance any amount from the accrued remuneration.
- (5) The Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Participants or against the Deposited Property for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Deposited Property under the provisions of the Rules, the Trust Deed and this Offering Document.
- (6) The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management provided in accordance with the provisions of the Trust Deed.

7.5 Payment of Haram Income to Charity

At the end of each Accounting Period, the Pension Fund Manager, in consultation with the Shariah Advisor, shall decide what portion of the income of the Pension Fund is Haram, if any, and shall instruct the Trustee to make the payment of the Haram Income for that year to the charitable organization(s) selected from the list of charitable organizations developed by the Pension Fund Manager in consultation with the Shariah Advisor. The charities, which may be selected shall be engaged in public welfare and having no affiliation with any political and religious group. The Pension Fund Manager shall disclose to the Participants in the annual report the proportion of Haram income of the Pension Fund.

PART VIII – INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER**8.1 Objective**

The objective of introducing Atlas Pension Islamic Fund is to provide the individuals with a Shariah Compliant, portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and

provide for their retirement. Atlas Pension Islamic Fund is a one-window facility investment in diversified portfolio of Shariah Compliant equity securities offering consistent returns and capital growth and Shariah Compliant fixed income instruments offering consistent returns and lower risk. Consistent with this policy, the Contributions received from the Participants shall be allocated Units in APIF – Equity Sub-Fund, APIF – Debt Sub-Fund and APIF – Money Market 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.

8.2 Investment Policy

- (1) The Atlas Pension Islamic Fund through its three Sub-Funds, APIF-Equity Sub-Fund, APIF-Debt Sub-Fund and APIF-Money Market Sub-Fund, under its umbrella, will invest in Shariah Compliant equities, bonds and money market instruments.
- (2) All the investments of the Atlas Pension Islamic Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time) and shall be made in a transparent, efficacious, prudent and sound manner. Furthermore, all Investments shall be made only in those securities that comply with the screening criteria and guidelines of the Shariah Advisor appointed with the approval of the Commission. Subject to prior approval of the Commission, the Sub-Fund may seek to invest in foreign Shariah-Compliant securities issued, listed or otherwise and traded outside Pakistan on such terms, Guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.
- (3) The proportions of these securities, or asset allocation, for each Sub-Fund will be based on the expected returns and risks as evaluated by the Pension Fund Manager. The asset allocation of the Sub-Fund(s) may change from time to time depending on the prevailing market conditions.
- (4) Prior to the Launch Date, the Trustee shall hold the Deposited Property of each of the Sub-Fund(s) on deposit in a separate account with an Approved Bank having minimum investment grade entity rating as may be prescribed by the Commission from time to time. The Pension Fund Manager may also invest in such Authorized Investments in accordance with the investment policy as prescribed by the Commission from time to time.
- (5) After the Launch Date all Deposited Property, except in so far as such cash may in the opinion of the Pension Fund Manager be required for meeting withdrawal or transfer of funds requests, shall be invested by the Trustee from time to time in such Investments as mentioned in Para 8.2 (10), (11) and (12) of this Offering Document, subject to the provisions of the Investment Policy prescribed by the Commission from time to time, at the sole discretion of the Pension Fund Manager.
- (6) Any Investment of any Sub-Fund(s) may at any time be realized at the discretion of the Pension Fund Manager either in order to invest the proceeds of sale in other Authorized Investments or to provide 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 and the net proceeds of realization

shall be applied in accordance with this clause: Provided that the Pension Fund Manager may, with the consent of the Trustee, postpone the realization of such Investment of the pertinent Sub-Fund for such period as the Pension Fund Manager may determine to be in the interest of the Participants.

- (7) Any investment made in a security for any of the Sub-Funds for which a Connected Person/ party of the Pension Fund Manager is or has been involved, during the past twelve months as an arranger, manager, adviser, consultant or underwriter shall be reported to the Commission within six working days (or any other time limit as provided in the Rules) of entering into such transaction, providing full justification for such investment.
- (8) The Pension Fund Manager may from time to time, for the account of any Sub-Funds enter into underwriting or sub-underwriting contracts in relation to the dealing or purchase of Authorized Investments upon such terms in all respects as the Pension Fund Manager shall think fit but subject always to the provisions of the Rules and the Trust Deed and so that no such contract shall relate to an Authorized Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. All Authorized Investments acquired pursuant to any such contract shall form part of the Deposited Property of the pertinent Sub-Fund and any dealing or purchase moneys payable there under shall be paid out of the Deposited Property.
- (9) Subject to the Rules and any other applicable law, the Pension Fund Manager may, on behalf of the Sub-Funds, buy/sell derivatives on any of the securities held in the portfolio, if there is a market for such derivative instruments.
- (10) **Equity Sub-Fund:** Investment by the Equity Sub-Fund shall be made as follows, namely:-
 - (a) The Equity Sub-Fund shall have a minimum investment in listed shares of ninety percent (90%) of its Net Asset Value;
 - (b) Investments in listed shares of any one company shall not exceed ten percent (10%) of the Net Asset Value of the Sub-Fund. In case of green field companies investment in any one company shall not exceed one percent (1%) of Net Asset Value of the Sub-Fund. However, total investments in green field companies shall not exceed five percent (5%) of the Net Asset Value of the Sub-Fund;
 - (c) Investments in listed shares of any one sector as per classification of stock exchanges shall not exceed twenty-five percent (25%) of the Net Assets of the Sub-Fund;
 - (d) Investments in shares or other listed securities of a particular company shall not exceed ten percent (10%) of paid up capital of that company;
 - (e) In absence of Shariah compliant short term government securities, the Equity Sub-Fund may place un-invested funds in Shariah compliant spread transactions apart from bank deposits with Scheduled Islamic banks or with Islamic windows of Commercial banks;
 - (f) Investments shall be made in shares of listed companies which have a minimum operational record of five years;
 - (g) No investments shall be made in shares issued by the Pension Fund Manager or any associated company thereof; and

- (h) The Sub-Fund shall not enter into any transaction in any security other than a security which is listed on a stock exchange; or in the case of green field companies, security for listing of which an application has been made to a stock exchange.

Provided that if the limits are exceeded merely due to price fluctuations in equities and/or the issuance of bonus shares/right shares no changes in the Sub-Fund shall be required to be made.

- (11) **Debt Sub-Fund:** Investment by the Debt Sub-Fund shall be made as follows, namely:-
- (a) Debt Sub-Fund would consist of tradable debt securities with weighted average duration of the investment portfolio of the Sub-Fund not exceeding 10 years;
 - (b) Investments will be made only in those debt instruments that will be structured on the basis of the Shariah guidelines subject to the approval of the structure from Shariah Advisor;
 - (c) At least fifty percent (50%) of the assets in the Sub-Fund will be invested in bank deposits of Scheduled Islamic banks or Islamic windows of Commercial banks and Shariah compliant bonds/ Sukuks/ certificates issued by the Federal Government or the entities controlled/ owned/ backed by the Federal Government;
 - (d) Investment in other securities i.e. Shariah compliant spread transactions, Certificates of Investment and other instruments structured on the basis of Musharakah, Mudarabah, Murabahah, Ijarah, Salam, Istisna' and Wakalah, or any other Islamic investment instrument shall be made subject to the exposure limits in clause (4)(e) below;
 - (e) Maximum exposure to a single debt security (or the aggregate of securities issued by a single issuer) having investment grade credit rating (i.e. BBB or above) would be ten percent (10%) of the Net Asset Value of the Debt Sub-Fund in any single security and the investment shall also not exceed ten percent (10%) of the size of the issue;
 - (f) Maximum exposure to single debt security of credit rating lower than BBB or without credit rating would be five percent (5%) of Net Asset Value of the Debt Sub-Fund and the investment shall also not exceed two and half percent (2.5%) of the size of the issue. Provided that the total exposure to such securities shall not be more than fifteen percent (15%) of net asset value of Debt Sub-Fund and the outstanding life of the security does not exceed five years; and
 - (g) Any other Shariah compliant instrument that may be allowed by the Commission from time to time and is as per the guidelines of the Fund's Shariah Advisor.
- (12) **Money Market Sub-Fund:** Investments by the Money Market Sub-Fund shall be made as follows:-
- (a) Money Market Sub-Fund would consist of short term instruments with average duration not exceeding one year;
 - (b) Investments will be made only in those instruments that will be structured on the basis of Shariah guidelines subject to the approval of the structure from Shariah Advisor;

- (c) There would be no restriction on the amount of investment in Shariah compliant securities issued by the Provincial or Federal Governments or by entities controlled/ owned/ backed by the Federal Government;
 - (d) Investment in other securities i.e. deposits with Scheduled Islamic Banks and Islamic windows of Commercial banks, Shariah compliant spread transactions, Certificates of Investment and other instruments structured on the basis of Musharakah, Mudarabah, Murabahah, Ijarah, Salam, Istisna' and Wakalah, or any other Islamic investment instrument; Shariah compliant Commercial Papers or any other money market debt security that may or may not be listed on the Stock Exchange(s) but does not include bearer security or any other security that would involve assumption of unlimited liability, shall be made subject to maximum exposure of seven and half percent (7.5%) of the Sub-Fund in any singly security or seven and half percent (7.5%) of the size of issue; and
 - (e) There shall be no restriction for amount of investment in bank deposits. However, investment in bank deposits of any one bank shall not exceed twenty-five percent (25%) of the Sub-Fund.
- (13) The Pension Fund Manager, after successfully managing the Equity, Debt and Money Market Sub-Funds of the Pension Fund for at least five years can apply to the Commission for establishment of additional sub-funds for investment in other classes of assets, including securitized investment in real estate or in assets outside Pakistan. The Commission may allow or disallow the establishment of such sub-funds taking into account the policy of the Federal Government.
- (14) Any investment made in a security for any of the Sub-Funds, for which any connected party of the Pension Fund Manager is or has been involved, during the past twelve months, as an arranger, manager, adviser, consultant or underwriter shall be reported to the Commission within six working days of entering into such transaction. The Pension Fund Manager shall also provide full justification for such investment. The Commission may, after giving the Pension Fund Manager an opportunity of being heard, direct him/her to dispose off such investments.
- (15) 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.

8.3 Investment Restrictions

- (1) The Deposited Property of each Sub-Fund shall be subject to such respective investment restrictions and exposure limits as are provided in the Investment Policy prescribed by the Commission from time to time unless specific relaxations have been received from the Commission. Provided that if the limits prescribed in the Investment Policy are exceeded, merely due to price fluctuations in equities and/or the issuance of bonus shares/ right shares, no changes of investment in the Sub-Fund shall be required to be made. In the event of any changes in the investment restrictions and exposure limits, such restrictions/limits applicable to any Sub-Fund(s) shall become automatically applicable. Furthermore, no Investments shall be made that are not compliant with the Shariah as advised by the Shariah Advisor or which are not subject to Shariah compliance in other jurisdictions;

- (2) The Pension Fund Manager shall not, on behalf of the Pension Fund, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in any connection with any obligation or liability of any person, provided that investment in purchase and resale transactions involving Government securities or such eligible securities which are regulated by Stock Exchanges shall not be attracted by this sub-clause, subject to the conditions that such transactions are carried out during the normal course of business.
- (3) The Deposited Property of each Sub-Fund shall not be invested in any shares or any other financial instruments issued by the Pension Fund Manager or those issued by a Connected Person thereof.
- (4) Except where it is necessary to protect its investment, the Pension Fund Manager shall not 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.
- (5) The Sub-Fund(s) shall not purchase from or sell any security to the Pension Fund Manager or the Trustee or to any director, officer or employee of the Pension Fund Manager or to any person who beneficially owns five per cent or more of the equity of the Pension Fund Manager, or collectively own ten percent or more of the equity of the Pension Fund Manager save in the case of such party acting as an intermediary. For this purpose the term director of the Pension Fund Manager includes their lineal ascendants and descendants.
- (6) The Sub-Funds shall not invest in any security of a company if any director, officer of the Pension Fund Manager owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors, officers of the Pension Fund Manager own more than ten per cent of those securities.
- (7) The Pension Fund Manager shall not on behalf of the Pension Fund at any time:
 - (a) Participate in a joint account with others in any transaction;
 - (b) Make short sales of any security, whether listed or unlisted or maintain a short position;
 - (c) Make any investment with the purpose of having the effect of vesting the management or control in the Sub-Funds;
 - (d) Make a loan or advance money to any person except in connection with the normal business of the Sub-Funds; and
 - (e) Invest in:
 - (i) Bearer Securities;
 - (ii) Securities on margin;
 - (iii) Securities which result in assumption of unlimited liability (actual or contingent);
 - (iv) Commodities or commodity contracts; and
 - (v) Real estate or interest in real estate save and except in securities which are secured by real estate or interests therein or issued by companies that invest in real estate or interest therein and are approved by the Pension Fund Manager.

8.4 Participants Rights in terms of Investment Choice

The Participant has the right to allocate his/her Contributions between the three Sub-Funds in a manner to allow them 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 equity Sub-Fund. Each Allocation Scheme being offered shall have a different percentage allocation in two or more of the following sub-Funds based on which their risk/return may be assessed. Please refer to Para 6.6 for further details.

8.5 Risk Disclosure

- (1) Participants may realize that all investments made by the Sub-Fund(s) of the Atlas Pension Islamic Fund in securities are subject to market risks. The value of the Units of the Sub-Fund(s) may appreciate as well as depreciate depending on the factors and forces affecting the financial market. Past performance does not necessarily indicate future performance. Furthermore all Investments made by Atlas Pension Islamic Fund will be made in adherence with the principles of Shariah as advised by the Shariah Advisor. It is possible that the effect of the Shariah compliance on Investments of the Fund will result in Atlas Pension Islamic Fund performing differently from other funds with similar objectives, but that are not subject to Shariah compliance.
- (2) The Sub-Fund(s) of the Atlas Pension Islamic Fund will be investing in Shariah Compliant equity securities listed on the Stock Exchanges and also in Shariah Compliant fixed income securities including deposits with Approved 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 are subject to price risk, which is dependant on a multiple of factors, including the profitability/ performance of investee companies, technological development, which may render the processes of investee companies obsolete, Government regulations, economic and political situation within the country, region and internationally. As a result of these factors, the dividend income and the share price of equity securities may go up as well as down.
 - (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.
- (3) When selecting an Allocation Scheme for allocation of the Contribution, Participants must assess and keep into consideration their ability to take the risks associated with financial market investment as well as their time horizon for investment and only then allocate accordingly. The objective of the Atlas Pension Islamic Fund and the various Allocation Schemes offered under it is to hedge risk by proactively investing within any one or combination of various Sub-Fund(s) to safeguard investments against volatility in any one asset class. Nonetheless, capital invested in the financial markets could in extreme circumstances lose its entire value. However, diversification of the investment into a number of equity and debt

securities tends to reduce the risk substantially. The historical performance of the Sub-Fund(s), the financial markets or that of any one security or transaction included in the Sub-Fund(s)'s portfolio does not necessarily indicate future performance. Prices of Units of the Sub-Fund(s) and income from them may go up as well as down.

- (4) Under extraordinary circumstances, mentioned in Para 6.13 (1) of this Offering Document, the Pension Fund Manager may declare suspension of issuance or redemptions of Units in any Sub-Fund(s), invoke a queue system or announce winding up of the Scheme. In such events the Participant is likely to have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request was lodged.

8.6 Disclaimer

- (1) **Investment Risks and Tax Implication:** All investments in Atlas Pension Islamic Fund are subject to market risks. The value of such investments may depreciate as well as appreciate, subject to market fluctuations and risks inherent in all such investments. Investors should read the Offering Document carefully to understand the investment policies, risks and tax implication and should consult legal, financial or tax adviser before making any investment decision. Withdrawals from the Pension Fund before the Retirement Age are subject to tax under the provisions of the Income Tax Ordinance, 2001.
- (2) The Units of the Sub-Fund(s) of the Atlas Pension Islamic Fund are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the Commission, the Stock Exchanges, any Government agency, the Trustee or any of the sponsors, shareholders or employees of the Pension Fund Manager or the Core Investor or any other bank or financial institution.
- (3) It should be noted that the value/price of Units of the Sub-Fund(s) can fall as well as rise.
- (4) It should be noted that under certain circumstances the realisation of Units may be restricted or subject to tax penalties.
- (5) It should be noted that there will be no dividend distribution by the Sub-Fund(s).

PART IX – SAFEGUARD OF MONEY

No money should be paid to an intermediary except the Pension Fund Manager or his authorized representatives as prescribed. Contributions should be in form of crossed payees account cheques, pay orders or demand drafts or direct Bank transfers to the account of the Trustee for the Atlas Pension Islamic Fund and shall not be in the form of cash or any other bearer instruments.

PART X – DISTRIBUTION RESTRICTION POLICY

There will be no dividend distribution from any of the Sub-Funds. Any income earned by the Sub-Funds during any Accounting Period shall be accumulated and retained within the respective Sub-Funds.

PART XI – TAXATION

The taxation of the Pension Fund shall be in line with the provisions of the Income Tax Ordinance, 2001.

All tax related information contained in this Offering Document or as reproduced herein below is accurate as of the date of the publication of this Offering Document. The taxability and tax rates are subject to change from time to time, as may be announced by the Government. The following statements do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to participate in the Scheme or to subscribe for Units in the Sub-Fund(s) and may not apply equally to all persons. It is recommended that employers, employees and self-employed individuals should seek professional tax advice regarding their own particular circumstances.

11.1 Tax Credit on Contributions for Individuals (employees and self-employed)

- (1) Contributions made by an Individual, whether employed or self-employed in Atlas Pension Islamic Fund in any one tax year, shall be entitled to a tax credit under Section 63 of the Income Tax Ordinance 2001. This effectively means that the Participant will be allowed tax credit equal to the effective tax on Contribution.

The amount of tax credit allowed in any one tax year shall be calculated according to the following formula:

$$(A/B) \times C$$

Where:

- A** is the amount of tax assessed to the person for the tax year, before allowance of any tax credit under this part;
- B** is the person’s taxable income for the tax year;
- C** is the lesser of:

- (i) the total contribution or premium paid by the person in the year; or
- (ii) twenty percent of the eligible person’s taxable income for the relevant tax year; Provided that an eligible person joining the scheme at the age of forty-one years or above, during the first ten years starting from July 1, 2006, shall be allowed additional contribution of 2% p.a. for each year of age exceeding forty years. Provided further that the total contributions allowed to such person shall not exceed 50% of the total taxable income of the preceding year; or
- (iii) five hundred thousand rupees

(A) A tax credit illustration for salaried class individuals

During any one tax year	Scenario I	Scenario II	Scenario III	Scenario IV
Gross Taxable Income from Salary and all other sources (if any)	600,000	600,000	4,000,000	4,000,000
Amount contributed in Atlas	@ 12.5%	@ 20%	@ 12.5%	@ 20%

Pension Islamic Fund	75,000	120,000	500,000	800,000
Maximum ceiling of Contribution for tax credit purposes	Contribution Amount	@ 20%	Max. Amount	Max. Amount
	75,000	120,000	500,000	500,000
Tax Payable* for the Year before Tax Credit under Section 63	@ 4.5%	@ 4.5%	@ 18.5%	@ 18.5%
	27,000	27,000	740,000	740,000
Tax Credit on Contributions	3,375	5,400	92,500	92,500
Net Tax Payable for the Year	23,625	21,600	647,500	647,500

* The tax rate shall apply as per the respective tax slab of each Participant

(B) A tax credit illustration for self employed individuals

During any one tax year	Scenario I	Scenario II	Scenario III	Scenario IV
Gross Taxable Income from Salary and all other sources (if any)	600,000	600,000	4,000,000	4,000,000
Amount contributed in Atlas Pension Islamic Fund	@ 12.5%	@ 20%	@ 12.5%	@ 20%
	75,000	120,000	500,000	800,000
Maximum ceiling of Contribution for tax credit purposes	Contribution Amount	@ 20%	Max. Amount	Max. Amount
	75,000	120,000	500,000	500,000
Tax Payable* for the Year before Tax Credit under Section 63	@ 12.5%	@ 12.5%	@ 25%	@ 25%
	75,000	75,000	1,000,000	1,000,000
Tax Credit on Contributions	9,375	15,000	125,000	125,000
Net Tax Payable for the Year	65,625	60,000	875,000	875,000

* The tax rate shall apply as per the respective tax slab of each Participant

(C) Procedure for claiming tax credit

- (i) An employee may provide documentary evidence of Contributions made during each tax year ending on June 30 to his/her employer who may then under Section 149 (1) make adjustments of tax credit admissible under Section 63 from the tax to be deducted under the head 'salary'. The employee may claim a tax rebate as per the above illustration (1)(A), depending upon the quantum of the Contributions made during that tax year and the applicable slab of that individual.
- (ii) A self-employed individual may claim the tax credit at the time of filing of his/her Return of Total Income for each tax year ending on June 30. In the computation of his/her total taxable income and tax payable, the individual may claim a tax rebate as per the above illustration (1)(B), depending upon the quantum of the Contributions made during that tax year and the applicable slab of that individual.

(D) Tax Credit Certificate to the Participant

The Pension Fund Manager shall send on or before 31st July each year a certificate of Contribution made to the Atlas Pension Islamic Fund for the previous year ended June 30. The Pension Fund Manager shall also send, before June 30, statement of accounts, as may be required by the employer of

the Participant, confirming payment by the Participant to the Atlas Pension Islamic Fund under Sections 63 and 149(1) of the Income Tax Ordinance, 2001.

- (2) The transfer by the members of Approved Employment Pension Scheme or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund) of their existing balance to their Individual Pension Accounts maintained with the Pension Fund Manager shall not be entitled to a tax credit under section 63 of the Income Tax Ordinance 2001.

11.2 Tax Exemption on Contributions made by Employers on behalf of their employees

For an employer contributing to the Atlas Pension Islamic Fund on behalf of their employees, the Contribution to the Atlas Pension Islamic Fund is a tax deductible charge, i.e. that the amount of Contribution made by the employer will qualify as expense for tax purposes whilst calculating the taxable income of the employer. When computing the “income from business”, the employer is allowed a deduction for the amount contributed to the Atlas Pension Islamic Fund on behalf of its employees as Atlas Pension Islamic Fund is an Approved Pension Fund as defined under clause 3(c) of the Definitions of the Income Tax Ordinance, 2001.

11.3 Tax Exemption on investment income of Atlas Pension Islamic Fund

As provided in Clause 57 (3) (viii) of the Part 1 of the 2nd Schedule of the Income Tax Ordinance, 2001, the income of Atlas Pension Islamic Fund is exempt from tax. All income of Atlas Pension Islamic Fund from whatever sources is exempt from tax without any conditions.

11.4 Tax Treatment on Retirement

At retirement, the Participant shall be entitled to receive:

- (A) Up to 25% of the accumulated balance of his/her Individual Pension Account tax free (without any deduction of (either withholding or income) tax); and
- (B) The tax shall not to be deducted in case the remaining 75% of the accumulated balance in the Participant’s Individual Pension Account is:
 - a) Invested in an Approved Income Payment Plan of a pension fund manager;
 - b) Paid to a life insurance/ Takaful company for the purchase of an Approved Annuity Plan; or
 - c) Transfer of the amount to other Pension Fund manger for purchase of Approved Income Payment plan.

Note: Any amount withdrawn in excess of 25% of the accumulated balanced as lump sum would be subject to tax as mentioned in Para 11.5 below.

Further note that the payments from the Approved Income Payment Plan or Approved Annuity Plan would be subject such to tax deductions as mentioned Income Tax Ordinance, 2001 from time to time.

11.5 Tax Penalty (Withholding Tax) on Early Redemptions/ Lump Sum Withdrawals in excess of allowed amount

In the event that amount is withdrawn from the Atlas Pension Islamic Fund before retirement, or the lump sum amount withdrawn at retirement is more than the allowed amount (i.e. 25% of the accumulated balance), then the Pension Fund Manager whilst making payment from Individual Pension Account shall be required to deduct tax at the rate specified in Section 12 (6) of the Income Tax Ordinance, 2001 from any amount:

- a) Withdrawn before the retirement age.
- b) Withdrawn, if in excess of 25 per cent of his accumulated balance, at or after the retirement age.

Tax Rate applicable as provided in Section 12 (6) shall be computed in accordance with the following formula:

$$A/B\%$$

Where:

- A** is the total tax paid or payable by the person on the person's total taxable income for the three preceding tax years; and
- B** is the person's total taxable income for the three preceding tax years.

11.6 Zakat

Under Zakat and Ushr Ordinance 1980, (XVIII of 1980), except for certain category of Participants, Units held by resident Pakistani Participants in the Sub-Funds of Atlas Pension Islamic Fund are subject to Zakat at 2.5% of the Par Value of Units held on the Zakat Valuation Date. Except for those Participants exempted under the said Ordinance, Zakat will be deducted at source from the redemption/withdrawal payment and paid into the Government treasury.

11.7 Disclaimer

The tax and Zakat information given above is based on the Pension Fund Manager's interpretation of the law, which to the best of the Pension Fund Manager's understanding is correct but Participants are requested to seek independent advice from their tax advisor so as to determine the taxability arising from their Contributions in the Atlas Pension Islamic Fund.

PART XII – REPORTS AND ACCOUNTS

12.1 Accounting Period

The Accounting Period of Atlas Pension Islamic Fund means a period commencing (in case of the first such period) from the date of receipt of entire Seed Capital from the

Core Investors and (in any other case) from the end of the preceding Accounting Period and ending on the thirtieth day of June in each year, and any interim dates at which the financial statements of the Atlas Pension Islamic Fund are drawn up, provided, however, that the Pension Fund Manager may, with the consent of the Trustee change such date to any other date.

12.2 Account Statements/ Contribution Receipts to Participants

- (i) **Account Statement:** The Pension Fund Manager shall send the Accounts Statements to each Participants:
 - (a) As at 30th June and 31st December each year, within thirty days thereafter confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received, types of benefit disbursements along with the taxes withheld if applicable. The statement shall include details of the number of Units allocated and held the current valuation of the Units and such other information as may be specified by that the Commission free of charge.
 - (b) The Pension Fund Manager may also make arrangements to have such details accessible on its website through a personalized PIN code for each Individual Pension Account, with the approval of the Commission.
- (ii) **Contribution Receipts:**
 - (a) The Distributor shall issue a receipt to the Participant, signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be.
 - (b) The Pension Fund Manager or the Registrar, as the case may be, shall send an acknowledgment receipt of the Contribution to the Participant and to the employer, if so required, within one week of the receipt of such Contribution, subject to the realisation of the Contribution amount.
- (iii) The Participant shall however be entitled to receive any information, in respect of his Individual Pension Account, at any time on written application. The Registrar shall, within a week of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of the Participant's Individual Pension Account being maintained in the Register. The Pension Fund Manager may however, make arrangements to have such details accessible on its website through a personalized PIN code for each Individual Pension Account, with the approval of the Commission.

12.3 Financial Reporting to Participants

The Pension Fund Manager shall provide the following reports in respect of each Sub-Fund and of the Trust, in accordance with the Rules, to the Participants and the Commission:

- a) Annual audited financial statements, together with the auditors report, the report by the Pension Fund Manager and the report by the Trustee within three months of the close of each Accounting Period.
- b) Un-audited financial statements, together with the report by the Pension Fund Manager within a month of the close of the first, second and third quarter of each Accounting Period.

Provided that the Commission may allow two months after the close of the second quarter of each Accounting Period to the Pension Fund Manager in respect of the un-audited financial statements that are subject to limited scope review by Auditors.

The regularity of reporting will change if so required under the Rules and the Companies Ordinance.

PART XIII – SERVICE TO THE PARTICIPANTS

13.1 Availability of the Forms

All forms are attached at the end of this Offering Document and shall be available at all Distribution Offices and can be downloaded from the website of the Pension Fund Manager and shall be mailed by the Pension Fund Manager to the address of the Participants/ prospective Participants within a day of the receipt of such request.

13.2 Register of the Participants

- (1) A Register of the Participants shall be maintained by the Pension Fund Manager at its place of business stated in Para 5.3 above.
- (2) The Register shall be conclusive evidence as to the Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances held by each Participant.
- (3) Every Participant will have an Individual Pension Account, with a distinct number. Such account will reflect all the transactions in that account by the Participant.
- (4) The Register shall be maintained in electronic form and be password protected. The Pension Fund Manager would grant access to all the Participants to view their respective account information online or to inspect their record in the Register and request copies thereof on any Dealing Day from 10.00 A.M. to 1.00 P.M., with the prior arrangement with the Pension Fund Manager or the Registrar.
- (5) The Participant shall notify, in writing, or in any such form as may be acceptable to the Pension Fund Manager, any change of name or address or any other particular to the relevant Authorized Branch of the Distribution Office, or to the Pension Fund Manager. The Distribution Office will forward such application to Pension Fund Manager, who on being satisfied therewith and on compliance with such formalities shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Account Statement to such Participants, subject to fulfilment of formalities evidencing change of name satisfactory to the Registrar.

- (6) The Participant shall be the only person to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to such Units held in his name in each Sub-Fund and the Trustee, the Pension Fund Manager and the Registrar may recognize the Participant as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by competent authority or a any court of competent jurisdiction.

13.3 Information to be contained in the Register of the Participants

The Register shall be maintained in line with the Guidelines on record keeping issued by the Commission from time to time and shall, at the minimum, contain the following information:

- (i) Registration number;
- (ii) Individual Pension Account number;
- (iii) Full names, father's name, husband's name, residency status, CNIC number (in respect of resident Pakistan nationals)/ NICOP number (in respect of overseas Pakistanis), National Tax Number, if any and addresses of Participant, including telephone/ fax numbers and e mail address;
- (iv) If Participant is registered through an employer the Individual Pension Account Number will be linked to the respective Employer Account Number that will contain the following (a to e below):
 - (a) Employer name;
 - (b) Registered address;
 - (c) National Tax Number;
 - (d) Number of employees contributing in VPS; and
 - (e) Telephone/ fax numbers and e-mail address.
- (v) Date of birth and Sex of the Participant;
- (vi) Complete record of the amount and date of each Contribution paid by the Participant;
- (vii) Complete record of the amount and date of each Contribution paid by the Employer;
- (viii) Date and amount of incoming/outgoing transfers;
- (ix) The number of Sub-Fund Units allocated and standing in the name of the Participant in the Individual Pension Account or Approved Income Payment Plan balances;
- (x) The date on which the name of every Participant was entered in respect of the Sub-Fund Units standing in his name;
- (xi) Tax/Zakat status of the Participants;
- (xii) Nominee(s);
- (xiii) Record of specimen signatures of the Participant and Nominee(s);
- (xiv) Information on retirement of Participant and the payments made or to be made;
- (xv) Information on death and transfer of account to nominees or successors; and
- (xvi) Such other information as may be specified by the Commission or Pension Fund Manager may require.

13.4 Accounts Statement

- (1) The Pension Fund Manager or the Registrar, as the case may be, shall send an acknowledgment receipt of the Contribution to the Participant and to the employer, if so required, within one week of the receipt of such Contribution.

- (2) The Pension Fund Manager shall send an Account Statement, as at 30th June and 31st December each year, within thirty days thereafter to each Participant, confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received: Contribution from the employer or the Participant, incoming transfers from other pension fund manager(s) or incoming transfers from Provident Fund or transfer from a deceased person's account or other; types of benefit disbursements: retirement, pre-retirement payment along with the taxes withheld, death benefit payment or transfer to heirs, outgoing transfer to purchase an Approved Annuity Plan from a life insurance/ Takaful company, outgoing transfer to other pension fund manager(s), withdrawals or other. The statements shall include details of the number of Units allocated and held the current valuation of the Units such other information as may be specified by that the Commission.
- (3) The Pension Fund Manager may, at its discretion, send such statements as mentioned in sub-clause (ii) above, on a more frequent basis, as an additional service for the Participants. The Pension Fund Manager may also make arrangements to have such details accessible on its website through a personalized PIN code for each Individual Pension Account, with the approval of the Commission.
- (4) The Registrar shall send an Account Statement as at 30th June and 31st December, within thirty days after the end of each date to each Participant, giving the details of amounts received or withdrawn and tax deducted, the number of Units allocated and held, the current valuation of the Units as at that date and any other information as may be specified by the Commission. Such information may also be posted on the website and furnished electronically, subject to approval of the Commission.
- (5) The Pension Fund Manager may also, make arrangements to have such details accessible on its website through a personalized PIN code for each Individual Pension Account, with the approval of the Commission.
- (6) The Participant shall, however, be entitled to receive any information, in respect of his Individual Pension Account, at any time on written application. The Registrar shall, within a week of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of the Participant's Individual Pension Account being maintained in the Register.

13.5 Instructions from the Participants

All the instructions received from a Participant or his nominees or survivors with regard to the Individual Pension Account held in the Atlas Pension Islamic Fund shall be in writing, unless the Pension Fund Manager, with the approval of the Commission, has made other arrangements, as mentioned in this Offering Document or on its website from time to time.

PART XIV – FINANCIAL INFORMATION**14.1 Auditors Certificate on Seed Capital Investment in the Core Units of Sub-Funds of Atlas Pension Islamic Fund**

AC3/085/2007
September 15, 2007

The Chief Executive Officer
Atlas Asset Management Limited (the Management Company)
Karachi

Dear Sir,

CORE CAPITAL OF ATLAS PENSION ISLAMIC FUND (THE FUND)

This has reference to your letter AAML/07-08/Co. Sec./350/1861 dated September 12, 2007. As desired, we are pleased to confirm that as per the books of account of the Fund and other information provided to us by the Management Company, an aggregate of Rs. 90 million has been received by the Fund in its bank accounts on September 15, 2007 representing core capital of the respective Sub-Funds namely: APIF-Equity Sub-Fund, APIF-Debt Sub-Fund, APIF-Money Market Sub-Fund, as per the statement of core capital prepared by the management, and duly initialled by us for identification purposes only.

This letter is 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.

**ATLAS PENSION ISLAMIC FUND
STATEMENT OF CORE CAPITAL
AS OF SEPTEMBER 15, 2007**

Sub-Fund	Core Investor	Core Capital as of September 15, 2007 (Rupees)
APIF-Equity Sub-Fund	Atlas Asset Management Limited	30,000,000
APIF-Debt Sub-Fund	Atlas Asset Management Limited	30,000,000
APIF-Money Market Sub-Fund	Atlas Asset Management Limited	30,000,000

s/d
Lilly R. Dossabhoy
Chief Financial Officer
& Company Secretary

s/d
M. Habib-ur-Rahman
Chief Executive Officer

14.2 Auditors Certificate on Net Asset Value of each Unit of each Sub-Fund of Atlas Pension Islamic Fund

AC3/086/2007
September 15, 2007

The Chief Executive Officer
Atlas Asset Management Limited (the Management Company)
Karachi

Dear Sir,

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

This has reference to your letter AAML/07-08/Co. Sec./350/1861 dated September 12, 2007. We state that as per the attached statement prepared by the management on the basis of the unaudited books and records of the Fund, the Net Assets Value (NAV) (as defined in Section 2(m) of the Voluntary Pension System Rules 2005) of each Sub-Fund as of September 15, 2007 arrived at by dividing the respective Net Assets by the number of units outstanding of the respective Sub-Funds is as follows:

	<u>NAV per Unit</u> <u>(Rupees)</u>
APIF-Equity Sub-Fund	100
APIF-Debt Sub-Fund	100
APIF-Money Market Sub-Fund	100

We draw attention to the fact that the costs relating to the formation of the Fund that might have been incurred by the Management Company have not been charged to the Fund upto September 15, 2007. Hence the NAV of the respective Sub-Funds as of the said date have been determined without taking into account the formation costs incurred upto that date.

Yours faithfully,
s/d

FORD RHODES SIDAT HYDER & CO.

PART XV –WARNINGS

- 15.1 If you have any doubt about the contents of this Offering Document, you should consult one or more from amongst your legal, financial, or tax adviser.
- 15.2 Participants must recognize that all investments involve varying levels of risk. The portfolio of the Sub-Funds of Atlas Pension Islamic Fund consists of market-based investments and is subject to market fluctuations and risks inherent in all such investments. The value of Units in the Sub-Funds of Atlas Pension Islamic Fund may appreciate as well as depreciate. Participants are requested to read the Risk Disclosure contained in Para 8.5 of this Offering Document.
- 15.3 The Units of the Sub-Funds of Atlas Pension Islamic Fund are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the Commission, any Government agency, the Trustee (except to the extent specifically

stated in this document and the Trust Deed) or any of the shareholders of the Pension Fund Manager or the Core Investor or any other bank or financial institution.

- 15.4 Prices of Units Sub-Funds of Atlas Pension Islamic Fund and income from them may go down as well as up.

PART XVI – COMPLAINTS

If any complaint or dispute arises between the Participant and the Pension Fund Manager under the VPS Rules, it shall be referred to the Insurance Ombudsman appointed under Section 125 of the Insurance Ordinance, 2000 (XXXIX of 2000). The Insurance Ombudsman shall have all the powers and shall follow the procedures as required under PART XVI of the Insurance Ordinance, 2000.

16.1 Procedure for lodging a complaint with the Insurance Ombudsman

The procedure for lodging a complaint with the Insurance Ombudsman shall be as provided in Section 129 of the Insurance Ordinance, 2000 and reproduced below:

- (a) A complaint shall be made in writing addressed to the Insurance Ombudsman. The complaint shall set out the full particulars of the transaction complained of and the name and address of the Participant (complainant).
- (b) Prior to making a complaint the Participant (complainant) shall intimate in writing to the Pension Fund Manager his intention of filing a complaint and if the Pension Fund Manager either fails to respond, or makes a reply which is unsatisfactory to the complaint, within a period of one month, the Participant (complainant) may file a complaint at any time thereafter within a further period of three months:
Provided that the Insurance Ombudsman may, if satisfied that there were reasonable grounds for the delay in filing the complaint, condone the delay and entertain the complaint.
- (c) The Insurance Ombudsman may adopt any procedure as he considers appropriate for investigating a complaint.
Provided that he shall not pass any order against the Pension Fund Manager without first giving it a notice and an opportunity to be heard.
- (d) Subject to section 128, the Insurance Ombudsman shall not have any power to issue an order in the nature of a stay order or to entertain any complaints if the matter is pending before a Court, Tribunal or other legal forum.
- (e) The Insurance Ombudsman may reject a complaint summarily or he may accept the same or pass any other order he deems fit.
Provided that in each case he shall pass a reasoned order for his decision.
- (f) The Federal Government may further prescribe rules for the conduct of proceedings in relation to complaints brought before the Insurance Ombudsman.

16.2 Contact Details of Office of Insurance Ombudsman

The Present Insurance Ombudsman is:

Mr. Justice(R) Syed Ali Aslam Jafri

Federal Insurance Ombudsman Office
5th Floor, State Life Building No. 2,
Wallace Road, off I.I Chundrigar Road,
Karachi.
Phone: 021-9211674; 021-9211698
Fax : 021-9213278-9

PART XVII – TRANSACTIONS WITH CONNECTED PERSONS

- 17.1 The Sub-Fund(s) shall not purchase from or sell any security to the Pension Fund Manager or the Trustee or to any director, officer or employee of the Pension Fund Manager or to any person who beneficially owns five per cent or more of the equity of the Pension Fund Manager, or collectively own ten percent or more of the equity of the Pension Fund Manager save in the case of such party acting as an intermediary. For this purpose the term director of the Pension Fund Manager includes their lineal ascendants and descendants.
- 17.2 The Sub-Funds shall not invest in any security of a company if any director, officer of the Pension Fund Manager owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors, officers of the Pension Fund Manager own more than ten per cent of those securities.
- 17.3 The Pension Fund Manager shall not appoint, directly or indirectly, as a broker any of its directors, officers or employees or their family members (which term shall include their spouse, lineal ascendants and descendants) and enter into transactions with any connected broker, which shall equal or exceed ten percent or more (or any other percentage as may be decided by the Commission) of the brokerage or commission paid by the Pension Fund Manager in any one accounting year: provided that the Commission may permit the ten percent to be exceeded if the connected broker offers advantages to the Sub-Funds not available elsewhere.
- 17.4 In case cash forming part of the Sub-Fund's assets is deposited with the Trustee or the Custodian, which is a banking company, return shall be paid on the deposit by such Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company to its other depositors on deposits of similar amount and maturity.

PART XVIII – GENERAL INFORMATION

18.1 Address where the documents of Atlas Pension Islamic Fund can be viewed/purchased

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

(A) Atlas Asset Management Limited

Ground Floor, Federation House,
Sharae Firdousi, Clifton, Karachi-75600

(B) Central Depository Company of Pakistan Limited

CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahrah-e-Faisal, Karachi – 74400

The Offering Document can also be downloaded from the website of the Pension Fund Manager: www.atlasfunds.com.pk

18.2 Date of Publication of the Offering Document

The date of publication of this Offering Document is November 1, 2007.

18.3 Information given in this Document – Responsibility of Pension Fund Manager

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

PART XIX – TERMINATION OF THE ATLAS PENSION ISLAMIC FUND

The duration of the Atlas Pension Islamic Fund is perpetual. It shall not be wound up or terminated by way of liquidation. However it can be wound up by the Commission or by the Pension Fund Manager on the occurrence of the events as mentioned in Para 6.13 (3), by transferring the Individual Pension Accounts of the Participants maintained in the Pension Fund to another pension fund manager.

PART XX – DEFINITIONS

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

- 20.1 “Accounting Period”** means a period ending on an Accounting Date and commencing (in case of the first such period) from the date of receipt of entire Seed Capital from the Core Investors and (in all other periods) from the end of the last Accounting Period.
- 20.2 “Account Statement”** means statement of transactions in Units of each Sub-Fund in the Individual Pension Account of the Participant, containing such information as may be prescribed by the Commission from time to time.
- 20.3 “Allocation Scheme”** means the allocation scheme(s) offered by the Pension Fund Manager in light of the Prescribed Allocation Policy issued by the Commission from time to time.
- 20.4 “Anniversary Date”** means the Business Day following the completion of one full year from the opening of the Individual Pension Account with the Pension Fund Manager and thereafter the Business Day following completion of subsequent one full year.
- 20.5 “Annuity”** means a series of payments of set frequency, sold primarily by Life Insurance Companies, with a primary goal to supplement retirement savings.
- 20.6 “Approved Bank”** means Bank(s) approved by the Shariah Advisor.
- 20.7 “Approved Annuity Plan”** means an annuity plan approved by the Commission.
- 20.8 “Approved Employment Pension or Annuity Scheme”** means any employment related retirement scheme approved under the Income Tax Ordinance, 2001 which makes periodical payment to a beneficiary, i.e. pension or annuity such as approved superannuation fund, public sector pension scheme and Employees Old-Age Benefit Scheme.

- 20.9** “**Approved Income Payment Plan**” means an income payment plan approved by the Commission.
- 20.10** “**Approved Occupational Savings Scheme**” means any approved gratuity fund or recognized provident fund.
- 20.11** “**Auditor**” means, a person appointed by the Pension Fund Manager with the consent of the Trustee eligible to act as an auditor of the Pension Fund as may be prescribed by the Commission from time to time and qualified under the provisions of section 254 of the Ordinance.
- 20.12** “**Authorized Branch**” means those branches of the Distributors/ Distribution Companies which have been authorized by the Pension Fund Manager, from time to time, to perform Distribution Functions and whose addresses have been given in the Offering Document, and/ or on the website of the Pension Fund Manager.
- 20.13** “**Authorized Investment**” means all investments transacted, issued and traded whether listed inside or outside Pakistan as permissible under the Rules or under the investment policy prescribed by the Commission.
- 20.14** “**Bank**” means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan and having such minimum entity rating as may be prescribed by the Commission from time to time.
- 20.15** “**Bank Account**” means the collection and disbursement account(s) in which the Contributions are received and payments are made from and the account(s) of each Sub-Fund, maintained for the Trust by the Trustee at an Approved Bank, the beneficial ownership of which rests with the Participants.
- 20.16** “**Business Day**” means a day (such Business Hours thereof) when Banks and Stock Exchanges are open for business in Pakistan.
- 20.17** “**Business Hours**” means such dealing periods on each Business Day, as may be determined by the Pension Fund Manager, in consultation with the Trustee, with the prior approval of the Commission, from time to time, during which the Contributions shall be received. Such period shall be defined in the Offering Document and/or announced by the Pension Fund Manager from time to time on its website. The Pension Fund Manager shall notify any change in the Business Hours in a leading daily newspaper.
- 20.18** “**Charity**” means amount paid by Pension Fund Manager out of the income of the Trust to a charitable/welfare organization, in consultation with Shariah Advisor and as per Guidelines issued by the Commission from time to time, representing income, which is Haram.
- 20.19** “**Commission**” means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997): that is the main regulator for the Fund.

- 20.20 “Companies Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.
- 20.21 “Connected Person”** shall have the same meaning as defined in the Rules.
- 20.22 “Contribution”** means an amount as may be voluntarily paid by a Participant at any frequency to the Trustee for credit to the Individual Pension Account of a Participant, subject to any minimum limit as specified in the Offering Document.
- 20.23 “Core Investors”** of the Fund shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of the Rules. The Core Investors shall be issued with Core Units representing their subscription.
- 20.24 “Core Units”** shall mean such Units of the Sub-Funds that are issued to Core Investors with the condition that these are not redeemable/ transferable/ tradable for a minimum period of three years from the date of issue. Except for the above condition, such Units shall all rank *pari passu* with all other Units.
- 20.25 “Custodian”** means a Bank, the central depository company, or any other depository for the time being appointed by the Trustee to hold and protect the Deposited Property or any part thereof as Custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund.
- 20.26 “Dealing Day”** means every Business Day on which dealing in the Pension Fund is conducted as disclosed in the Offering Document, provided that the Pension Fund Manager may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day not to be a Dealing Day.
- 20.27 “Default Allocation Scheme”** means the default asset allocation scheme as determined by the Pension Fund Manager in light of the Prescribed Allocation Policy for allocation of the Contribution received from those Participants who have not selected any Allocation Scheme.
- 20.28 “Deed” or “Trust Deed”** means the Trust Deed which is the principal document governing the formation management or operation of the Fund.
- 20.29 “Deposited Property”** means the aggregate proceeds received in the Pension Fund including the Contribution(s) received and Seed Capital received from Core Investors of each Sub-Fund(s) after deducting therefrom or providing thereout any applicable Front-end Fee and any other expenses chargeable to the Pension Fund including the Sub-Fund; and includes the Investments and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Participants pursuant to this Deed.
- 20.30 “Distributor(s)”, “Distribution Company/ Companies”** means individual(s), company(ies), firm(s), Bank(s) or other entity(ies) appointed by the Pension Fund Manager for performing any or all of the Distribution Functions and shall include the Pension Fund Manager itself, if it performs the Distribution Function.

- 20.31 “Distribution Function”** means the functions with regard to:
- a. Receiving Contribution applications and amounts, in the name of the Trustee, from the Participants;
 - b. Issuing receipt in respect of (a) above;
 - c. Interfacing with and providing services to the Participants including receiving withdrawal/ transfer to/from other pension fund manager(s) applications, applications for change of address or any other status, instructions, in writing, of any kind or any other information for immediate transmission to the Pension Fund Manager or the Registrar, as appropriate; and
 - d. Accounting to the Pension Fund Manager for (i) Contribution monies received from the Participants for issuance of Units in the Sub-Funds; and (ii) payments made to the Participants on redemption of Units in the Sub-Funds.
- 20.32 “Financial Institution”** means a Bank, a Non Banking Finance Company, licensed under the Rules, a Modaraba registered under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 and a DFI regulated by the State Bank of Pakistan or any other corporate body recognized as a financial institution under the laws of Pakistan and approved by the Shariah Advisor.
- 20.33 “Form”** means a Form prescribed under the Rules to collect information from the Participants.
- 20.34 “Formation Cost”** means all preliminary and floatation expenses of the Fund, including expenses in connection with authorization of the Fund, execution and registration of the Trust Deed, issue, legal costs, etc. and shall not include any marketing, sales, promotional, educational, communication or any form whatsoever of advertisement and shall not exceed 0.5% of the Seed Capital of each Sub-Fund or Rs. 750,000/- in total which ever is less.
- 20.35 “Front-end Fee”** means the fee as prescribed in the Rules, which is deducted from the Contributions received from the Participants, by the Pension Fund Manager, before allocation of Units of the Sub-Funds.
- 20.36 “Guidelines”** means various guidelines, including instructions and handouts issued by the Commission to be followed or implemented by the Pension Fund Manager, the Trustee and other persons connected with the Fund in relation to various matters under the Rules.
- 20.37 “Haram”** means anything prohibited by the Shariah.
- 20.38 “Income Payment Plan”** means a plan to enter into an agreement with the Pension Fund Manager after retirement enabling withdrawal of the remaining amount, in monthly instalments till the age of seventy-five years or such other period as allowed under the Rules.
- 20.39 “Individual Pension Account”** means a distinct account being maintained in the name of each Participant with the Pension Fund Manager to record his investments and the Units of Sub-Funds as issued there against including appreciations thereof.

- 20.40 “Investment”** means any Authorized Investment forming part of the Deposited Property of any Sub-Fund.
- 20.41 “Launch Date”** means the date, as may be determined by the Pension Fund Manager, from which the Atlas Pension Islamic Fund shall be offered to the Participants for continual Contribution dealing.
- 20.42 “Life Cycle Allocation Scheme”** means an Allocation Scheme approved by the Commission, where the percentage allocations to each Sub-Fund will automatically vary based on the age of the Participant.
- 20.43 “Life Insurance Company”** means a company registered under the Insurance Ordinance, 2000 (XXXIX of 2000), to transact life insurance business, and includes the State Life Insurance Corporation of Pakistan and includes Takaful Company.
- 20.44 “NBFC Rules”** means the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended from time to time.
- 20.45 “Net Assets”** shall mean the excess of assets over liabilities of each Sub-Fund of the Pension Fund, such excess being computed in the manner as defined in the Rules or as may be specified by the Commission from time to time.
- 20.46 “Net Asset Value” or “NAV”** means per Unit value of each Sub-Fund arrived at by dividing the respective Net Assets by the number of Units outstanding of the respective Sub-Funds on the basis indicated in the Rules or as may be specified by the Commission from time to time, which shall constitute the price at which the Units of each Sub-Fund shall be issued and the price at which the Units of each Sub-Fund shall be redeemed.
- 20.47 “Offering Document”** means the prospectus or other document issued by the Pension Fund Manager with consent of the Trustee and after approval of the Commission, which contains the investment policy of the respective Sub-Funds, Prescribed Allocation Policy and all other information in respect of the Pension Funds, as required by the Rules and Regulations and is circulated to invite offers by the public to contribute in the Fund.
- 20.48 “Par Value”** means the face value of Unit of each Sub-Fund that shall be Rupees one hundred (Rupees 100).
- 20.49 “Participant”** means any person who makes Contributions or on whose behalf Contributions are made into the Pension Fund, and held in an identifiable Individual Pension Account managed by the Pension Fund Manager. .
- 20.50 “Pension Fund Manager”** means Atlas Asset Management Limited, an asset management company duly authorized by the Commission to efficaciously manage the Contributions made by or on behalf of Participants in Pension Fund and meet such other conditions as may be prescribed from time to time by the Commission.
- 20.51 “Pension Fund”, “Atlas Pension Islamic Fund”, “APIF”,** means a “Fund” or “Trust”, consist of all the assets for the time being held or deemed to be held by Sub-Funds and includes all income or investment returns thereon but excludes fees,

charges and expenses related to the management of Sub-Fund(s) or in certain conditions, prescribed under the Rules, of cash held in an appropriate Bank Account in the name of the Trustee

- 20.52 “Prescribed Allocation Policy”** means the allocation policy, prescribed by the Commission, from time to time.
- 20.53 “Prescribed Application Form”** means a Form approved by the Commission to open an Individual Pension Account and collect other information from the Participants.
- 20.54 “Records”** include ledgers, day books, cash books and all other manuals or magnetic records used in the business of a Pension Fund Manager
- 20.55 “Register”** means the Register of the Participants kept pursuant to the Rules and the Trust Deed.
- 20.56 “Registrar”** means a company, including a Bank that the Pension Fund Manager shall appoint for performing the Registrar Function. The Pension Fund Manager may itself also perform the Registrar Function.
- 20.57 “Registrar Functions”** means the functions with regard to:
- a) Maintaining the Register as per the Rules, this Deed or as may be prescribed by the Commission from time to time;
 - b) Processing requests for opening of Individual Pension Account, Contribution, Withdrawal Amount, change of pension fund manager, re-allocation of Units between Sub-Funds and requests for recording of changes in information/particulars/ data with regard to the Participant or that of their survivors or nominees;
 - c) Issuing Account Statements in respect of Individual Pension Account to Participant;
 - d) Receiving application(s) for Withdrawal Amount through Distributor or Pension Fund Manager;
 - e) Keeping record of change of addresses/other particulars of the Participant; and
 - f) Such other functions as may be required under the Guidelines on Record Keeping.
- 20.58 “Regulations”** means regulations made by the Commission under the Rules.
- 20.59 “Reporting Currency” or “Base Currency”** means the currency used for receiving Contributions from and making payments to the Participants, for declaration of NAV of each Sub-Fund and for presenting the financial statements, which will be the Pakistani Rupee.
- 20.60 “Retirement Age”** means any age between sixty and seventy years or such age as may be prescribed in the Rules from time to time, which the Participant selects for retirement, in accordance with the provisions of the Rules.
- 20.61 “Retirement Date”** means the date on which the retirement of a Participant from the Pension Fund becomes effective.
- 20.62 “Rules” or “VPS Rules”** means the Voluntary Pension System Rules 2005, as amended or substituted from time to time.

- 20.63** “**Sales Agent**” means an individual, firm, corporate or other entity appointed by the Pension Fund Manager to identify, solicit and assist the eligible participants to contribute into the Fund.
- 20.64** “**Seed Capital**” means the amount invested or arranged by the Pension Fund Manager for each Sub-Fund of the Pension Fund as prescribed in the Rules for a minimum period of three years or as may be determined by the Commission.
- 20.65** “**Shariah**” or “**Islamic Shariah**” means divine guidance as given by the Holy Quran and the Sunnah of Prophet Muhammad (Peace Be Upon Him) and embodies all aspects of the Islamic faith.
- 20.66** “**Shariah Advisor**” means an Islamic Financial Institution, an Islamic scholar or a body of Islamic scholars, appointed in its place by the Pension Fund Manager with the approval of the Commission, having knowledge of Islamic finance, to supervise and monitor the activities of the Pension Fund to ensure that all its activities comply with Shariah.
- 20.67** “**Shariah Compliant**” shall mean any activity that is in accordance with the Islamic Shariah, as may be advised to the Pension Fund Manager by Shariah Advisor.
- 20.68** “**Stock Exchange**” means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969.
- 20.69** “**Sub-Fund**” means a collective investment sub-scheme of a specified investment class and/or investment policy set up within the overall Pension Fund. The Deposited Property shall be accounted for and segregated with respect to each Sub-Fund.
- 20.70** “**Supplementary Offering Document**” means a document issued by the Pension Fund Manager, with the consent of the Trustee, and the approval of the Commission, amending or adding to the Offering Document or a document describing the special features of an administrative plan, offering Contribution in the Fund managed by the Pension Fund Manager and shall be binding on each Participant, as if he is party to it and so to be bound by its provisions.
- 20.71** “**Supplementary Trust Deed**” means a supplemental deed executed between the Pension Fund Manager and the Trustee, with the approval of the Commission, describing any amendments made to the Trust Deed. Such Supplementary Trust Deed shall be binding on each Participant, as if he is party to it and so to be bound by its provisions.
- 20.72** “**Takaful Company**” means any General Takaful or Family Takaful Company as defined in the Takaful Rules, 2005.
- 20.73** “**Tax Year**” shall have the same meaning as ascribed under the Income Ordinance, 2001.
- 20.74** “**Trust**” or “**Fund**”, means the trust having an umbrella structure, constituted by the Trust Deed, which can offer Units in different Sub-Funds only to the Participants on a continuing basis.

20.75 “**Unit**” means an undivided share in a Sub-Fund of the Trust and where the context so indicates a fraction thereof.

20.76 “**Valuation Date**” means the pertinent date on which value of any investments or assets of a Sub-Fund is determined;

20.77 “**Zakat**” has the same meaning as in the Zakat and Ushr Ordinance, 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules. 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.

PART XXI - APIF-INCOME PAYMENT PLAN

The objective of APIF-Income Payment Plan is to provide those Participants who opt for the Plan to with regular income through a series of payments at a set frequency such as monthly after retirement, from the Retirement Age until the age of seventy five, or such other period as allowed under the Rules.

The APIF-Income Payment Plan shall be invested in varying proportions within the three Sub-Funds i.e. APIF-Equity Sub-Fund, APIF-Debt Sub-Fund and APIF-Money Market Sub-Fund with the aim to provide regular income along with capital appreciation. The proportions of these securities, or asset allocation, will be based on the expected returns and risks as evaluated by the Pension Fund Manager. The asset allocation of the APIF-Income Payment Plan may change from time to time.

The Pension Fund Manager will issue a separate detailed brochure, with the approval of the Commission, explaining the salient features of the APIF-Income Payment Plan and duration of payment.

PART XXII - FORMS

The following forms are annexed hereto to this Offering Document:

- 22.1 Participant Registration Form
- 22.2 Nomination Form
- 22.3 Employer Application Form
- 22.4 Participant Contribution Form
- 22.5 Change of Allocation Scheme Form
- 22.6 Change of Pension Fund Manager Form
- 22.7 Retirement Options Form
- 22.8 Early Redemption Form

PART XXIII – SIGNATORIES OF THE OFFERING DOCUMENT

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

Name	Titles of the Board Members	Signatures
Mr. Yusuf H. Shirazi	Chairman	s/d
Mr. M. Habib-ur-Rahman	Chief Executive	s/d
Mr. Frahim Ali Khan	Director	s/d
Mr. Peter A. Smyth	Director	s/d
Mr. Tariq Amin	Director	s/d
Mr. M. P. Bhandara	Director	s/d
Mr. Ali H. Shirazi	Director	s/d

Dated: November 1, 2007

Place: Karachi

Witness: Ms. Lilly R. Dossabhoy

CNIC No.:42301-0990986-4

PART XXIV - ANNEXURES

Annexure "A" - Remuneration of Trustee Schedule

Annexure "B" - Copies of Documents mentioned in Part III

Annexure "C" - Forms mentioned in Part XXII

Annexure “A”**Trusteeship Tariff Structure for Voluntary Pension Scheme**

Net Assets (Rupees)		Tariff
From	To	
1	1 billion	Rs. 0.3 million or 0.15% p.a. of Net Assets, which ever is higher
Above 1 billion	3 billion	Rs. 1.5 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs. 1 billion
Above 3 billion	6 billion	Rs. 3.5 million plus 0.08% p.a. of Net Assets, on amount exceeding Rs. 3 billion
Above 6 billion	-	Rs. 5.9 million plus 0.06% p.a. of Net Assets, on amount exceeding Rs. 6 billion