

**RISK DISCLAIMER: EMPLOYEE(S) AND PROSPECTIVE EMPLOYEE(S) ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS OFFERING DOCUMENT IN PARTICULAR THE RISK FACTORS MENTIONED IN CLAUSE 7.8 AND WARNINGS IN CLAUSE 12 BEFORE MAKING ANY INVESTMENT DECISION.**

## **OFFERING DOCUMENT OF**

### **Al Ameen Voluntary Pension Fund - KPK**

**Open End Shariah Compliant (Wakalatul Istithmar based Fund), being a Specialized Trust as defined under Section 2 (u-i) of the Sindh Trusts Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021**

**Between**

**UBL Fund Managers Limited**

**The Pension Fund Manager**

**And**

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN  
LIMITED**

**The Trustee**

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**OFFERING DOCUMENT OF  
Al Ameen Voluntary Pension Fund - KPK**

**A Voluntary Pension Scheme**

**MANAGED BY**

**UBL Fund Managers Limited**

**The Pension Fund Manager is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) through license SECP/LRD/LD/01/AMC/UBLFML/2022-11 dated August 15, 2022 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 through Certificate of Registration No. SECP/PW/Reg-05/UBL dated July 29, 2009 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa (the “KPK Government”) through the Secretary to the Government Finance Department under an Agreement dated (December 22, 2022) pursuant to Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (the “KPK Rules” as amended from time to time);**

**Date of Publication of Offering Document Dated September 26, 2023**

**1. INTRODUCTION TO AL AMEEN VOLUNTARY PENSION FUND - KPK**

Al Ameen Voluntary Pension Fund - KPK is established in Pakistan as a Voluntary Pension Fund through and on the basis of a Trust Deed, dated August 3, 2023, entered into and between UBL Fund Managers Limited in its capacity as the Pension Fund Manager and Central Depository Company of Pakistan Limited in its capacity as the Trustee and is authorized under the Voluntary Pension System (VPS) Rules, 2005.

The Pension Fund shall consist of four (4) Sub-Funds to be called:

- I. Al Ameen Voluntary Pension Fund - KPK Equity Sub Fund (the Equity Sub Fund);**
- II. Al Ameen Voluntary Pension Fund - KPK- Equity Index Sub Fund (the Equity Index Sub Fund)**
- III. Al Ameen Voluntary Pension Fund - KPK - Debt Sub Fund (the Debt Sub Fund); and**
- IV. Al Ameen Voluntary Pension Fund - KPK Money Market Sub Fund (the Money Market Sub Fund).**

After successfully managing the above-mentioned Sub-Funds, the Pension Fund Manager may, with prior written consent of the Employer after amendments in KPK Rules, and subject to the approval of the Commission, launch other Sub-Funds through a Supplementary Offering Document for investments in other asset classes (for avoidance of doubt, additional Sub-Funds may include combinations of new and existing classes of assets). Thereafter, any reference to the Sub-Funds in the Trust Deed or the Offering Document shall be construed to include any such new Sub-Fund(s).

**1.1. Structure of Pension Fund**

The Pension Fund shall be in the form of a trust being made up of Equity Sub Fund, a Debt Sub-Fund, a Money Market Sub-Fund, Equity Index Sub Fund and such other Sub-Funds as may be allowed by the Commission. The Pension Fund shall have different Allocation Schemes as decided by the Employer and duly allowed by the Commission from time to time. Details of Allocation Schemes currently being offered by the Pension Fund Manager are given in this Offering Document. When the Additional Allocation Schemes or Sub-Funds shall be launched, the

Pension Fund Manager shall announce the same by Supplementary Offering Document. The Pension Fund established is perpetual in life.

**1.2 Salient Features of Pension Fund**

<b>Fund Name</b>	Al Ameen Voluntary Pension Fund - KPK
<b>Fund Structure</b>	Unit Trust Scheme consisting of Sub-Funds under the VPS Rules 2005
<b>Sub-Funds</b>	Al Ameen Voluntary Pension Fund - KPK will consist of four Sub Funds, to be called <b>Al Ameen Voluntary Pension Fund - KPK Equity Sub Fund (the Equity Sub Fund);</b> <b>Al Ameen Voluntary Pension Fund - KPK- Debt Sub Fund (the Debt Sub Fund);</b> <b>Al Ameen Voluntary Pension Fund - KPK -Money Market Sub Fund (the Money Market Sub Fund);</b> and <b>Al Ameen Voluntary Pension Fund - KPK- Equity Index Sub Fund (the Equity Index Sub Fund)</b>
<b>Fund Objective</b>	To provide a secure source of retirement savings and regular income after retirement to the Employee(s)
<b>Eligibility</b>	All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.
<b>Minimum Contribution</b>	The minimum amount of Contribution to open an account is Rs. 1,000/- and the minimum amount of contribution to an existing account is Rs. 1,000/- per transaction or such other amount as may be prescribed by the Employer.
<b>Contribution Frequency</b>	Eligible persons or the Employer on their behalf are allowed to contribute in one lump sum or in instalments.
<b>Contribution Mechanism</b>	Employee(s) or the Employer on their behalf, as the case may be, can deposit the contributions to the Fund in the account of “CDC- Trustee Al Ameen Voluntary Pension Fund - KPK” in the following manner: <ul style="list-style-type: none"> <li>▪ Direct bank transfer.</li> <li>▪ Standing instructions from the Employer / Employees to their bank for regular transfer of contribution.</li> <li>▪ In the form of “Account Payee Only” cheques, Payment Orders or demand drafts;</li> <li>▪ Any other electronic form of transfer.</li> </ul>
<b>Investment Mechanism</b>	The Contribution amount is credited to the Employee(s) Individual Pension Account and is invested in the underlying Sub fund(s) as per applicable Allocation Scheme to the Employee(s).
<b>Allocation of Contributions &amp; Allocation Schemes</b>	<ol style="list-style-type: none"> <li>1. The contribution received from or in respect of any Employee(s) by the Pension Fund Manager on any working day shall be immediately credited to his/ her Individual Pension Account and the amount in the Individual Pension Account shall be used to purchase the Units of the Sub-Funds of Al Ameen Voluntary Pension Fund - KPK, at the Net Asset Value notified by the Pension Fund Manager at the close of that working day.</li> <li>2. The allocation of the contributions between the various Sub-Funds at the date of opening of Individual Pension Account shall be allocated 100% to the Money Market Sub-Fund and thereafter, shall be in accordance with the Allocation Policy applicable to the Employee(s) as mentioned in this Offering Document.</li> <li>3. The amount of the contribution used for the purchase of the Units of any Sub-Fund shall depend on such percentage as determined in the Specified Allocation Scheme selected by the Employee(s). In the event of no allocation percentages being selected by any Employee(s) the Pension Fund Manager shall</li> </ol>

	<p>allocate the contributions to the default asset allocation Scheme as mentioned in this Offering Document.</p> <p>4. The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds at least once a year to ensure that the allocations of Sub-Fund Units of all the Employee(s) are according to the percentages selected by the Employee(s) or where no selection has been made according to the Default Asset Allocation Scheme.</p> <p>5. The Pension Fund Manager shall also offer different Allocation Schemes to Employees to choose from, allowing them to adopt an investment strategy, according to their risk/return requirements. However, for initial three years from opening of IPA the contribution of Employees will be invested in Money Market Sub-Fund only and thereafter in accordance with the life cycle-based Allocation Scheme or Default Allocation Scheme, as applicable to the Employee, as mentioned in this Offering Document.</p>
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<b>Investment Strategy</b>	The Pension Fund Manager shall design investment strategy to optimize returns on investments within the parameters of Investment Policy specified by the Commission subject to such relaxations as may be granted in relation to specific sub fund(s).
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	<p>The Total Expense Ratio of the Sub-Funds shall be capped as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Sub- Funds</th> <th style="text-align: center;">Maximum Total Expense Ratio excluding Takaful charges and Govt levies (as % of Net Assets)</th> <th style="text-align: center;">Maximum Takaful charges (as % of Net Assets)</th> </tr> </thead> <tbody> <tr> <td>Money Market Sub-Fund</td> <td style="text-align: center;">0.75% p.a.</td> <td style="text-align: center;">0.25% p.a.</td> </tr> <tr> <td>Debt Sub- Fund</td> <td style="text-align: center;">0.75% p.a.</td> <td style="text-align: center;">0.25% p.a.</td> </tr> <tr> <td>Equity Index Sub- Fund</td> <td style="text-align: center;">1.00% p.a.</td> <td style="text-align: center;">0.25% p.a.</td> </tr> <tr> <td>Equity Sub- Fund</td> <td style="text-align: center;">1.75% p.a.</td> <td style="text-align: center;">0.25% p.a.</td> </tr> </tbody> </table> <p>A Pension Fund Manager shall prominently disclose on a daily basis, the following information regarding all its pension funds on its website and on the website of Mutual Funds Association of Pakistan (MUFAP) along with communication to the Employer,-</p> <p>(i) Total Expense Ratio; and</p> <p>(ii) Management Fee as a percentage of net assets.</p>	Sub- Funds	Maximum Total Expense Ratio excluding Takaful charges and Govt levies (as % of Net Assets)	Maximum Takaful charges (as % of Net Assets)	Money Market Sub-Fund	0.75% p.a.	0.25% p.a.	Debt Sub- Fund	0.75% p.a.	0.25% p.a.	Equity Index Sub- Fund	1.00% p.a.	0.25% p.a.	Equity Sub- Fund	1.75% p.a.	0.25% p.a.
Sub- Funds	Maximum Total Expense Ratio excluding Takaful charges and Govt levies (as % of Net Assets)	Maximum Takaful charges (as % of Net Assets)														
Money Market Sub-Fund	0.75% p.a.	0.25% p.a.														
Debt Sub- Fund	0.75% p.a.	0.25% p.a.														
Equity Index Sub- Fund	1.00% p.a.	0.25% p.a.														
Equity Sub- Fund	1.75% p.a.	0.25% p.a.														
<b>Total Expense Ratio</b>	<p>In case the Pension Fund Manager manages Employer Pension Fund for Employees of any local, Provincial or Federal Government (including their autonomous bodies) in Pakistan other than the Employer, the Total Expense Ratio, charged to the Pension Fund, pertaining to the Employees, shall, during the currency of the Agreement between the Employer and the Pension Fund Manager, be subject to the following conditions:</p> <p>(a). In case the other government is offering a similar Takaful benefit to its Employees as that offered by the Employer, the Total Expense Ratio, including Takaful charges but excluding Government taxes and levies charged to Pension Fund, shall not be higher than the same Ratio charged to the other Government Pension Fund;</p> <p>(b). In case the other government is offering a lower or higher Takaful benefit to its Employees than that offered by the Employer, the Total Expense Ratio, excluding Takaful charges as well as Government taxes and levies charged to Pension Fund, shall not be higher than the same Ratio charged to the other Government Pension Fund; and</p> <p>(c). In case the Pension Fund Manager charges a lower Total Expense Ratio to any of the other Government Pension Funds, it shall from the effective date of such an occurrence, charge the same Total Expense Ratio to the Pension Fund.</p>															

<b>Front End Load</b>	No Front End Load shall be deducted from the Contributions received from the Employee(s).
<b>Taxation</b>	Tax Credit will be available to Employee(s) on contributions during any Tax Year subject to the limits prescribed under Income Tax Ordinance 2001.
<b>Benefits / Withdrawal on Retirement</b>	<p>At the date of retirement of the Employee(s) all the units of the sub funds in the Employee(s) 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 Employee(s) Individual Pension Account in the lower volatility scheme where no option is selected by the Employee(s) offered by the Pension Fund Manager. The Employee(s) shall then have the following options, namely:</p> <p>(a) to withdraw upto such percentage of amount from his Individual Pension account as specified in the KPK Rules; and</p> <p>(b) use the remaining amount to purchase an annuity from a life insurance / takaful company and/or any other annuity plan as offered under the Rules of Employee(s) choice subject to such limits as prescribed by the Employer; or</p> <p>(c) enter into an agreement with the Pension Fund Manager to transfer Employee(s) balance to an Approved Income Payment Plan offered by the Pension Fund Manager as approved by the Commission.</p>
<b>Withdrawal before Retirement</b>	<p>Employee(s) at any time before retirement are entitled to withdraw the whole or any part of the Units held to their credit in their Individual Pension Account. Tax may be applicable in accordance with the requirements of the Income Tax Ordinance, 2001 and, if applicable, will be deducted by the Pension Fund Manager from the amount withdrawn. The withdrawal shall also be subject to conditions (if any) imposed by the Employer.</p> <p><i>Note: The Employee(s) must understand that as per KPK Rules , in case an Employee withdraws any amount from his Individual Pension Account before attaining the retirement age; the Employer shall stop making employer's contributions in the subject Individual Pension Account and shall not resume such contributions until the Employee deposits the withdrawn amount, along with an additional amount equal to one percent (1%) of the withdrawn amount for every completed month, since the date of withdrawal, in his Individual Pension Account.</i></p>

## 2. REGULATORY APPROVALS AND CONSENT

### 2.1. Registration of the Pension Fund Manager

UBL Fund Managers Limited the Pension Fund Manager of Al Ameen Voluntary Pension Fund - KPK, having its registered office at 4<sup>th</sup> floor, STSM building, Beaumont road, Civil Lines, Karachi, is a Non-Banking Finance Company and has been licensed by the Securities and Exchange Commission of Pakistan under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") to, inter-alia, carryout Asset Management Services under License **SECP/LRD/LD/01/AMC/UBLFML/2022-11 dated August 15, 2022** (appended hereto as **Annexure "A"**) and is registered with the Commission under the Voluntary Pension System Rules, 2005 through Certificate of Registration **SECP/PW/Reg-05/UBL dated July 29, 2009** and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa through the Secretary to Government Finance Department under an Agreement dated (December 22, 2022) appended hereto as **Annexure "A"**, **"A-1"** and **"A-2"** respectively.

### 2.2. Authorization of the Pension Fund

The Pension Fund Manager has been authorized by the Commission through its letter No. SCD/AMCW/AVPF-KPK/2023-87 dated September 5, 2023 appended hereto as **Annexure "B-1"**, to constitute the Pension Fund under the name and title of **Al Ameen Voluntary Pension Fund - KPK** (hereinafter referred to as the AVPF-KPK, "Pension Fund" or "Trust") and

authorized the formation of a scheme, under the name, “**Al Ameen Voluntary Pension Fund - KPK**”, under rule (9) of the Voluntary Pension System Rules, 2005.

### **2.3. Appointment of the Trustee and Remuneration**

The Central Depository Company of Pakistan Limited, having its registered office at **CDC House, 99- “B”, Block “B”, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan**, has been approved by the Commission to act as the Trustee and its remuneration for “Al Ameen Voluntary Pension Fund - KPK” through its letter No. **SCD/AMCW/AVPF-KPK/2023/389** dated **June 27, 2023** appended here to as **Annexure “C**.

### **2.4. Registration of the Trust Deed**

The Pension Fund Manager has been authorized by the Commission to execute and to register the Trust Deed. Approval of Trust Deed is appended hereto as **Annexure “B-3”**.

- Assistant Director of Industries and Commerce Directorate of the Department has issued a Certificate of Registration No **KAR/ST/034/2023** dated August 3, 2023 upon registration of the Trust under Sindh Trust Act 2020.

### **2.5. Approval of the Offering Document**

The Commission has, through its letter No. **SCD/AMCW/AVPFKPK/2023/131** dated September 26, 2023 appended hereto as Annexure “B-2” approved this Offering Document pursuant to sub-Rule (5) of Rule (9) of the Rules and as per the guidelines for Authorization of Pension Fund under sub-Rule (1) of Rule (9) of the Rules.

This Offering Document sets out the arrangements covering the basic structure of **Al Ameen Voluntary Pension Fund - KPK**. The provisions of the the Voluntary Pension System Rules, 2005, Trust Deed, the Agreement between the KPK Government and the Pension Fund Manager and guidelines issued by SECP from time to time, hereafter govern this Offering Document and in case of any ambiguity in the constitutive documents of **Al Ameen Voluntary Pension Fund - KPK** the VPS Rules 2005 or the clarifications/exemptions/relaxations/interpretations issued by the Commission from time to time shall prevail. It sets forth information about the Fund that an Employee(s) should know before contributing to the Pension Fund. Employee(s) should read this Offering Document carefully prior to contributing to / participating in the Pension Fund, and retain the copy of this Offering Document for future reference.

However, it must be distinctly understood that such an approval or authorization by the Commission neither implies official recommendation by the Commission to participate in /contribute to the Pension Fund nor does the Commission take any responsibility for the financial soundness of the Pension Fund and its Sub Funds or for the correctness of any statements made or opinions expressed in this Offering Document.

If the Employee has any doubt about the contents of this Offering Document, he/she should seek independent professional advice, from his/her legal, financial or tax advisor.

This Offering Document contains necessary information for the Employees to make an informed decision to participate in the Pension Fund described herein. The Employee(s) are advised, in their own interest, to carefully read the contents of the Offering Document, in particular, the risks mentioned in Clause 7.8 and 7.9 and Warnings in Clause 12, before making any participation/contribution decision. Employee(s) may note that this Offering Document remains effective until a material change occurs and they should retain this Offering Document for future reference. Material changes shall be filed for approval with the Commission with prior consent of the Trustee and the Employer (where required) and subsequently be circulated to all the Employees or may be notified by advertisements in the newspapers, or on the Pension Fund Manager’s website, subject to the applicable provisions of the Trust Deed and the Rules.



Employee(s) must recognize that all investments involve varying levels of risk. The portfolios of the Sub Funds of the Pension Fund 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, in response to market conditions. It should also be noted that under certain circumstances the issuance/redemption of Units may be restricted.

This Offering Document shall be subject to and be governed by the Laws of Pakistan including the Ordinance, the Rules and all other applicable laws, rules and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained by the Rules and Regulations are incorporated in this Offering Document and in the event of any conflict between the Offering Document of the Fund and the Rules/Regulation, the latter shall supersede and prevail over the provisions contained in this Offering Document, unless specific exemption has been granted by the Commission.

### **3. CONSTITUTION OF THE PENSION FUND**

#### **3.1. Constitution of Al Ameen Voluntary Pension Fund - KPK**

The Pension Fund has been established as a trust under the Sindh Trust Act, 2020 through a trust deed dated August 3, 2023\_executed between UBL Fund Managers Limited (the Pension Fund Manager)

**AND**

**Central Depository Company of Pakistan Limited** incorporated in Pakistan under the Companies Ordinance, 1984, Companies Act, 2017 and registered by SECP to act as a Trustee of the Collective Investment Scheme & Voluntary Pension Scheme, having its registered office at CDC House, 99-B, Block “B”, S.M.C.H.S Main Shahrah-e-Faisal Karachi, Pakistan, as the Trustee, as party of the other part

#### **3.2. Trust Deed (the “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 will supersede and prevail over the provisions contained in the Trust Deed unless specific exemption has granted by the Commission.

The terms and conditions in the Trust Deed, and any Supplementary Trust Deed shall be binding on each Employee(s) as if he has been a party to it.

#### **3.3. Modification of the Constitutive Documents**

This Offering Document will be updated to take account of any relevant material changes, circular, and directives from the Securities and Exchange Commission of Pakistan (SECP).

In case amendments are proposed in the Constitutive Documents due to change in regulatory requirements, the same shall be incorporated with the consent of Trustee and notified within seven days to the Employee(s) subject to the provisions of the Rules and the Regulations and duly posted on official website of the Pension Fund Manager.

In case modification is required in the fundamental attributes of Pension Fund and / or amendments with respect to offering of units to Employees shall be subject to 30 days prior notice to Employee(s), consent of the Trustee and the Employer (where required) and prior

approval of Commission.

### 3.4. Seed Capital provided or arranged by the Pension Fund Manager

The seed capital of the Pension Fund shall be provided, invested or arranged by the Pension Fund Manager. Seed Capital Units have been issued to the Seed Investor as under:

Name of Sub-Fund	No. of Units	Initial Par Value of each Unit (Rupees)	Amount (Rupees)
<b>Al Ameen Voluntary Pension Fund - KPK - Equity Sub Fund</b>	5,000	100	500,000
<b>Al Ameen Voluntary Pension Fund - KPK Debt Sub Fund</b>	5,000	100	500,000
<b>Al Ameen Voluntary Pension Fund - KPK - Money Market Sub Fund</b>	300,000	100	30,000,000
<b>Al Ameen Voluntary Pension Fund - KPK - Equity Index Sub Fund</b>	5,000	100	500,000

The Seed Capital Units subscribed by the Seed Investor have been issued at a par value of Pakistan Rupees One Hundred per Unit (Rs. 100/-Unit) and shall not be redeemable/transferable or tradable for a minimum period of three (3) years from the date of issue or as maybe determined by the Commission. Such restriction and its termination date shall be entered into the Register and shall be noted on any Accounts Statement or certificate issued in respect of such units.

### 3.5. Type / Feature of Units of the Sub-Funds

The Pension Fund shall consist of four Sub-Funds to be called:

- I. **Al Ameen Voluntary Pension Fund - KPK - Equity Sub Fund** (the **Equity Sub Fund**);
- II. **Al Ameen Voluntary Pension Fund - KPK - Debt Sub Fund** (the **Debt Sub Fund**); and
- III. **Al Ameen Voluntary Pension Fund - KPK - Money Market Sub Fund** (the **Money Market Sub Fund**)
- IV. **Al Ameen Voluntary Pension Fund - KPK - Equity Index Sub Fund** (the **Equity Index Sub Fund**)

- (a) 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 Employee(s) has a beneficial interest in the Pension Fund proportionate to the Units held by such Employee(s) in the respective Sub-Fund in Employee(s) Individual Pension Account. The liability of the Employee(s) 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 Employee(s) in Employee(s) Individual Pension Account.
- (b) All Units shall be issued in a non-certificated form, except the Seed Capital Units that may be issued in a certificated form, if required by the Seed Investor(s).
- (c) The Units in the Sub-Funds issued to the Employee(s) would be non-transferable to another Employee(s)/person. They shall only be redeemable in case of retirement (including retirement in the instance of disability), premature encashment/ withdrawal, death of the Employee(s), and change of pension fund manager, change of Allocation Schemes and/or rebalancing of the portfolio/ Allocation Schemes.
- (d) The initial Par value of the Units of each of the Sub-Funds is Pakistan Rupees One Hundred (Rs. 100), which is applicable to the first offering. The amount received from the Seed Investors has been allocated to each Sub-Fund. From the Launch Date, the Pension Fund Manager shall open participation in the Pension Fund to the Employee(s) on a continuous basis, through offer of Units of Sub-Funds (as per the allocation policy prescribed

by the Employer and approved by the Commission) issued at NAV calculated in the manner prescribed under the Rules or as may be specified by the Commission from time to time.

- (e) Units of the relevant Sub Fund shall be issued to each Employee(s) as per the selected 'Allocation Scheme', identified in clause 5.12, for the contributions among the Sub-Funds.

#### 4. OPERATORS AND PRINCIPALS

##### 4.1. The Employer

**Government of Khyber Pakhtunkhwa** is an Employer in terms of the Agreement signed on December 22, 2022.

##### 4.2. The Pension Fund Manager

**UBL Fund Managers Limited** is the Pension Fund Manager of **Al Ameen Voluntary Pension Fund - KPK**, having its registered office as mentioned below:

*4<sup>th</sup> floor, STSM building, Beaumont road, Civil Lines, Karachi.*

Any change in the registered office address of the Pension Fund Manager shall be notified by the Pension Fund Manager to the Commission and the Trustee from time to time.

##### 4.2.1 Organization

UBL Funds is a wholly owned subsidiary of United Bank Limited (UBL), recognized as one of the trusted names in the banking sector. UBL Funds was incorporated in August 2002, and since then it has been a leader in providing innovative solutions for growing customer needs in a dynamic market. It was the first asset management company (AMC) to be launched by a Bank in Pakistan. The assets under management (AUM) of UBL Funds were Rs. 179.93 billion (As of August 31, 2023), making it one of the largest AMCs with respect to AUM.

UBL Funds is currently managing Twenty Four (24) mutual funds, Nine (9) Investment plans and two (2) Voluntary Pension Schemes.

##### 4.2.2 Rating of the Pension Fund Manager

UBL Funds has been awarded a Management Quality Rating of "AM1" from JCR VIS Credit Company Limited

##### 4.2.3 Principal Shareholders

Name	Paid Up Capital	Amount in Rupees
	Number of Shares	
<b>United Bank Limited</b>	32,870,992	328,709,920
<b>Others</b>	4	40
<b>Total</b>	32,870,996	328,709,960

#### 4.2.4 Board of Directors of the Pension Fund Manager

Name, Occupation & Address	Position	Other Directorships
Mr. Azhar Hamid House No, 44, Khayaban-e-Ghazi, Phase V, DHA, Karachi	Chairman Independent Director	Al Baraka Bank (Pakistan) Limited – Director
Mr. Yasir Qadri House # 12/2, Gizri Avenue, DHA, Phase 4, Karachi	CEO Executive Director	Al Ameen Financial Services (Pvt.) Limited - Director Mutual Funds Association Of Pakistan - Director
Ms. Huma Pasha House # 10/A West avenue, Phase 1 DHA, Karachi	Independent Director	Usmani & Co. Chartered Accountant – Senior Partner Hi-Tech Alloy Wheels Limited - Director Feeroz 1888 Mills Limited – Director
Muhammad Rizwan Malik 86 B-2, Q Street, Phase 7, DHA, Karachi	Non-Executive Director	UBL Insurers Limited – Nominee Director
Imran Sarwar House 88/1, 10th Street Off, Khayaban-e-Rahat, DHA, Phase – 6, Karachi	Non-Executive Director	Pakistan Mortgage Refinance Company – Nominee Director
Aslam 304, Grand Residency 1, Street 2, Bath Island, Karachi	Non-Executive Director	National Institutional Facilitation Technologies (Pvt.) Limited – Nominee Director
Arif Akmal Saifie R 19/2 Khayaban-e- Saadi, Defence, Phase 7, Karachi	Non-Executive Director	

#### 4.2.5 Profile of the Board of Directors

##### Mr. Azhar Hamid

Mr. Azhar Hamid is an international banker with a career spanning over 41 years with Grindlays Bank, ANZ Bank and latterly Standard Chartered Bank. He was appointed as the first Pakistani Country Head of ANZ Grindlays Bank in Pakistan in 1994. After acquisition of the Bank in 2000 by Standard Chartered Bank, was asked to continue as the Country Head of the combined bank, Retired in 2003. After introduction of a Riba free financial system in Pakistan in 1985, he led the

team that established the First Grindlays Modaraba which became the most successful and dominant modaraba company in the Country.

Senior overseas assignments with ANZ Bank include UK, Bahrain, Jordan, and Australia. He has served on the board of Grindlays Bahrain Bank in Bahrain.

Upon retirement in 2003 served as Director Main Board of the State Bank of Pakistan which position he relinquished when asked by the Government to establish a Banking Mohtasib (Ombudsman) function in the Country. He was thus the first Banking Mohtasib (Ombudsman) in Pakistan and completed his 3 years term in May 2008.

He has served as Director on the Board of the Bank of Punjab the position which he relinquished in September 2009 and served on the Board of Burj Bank for 3 years up to end 2015. He has also served on several Pakistan Government and State Bank of Pakistan committees on economic reforms and monetary policy.

### **Mr. Yasir Qadri – Chief Executive Officer**

Mr. Qadri has been associated with the asset management industry for the past 16 years, last serving as CEO of MCB-Arif Habib Savings & investments, prior to which he served as CEO MCB Asset Management where he led the merger that brought together two leading asset managers established by two of the largest local business houses. Mr. Qadri has been member of two founding teams in the industry and has experience in business development, investment management, product development, and human resource management.

He has previously served as Senior Vice Chairman of the Mutual Funds Association of Pakistan (MUFAP) and continues to chair their Technical Committee for the fourth year running. Mr. Qadri has also been visiting faculty for graduate and undergraduate classes with leading educational institutions of Pakistan and served on pan-industry committees set up by regulators and industry players. He has earned an M.B.A. and a B.B.A. degree from the University of Central Oklahoma, USA.

### **Mr. Imran Sarwar**

Mr. Imran Sarwar has over 25 years of leadership, management, and strategy and risk experience in banking. He holds a business degree from Ohio Wesleyan University and Law from the University of Punjab.

Mr. Imran Sarwar is currently the Group Executive –Risk and Credit Policy, Chief Risk Officer at United Bank Limited (UBL)-Karachi. Prior to joining UBL, he held various senior positions at Standard Chartered Bank UAE and Pakistan. His last role was Head of Corporate Banking UAE.

### **Mr. Arif Akmal Saifie**

Arif is currently Executive Vice President (EVP) – Financial Controller (Head of Investor Relations, Budgeting and Strategy) at United Bank Limited reporting to the Global CFO of the Bank since June 2013. He is a Fellow Member of the Institute of Chartered Accountants in Pakistan (ICAP) qualified in June 2003, having completed his audit training with PricewaterhouseCoopers – PwC in Pakistan, Karachi Office (1999-2003). He is also a member of the CFA Institute, USA

since June 2008. UBL is the second largest Bank in Pakistan with global assets of over Rs. 1.8 Trillion (USD12 billion). A large and well-diversified business spread across a network of over 1,400 branches, having a presence in 12 countries (Asia, GCC, UK, Africa, USA, Switzerland, and China) with over 13,000 employees. The group entities include banking, asset management, insurance, micro finance and the largest branchless banking business in Pakistan.

Arif is responsible for all Investor Relations and Capital Market Matters, Market Intelligence, Business Analytics and liaison with external research analysts and rating agencies. He is also heading the Budgeting and Planning function and also responsible for the development of the long term strategy of the Bank, participation in its execution and monitoring. He is the leading speaker for UBL at all quarterly investor calls and responsible for representing UBL in the global investor space. Various conferences and road shows / NDRs attended at all major investment hubs (New York, London, Singapore, Hong Kong, UAE) over the last 7 years include those arranged by EFG Hermes, Credit Suisse, and Bank of America Merrill Lynch, Auerbach Grayson, Renaissance Capital, and CLSA. He is the principal contact point at UBL for all leading investors across Frontier and Emerging Markets. Start of Banking career with RBS (formerly ABN AMRO Bank) in March 2004.

He had been with the Royal Bank of Scotland, Pakistan (Formerly ABN AMRO Bank) for 7 years (March 2004-December 2010), inducted as part of the Financial Reporting Unit. The experience with RBS (Formerly ABN AMRO Bank) provided exposure across all business segments of the bank, being a strong whole sale banking franchise, servicing a top tier client base built on global relationships, supported by deep penetration in emerging retail markets in Pakistan. Portfolio coverage included all core areas within Finance and key participation in strategic projects within RBS Pakistan working closely with the local and regional management teams of the RBS Group in the UK and ABN AMRO Head Office in Amsterdam / Singapore. In Oct 2010 RBS Pakistan was acquired by Faysal Bank Limited (FBL), through the acquisition he remained with FBL, elevated to Senior Vice President, Head of Product and Cost Control within Finance. (Served from January 2011 to June 2013).

### **Ms. Huma Pasha**

Huma joined Usmani & Co (UCO) in 2015 and brings with her over 35 years of local and international working experience for various global institutions including Citibank, Hub Power Company, and Dawood Hercules group in several management capacities and earned a wide range of experience in the power, fertilizer and textile sector. At Hubco initially she led treasury function and successfully concluded substantial treasury deals and later headed their internal audit function for over 20 years. After leaving Hubco she was associated with Dawood Hercules group for almost three years as group chief internal auditor. Her extensive working experience has sharpened her skills and is now managing multiple clients of UCO for providing effective internal audit services.

Huma heads UCO's advisory services she provides expert professional advice to a variety of clients on areas of obligor's risk rating reviews, business due diligences, complex solutions for revival of corporates in distress situations etc. Her proactive approaches allow in building clients' confidence and gain their support. She is highly passionate for training services and more frequently indulge herself in various trainings for firm's clients as well as for highly reputed professional institutions of Pakistan on directors training, Board performance evaluation, internal audit, and sustainable business propositions.

Huma has served on the Audit Committee of the State Bank of Pakistan Banking Services Corporation and carried out quality control review of State Bank of Pakistan's internal audit functions and served on the Quality Assurance Board of ICAP.

Other significant positions held were on the Board of Institute of Internal Auditors International USA, President of IIA Karachi Chapter, and President of ISACA Karachi Chapters. Huma has also served as a Chairperson of Workstream Automation Ltd. a software firm.

**Mr. Aslam Sadruddin**

Mr. Aslam Sadruddin is a seasoned banker with a career spanning across 37 years. He has worked at organizations like Deutsche Bank AG Pakistan & Singapore, Union Bank and Standard Chartered Pakistan at various key positions in Operations & IT. He has a proven track record of leading teams of professional bankers to provide efficient and straight-through operations.

He is currently the Group Executive – Operations at United Bank Limited (UBL). In this role, he is looking after Global Operations including the domestic network of 1300+ Branches, International Operations and Centralized Functions consisting of Trade, Treasury, Branchless Banking Operations & Administration to name a few.

**Mr. Muhammad Rizwan Malik**

Muhammad Rizwan Malik is a seasoned treasury professional with a rich experience of over 20 years working in leading local and international banks in Pakistan. Rizwan is currently working as the Global Head of Treasury & Capital Markets at UBL, overseeing an investment book of over PKR 1 trillion in domestic market and USD 700mn in the global markets.

Prior to joining UBL, Rizwan was associated with Bank Alfalah where he grew Treasury business revenue and through his collaborative approach played an instrumental role in augmenting the trade & remittances business as Head of FX Sales and Trading. Mr. Malik has previously been associated with top financial institutions such as HBL, SCB and Barclays in different treasury roles.

Mr. Malik holds an MBA from the Institute of Business Administration (IBA) Karachi and has remained a very active member of Financial Market Association of Pakistan (FMAP). He was a member of executive committee of FMAP during 2003-2006 term.

#### **4.2.6 Profile of Management**

**Yasir Qadri - Chief Executive Officer**

For background please see the section above.

**Umair Ahmed – Chief Financial Officer**

Mr. Ahmed is an Associate member of the Institute of Chartered Accountant of Pakistan having a professional experience of 14 years with over 9 years in Asset Management industry. During his career, Mr. Ahmed has mostly remained associated with MCB Arif Habib Savings & Investments Ltd (MCBAH), where he worked for over 8 years and was elevated to the position of its

Chief Financial Officer. During his stint with MCBAH, he remained actively involved in Management of the Finance and Fund Operations functions, setting financial strategy, budgeting and forecasting, and providing the financial input to the overall management of the Company.

Prior to joining UBL Funds, Mr. Ahmed was at PIA Investments Ltd as General Manager Finance. Being a Member of Senior Management, his primary responsibility included overseeing financial affairs of Company's investments in hospitality sector that were collectively valued at more than US\$600 million."

#### **Zeeshan Quddus – Chief Business Development Officer**

Zeeshan is a Chartered Accountant, having qualified in 2003. He completed his Articleship from Ernst and Young. Zeeshan has a diversified experience of working in areas such as finance, Operations, Business Development and Strategic planning. Zeeshan has been associated with many prestigious organizations such as Arif Habib Investments, Al-Meezan Investments and NBP Fullerton Asset Management. Zeeshan has served on various committees including Tax committee of MUFAP, Economic advisory committee of the Institute of Chartered Accountants of Pakistan.

#### **Syed Suleman Akhtar – Chief Investment Officer**

Suleman is a CFA Charter holder and, has done Masters in Business Administration with majors in Finance from Institute of Business Administration. He has over 16 years of well- rounded experience in equity research and corporate treasury management.

Prior to joining UBLFM, Mr. Suleman was associated with NBP Fullerton Asset Management Limited as Head of Research for the past 04 years.

#### ***Hadi Hassan Mukhi – Head of Compliance Risk, QA***

Hadi has over 12 years of work experience in the field of Compliance, Internal Audit and Operational Risk at the strategic and operational level. Prior to his joining UBL Fund Managers, he was associated with Arif Habib Investments for over 5 years in Internal Audit and Compliance function. Hadi is a commerce graduate from Karachi University and has obtained a certificate from Institute of Business Administration with specialization in Banking and Finance and is a Certified Director.

#### **Muhammad Imran – Head Of Investment Advisory**

Muhammad Imran has over twenty years of diversified experience in Treasury and Fund Management, and has been part of the senior management in leading AMCs for the past 14 years. Imran is an MBA in Finance and member of Financial Market Association of Pakistan (FMAP). Before joining UBL Fund Managers, he was Chief Investment Officer at HBL Asset Management Limited. Prior to that, he held the position of Chief Investment Officer in ABL Asset Management Company Limited. Before that he was associated with MCB Asset Management Limited as a



Senior Fund Manager. He also worked at AMZ Asset Management as Head of Fixed Income Funds where he was instrumental in establishing the company, developing its treasury systems and successful launching of different open ended funds. He has also had successful stints at Arif Habib Investment, Saudi Pak Leasing Company Limited and Pakistan Emerging Ventures Limited. Devising strategies to earn profit from market inefficiencies is his key strength and his views on financial markets are much sought by participants and regulator alike. His aim has always been to elevate his company and bring the best outcome for its clients.

#### **Mubeen Ashraf – Head of Internal Audit**

Mr. Mubeen is a Chartered Accountant (qualified in July 2006) from Institute of Chartered Accountants of Pakistan and holds a Bachelors in Commerce degree from University of Karachi. His professional experience include, working as Head of Compliance at HBL Asset Management Limited; as Chief Internal Auditor at ABL Asset Management; as Deputy Director (Monitoring & Inspection Wing) at Securities and Exchange Commission of Pakistan; as Manager Internal Audit at Sui Southern Gas Company Limited and as Assistant Manager Audit and Assurance at Deloitte Pakistan. He completed his four years' training from Ernst & Young Pakistan. He has vast experience of working for Asset Management Companies, Mutual funds, Leasing Companies, Investment Banks and Modarabas. Besides, he has also conducted external and internal audits of various local and foreign financial institutions including mutual funds, manufacturing concerns, NGOs, service providers and trading companies.

#### **Ashar Siddiqui - Head of IT & Business Innovation**

Mr. Siddiqui has over 15 years of experience in Information technology with specialization in Strategic Management, Real-Time Systems, and Derivatives, Enterprise level Software Applications Development, Networks and Infrastructure.

Prior to his joining UBL Fund Managers, he was associated with Green star Social Marketing (Guarantee Limited) where he was heading the Information Technology Department.

Before that, he was associated with Pakistan Mercantile Exchange (PMEX) as Head of Software Development. During his stint at PMEX, Mr. Siddiqui played an instrumental and leading role in designing and developing the Futures and Derivatives Trading System which is implemented to date.

Ashar holds a Master's Degree in Business Administration from the Institute of Business Administration (IBA) and a Bachelor's Degree in Computer Science from FAST University. He is also a certified Project Management Professional and additionally he also holds a Diploma in Big Data.

#### **Shahid Gul Motiwala – Head of Retail Business**

Mr. Motiwala has over 15 years of work experience in the areas of Business Development, Strategy making and Investments. He is currently holding dual portfolio of both Chief Executive Officer Al-Ameen Financial Services & Head of Retail Business, UBL Fund Managers.

Prior to the above position, he was working in the capacity of Chief Business Development Officer, Investment Advisory Division which is one of the largest SBU of UBL Fund Managers.

Mr. Motiwala has been associated with prestigious organizations like Al Meezan Investments and Gul Ahmed Group in various capacities. He holds a Master's degree in Business Administration from the Institute of Business Administration and certification in Claritas from CFA Institute.

**Tanweer Ahmad Haral – Head of Marketing, Customer Services & Advisor to Sales**

Mr. Haral's career span of more than 25 years comprises of 16 years in Asset Management, 6 years in Corporate Banking, 1 year in Microfinance Banking and 2 years in Food Manufacturing/Export sector in leadership roles in diverse functions like Business Development, Global Distribution, Product Development/Management, Marketing and Compliance & Risk Management.

His last role was Head of Distribution (Corporate General Manager) at a Global Investment House based in Cape Town, South Africa, where he managed retail/corporate sales, client services, independent financial advisors and global distribution platforms, based in 3 offices within South Africa and UK London office.

He has been associated with leading AMCs and Banks i.e. MCB-Arif Habib Savings & Investments, ABL Asset Management, Faysal Asset Management, Faysal Bank and Emirates Bank Int'l PJSC. He has been a visiting faculty member at leading universities, IFMP and National Institute of Management (formerly NIPA) for Senior Management courses. He has also served as member Technical & Pension Committees, MUFAP and represented in Pensions sub-committee of National Financial Inclusion Strategy. He is a regular contributor in newspapers and magazines, besides appearing on the electronic media.

He had earned distinction in MBA (Banking) from IBA, Karachi. He is an old Ravian and earned College Colors in Tennis from GC Lahore & Sargodha, Punjab University singles champion and has won many Seniors Tennis tournaments in Pakistan and abroad. He has also acquired various certifications in RE5 (South Africa), CMFD, FCM, PMR, IBP Part-1, Certificate in Islamic Law (IIU), Urdu and Punjabi Fazil languages.

**Uzair Mufeez – Chief Information Security Officer**

Mr. Mufeez has been associated with UBL Funds as Chief Information Security Officer. He is having around 9 years of experience and expertise in the field of Systems and Information Security. Prior to his current assignment, he worked as Chief Information Security Officer at Silk bank Limited for around 4 years. Before that he was associated with Bank Alfalah Limited and Bank AL Habib Limited in the Information Security department.

An Engineer by profession, topped up by MSc. Networks and Computer Systems Security with distinction from the University of Greenwich London, UK, he has also achieved several internationally recognized professional certifications under his belt which includes CISM (Certified Information Security Manager) and CDPSE (Certified Data Privacy Solutions Engineer) from ISACA, CHFI (Computer Hacking Forensics Investigator) and CEH (Certified Ethical Hacker) from EC-Council. He is also actively engaged in multiple networking groups to promote and built the Information Security culture and education in the state.

**Najwa Siddiqui – Head of Human Resources**

Najwa has an overall professional experience of more than 15 years, with nine years in the Human Resources sector and six years in the field of Education. She has expertise in handling clients, organizing assessment centers, conducting trainings, managing recruitment, compensation & benefits practices, employee engagement and employee grievance handling.

She successfully built strong network with external HR Consultants, regional and global HR professionals in a leading MNC - Philip Morris (Pakistan) Ltd. and local leading Human Resources Consultancy - Narejo Human Resources Pvt. Ltd. Prior to joining UBL Funds, she was associated with TCS ECOM Pvt. Ltd. and worked there as the HR Business Partner. Currently she's part of the Enterprise Risk Management Committee for HR and is also serving as the Secretary to the Board Human Resources & Compensation Committee and the Employee Disciplinary Committee at UBL Funds.

Najwa has a Master's degree in Business Administration in Marketing from the Institute of Business Management with another Master's degree in Sociology from the University of Karachi. She's also a certified trainer.

#### 4.2.7 Performance of Listed Associated Companies

Associated Companies *
United Bank Limited
Al Ameen Islamic Financial Services Limited
UBL Insurers Limited
Pakistan Mortgage Refinance Company Limited
UBL Bank (Tanzania) Limited
Mutual Funds Association Of Pakistan



#### 4.2.8 Existing Schemes under Management and their performance

##### UBL LIQUIDITY PLUS FUND (ULPF)

UBL Liquidity Plus Fund (ULPF) is an open-end money market fund that is especially designed for corporate and individual investors who are looking for a safe investment avenue to park their cash. The fund offers competitive, tax-free returns on investment and also provides a 'Same Day Redemption Facility' (subject to certain conditions) to facilitate investors.

<b>Date of launching</b>	<b>19 June 2009</b>	
<b>Par Value of units</b>	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 25,846 Million	
Net Assets (as at 30 June 2022)	Rs. 48,583 Million	
Net Assets (as at 30 June 2021)	Rs. 30,494 Million	
Net Assets (as at 30 June 2020)	Rs. 19,465 Million	
Net Assets (as at 30 June 2019)	Rs. 6,837 Million	
NAV (as at June 30 2023)	Rs. 101.24	

NAV (as at June 30 2022)	Rs. 101.43	
NAV (as at June 30 2021)	Rs. 101.04	
NAV (as at June 30 2020)	Rs. 100.98	
NAV (as at June 30 2019)	Rs. 100.78	
<b>Listing</b>	Pakistan Stock Exchange	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	AA+	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended 30 June 2023	17.37%	
Year ended 30 June 2022	8.83%	
Year ended 30 June 2021	6.97%	-
Year ended 30 June 2020	12.62%	Rs. 0.14 per unit
Year ended 30 June 2019	8.66%	Rs. 0.58 per unit

### UBL MONEY MARKET FUND (UMMF)

UBL Money Market Fund is an open-end Money Market fund which aims to provide a competitive rate of return, with a moderate level of risk to its investors by investing in fixed income securities / instruments. The Fund invests in Government Securities, deposits with and lending to banks & DFIs, Commercial Paper, and other permissible money market/fixed income based investments. The Fund aims to maintain weighted average time to maturity of the portfolio not exceeding 4 years.

Date of launching	14 October 2010	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 8,894 Million	
Net Assets (as at 30 June 2022)	Rs. 3,482 Million	
Net Assets (as at 30 June 2021)	Rs. 3,200 million	
Net Assets (as at 30 June 2020)	Rs. 5,050 million	
Net Assets (as at 30 June 2019)	Rs. 2,725 million	
NAV (as at June 30 2023)	Rs. 100.73	
NAV (as at June 30 2022)	Rs. 108.87	
NAV (as at June 30 2021)	Rs. 100.68	
NAV (as at June 30 2020)	Rs. 100.71	
NAV (as at June 30 2019)	Rs. 100.68	
<b>Listing</b>	Pakistan Stock Exchange	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	AA	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	21.81%	
Year ended June 30 2022	8.32%	
Year ended June 30 2021	6.32%	Rs. 6.38 per unit
Year ended June 30 2020	12.12%	Rs. 12.19 per unit
Year ended June 30 2019	8.53%	Rs. 8.34 per unit

### UBL CASH FUND (UCF)

The objective of UBL Cash Fund (UCF) is to generate attractive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors.

<b>Date of launching</b>	<b>23 September 2019</b>	
<b>Par Value of units</b>	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 16,817 Million	
Net Assets (as at 30 June 2022)	Rs. 21,083 Million	
Net Assets (as at 30 June 2021)	Rs. 5762 million	
Net Assets (as at 30 June 2020)	Rs. 1819 million	

Net Assets (as at 30 June 2019)	-	
NAV (as at June 30 2023)	Rs. 100.1722	
NAV (as at June 30 2022)	Rs. 109.169	
NAV (as at June 30 2021)	Rs.100.10	
NAV (as at June 30 2020)	Rs. 100.04	
NAV (as at June 30 2019)	-	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	3 AA	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	<b>22.23%</b>	
Year ended June 30 2022	8.32%	
Year ended June 30 2021	7.13%	Rs. 7.06 per unit
Year ended June 30 2020	13.25%	Rs. 9.78 per unit
Year ended June 30 2019	-	-

### UBL GOVERNMENT SECURITIES FUND (UGSF)

UGSF is an open-end Income Fund which aims to generate a competitive return with minimum risk, by investing primarily in Government Securities. The Fund maintains a minimum 70% allocation in Government Securities, with the remainder in placements with banks and near-cash instruments. The Fund aims to maintain weighted average time to maturity of the portfolio not exceeding 4 years.

<b>Date of launching</b>	<b>27 July 2011</b>	
<b>Par Value of units</b>	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 914	
Net Assets (as at 30 June 2022)	Rs. 1,115 Million	
Net Assets (as at 30 June 2021)	Rs. 2,035 Million	
Net Assets (as at 30 June 2020)	Rs. 3,157 Million	
Net Assets (as at 30 June 2019)	Rs. 1,534 Million	
NAV (as at June 30 2023)	Rs. 105.9438	
NAV (as at June 30 2022)	Rs. 105.93	
NAV (as at June 30 2021)	Rs. 105.78	
NAV (as at June 30 2020)	Rs. 105.62	
NAV (as at June 30 2019)	Rs. 105.79	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	AA-	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	23.96%	
Year ended June 30 2022	9.13%	
Year ended June 30 2021	5.60%	Rs. 5.66 per unit
Year ended June 30 2020	14.82%	Rs. 15.83 per unit
Year ended June 30 2019	7.55%	Rs. 7.76 per unit

### UBL INCOME OPPORTUNITY FUND (UIOF)

UBL Income Opportunity Fund (UIOF) offers investors a convenient mode of investing in high quality TFC's/Sukuks issued by Financial Sector Institutions.

Furthermore, this scheme offers investors the opportunity to generate comparatively higher return(s) than other Fixed Income Category Fund(s) – i.e. Government Securities fund(s).

<b>Date of launching</b>	<b>29 March 2013</b>	
<b>Par Value of units</b>	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 668 Million	
Net Assets (as at 30 June 2022)	Rs. 2,111 Million	
Net Assets (as at 30 June 2021)	Rs. 2,204 million	
Net Assets (as at 30 June 2020)	Rs. 607 million	
Net Assets (as at 30 June 2019)	Rs. 833 million	
NAV (as at June 30 2023)	Rs. 110.3571	
NAV (as at June 30 2022)	Rs. 119.254	
NAV (as at June 30 2021)	Rs. 110.25	
NAV (as at June 30 2020)	Rs. 110.10	
NAV (as at June 30 2019)	Rs. 110.20	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	Not yet Rated	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	30.95%	
Year ended June 30 2022	8.26%	
Year ended June 30 2021	6.37%	-
Year ended June 30 2020	15.78%	Rs. 17.45 per unit
Year ended June 30 2019	8.49%	Rs. 9.08 per unit

#### UBL GROWTH & INCOME FUND (UGIF)

UGIF is an open-end aggressive income fund which was publicly launched in March 2006. It invests in fixed income instruments like PIB's, T-Bills, Term Finance Certificates and other medium to long term fixed income securities. UGIF has two classes of units: Income & Growth.

The investment objective of UGIF is to invest in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

<b>Date of launching</b>	<b>2 March 2006</b>	
<b>Par Value of units</b>	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 1,194 Million	
Net Assets (as at 30 June 2022)	Rs. 1,434 Million	
Net Assets (as at 30 June 2021)	Rs. 1,795 million	
Net Assets (as at 30 June 2020)	Rs. 878 million	
Net Assets (as at 30 June 2019)	Rs. 1734 million	
NAV (as at June 30 2022)	Rs. 87.0273	
NAV (as at June 30 2022)	Rs. 92.30	
NAV (as at June 30 2021)	Rs. 85.0286	
NAV (as at June 30 2020)	Rs. 84.9655	
NAV (as at June 30 2019)	Rs. 85.049	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	BBB-	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	75.10%	
Year ended June 30 2022	7.32%	

Year ended June 30 2021	10.85%	Rs. 9.15 per unit
Year ended June 30 2020	13.59%	Rs. 11.67 per unit
Year ended June 30 2019	7.95%	Rs. 6.57 per unit

**UBL ASSET ALLOCATION FUND (UAAF)**

UBL Asset Allocation Fund (UAAF) is asset allocation scheme that offers you an opportunity to earn competitive return by investing in various asset classes based on market outlook.

<b>Date of launching</b>	<b>19 August 2013</b>	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 390 Million	
Net Assets (as at 30 June 2022)	Rs. 560 Million	
Net Assets (as at 30 June 2021)	Rs. 872 million	
Net Assets (as at 30 June 2020)	Rs. 926 million	
Net Assets (as at 30 June 2019)	Rs. 1,374 million	
NAV (as at June 30 2023)	145.6324	
NAV (as at June 30 2022)	Rs. 150.27	
NAV (as at June 30 2021)	Rs. 148.80	
NAV (as at June 30 2020)	Rs. 136.28	
NAV (as at June 30 2019)	Rs. 132.24	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	Not yet Rated	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	7.54%	
Year ended June 30 2022	9.74%	
Year ended June 30 2021	16.46%	Rs. 10 per unit
Year ended June 30 2020	11.27%	Rs. 10.81 per unit
Year ended June 30 2019	-1.74%	-

**UBL STOCK ADVANTAGE FUND (USF)**

USF is UBL Funds' first open-end equity fund which was launched in August 2006. The investment objective of the fund is to provide investors long-term capital appreciation through investing in a mix of equities that offer both capital gain and dividend. 6.8Bn (2.5%) which is built into the offer price.

<b>Date of launching</b>	<b>4 August 2006</b>	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 3875 Million	
Net Assets (as at 30 June 2022)	Rs. 5,572 Million	
Net Assets (as at 30 June 2021)	Rs. 8,107 Million	

Net Assets (as at 30 June 2020)	Rs. 5,759 Million	
Net Assets (as at 30 June 2019)	Rs. 5,398 Million	
NAV (as at June 30 2023)	Rs. 69.25	
NAV (as at June 30 2022)	Rs. 72.28	
NAV (as at June 30 2021)	Rs. 78.53	
NAV (as at June 30 2020)	Rs. 60.17	
NAV (as at June 30 2019)	Rs. 57.36	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	MFR 4-Star	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	-0.36%	
Year ended June 30 2022	10.90%	
Year ended June 30 2021	31.73%	Rs. 0.75 per unit
Year ended June 30 2020	4.90%	Rs. 0.06 per unit
Year ended June 30 2019	-16.27%	-

#### UBL FINANCIAL SECTOR FUND (UFSF)

UBL Financial Sector Fund (UFSF) is an open-ended Sector [Equity] Scheme that shall aim to provide investors long-term capital appreciation by investing primarily in a mix of actively managed portfolio of listed equities that offer capital gains and dividends yield potential preferably in the following sectors:

1. Insurance Companies
2. Leasing Companies
3. Commercial Banks
4. Investment Banks / Investment Companies / Securities Companies
5. Modarabas

<b>Date of launching</b>	<b>6 April 2018</b>	
<b>Par Value of units</b>	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 551 Million	
Net Assets (as at 30 June 2022)	Rs. 1,027 Million	
Net Assets (as at 30 June 2021)	Rs. 875 Million	
Net Assets (as at 30 June 2020)	Rs. 626 Million	
Net Assets (as at 30 June 2019)	Rs. 861 Million	
NAV (as at June 30 2023)	Rs. 72.03	
NAV (as at June 30 2022)	Rs. 79.47	
NAV (as at June 30 2021)	Rs. 75.00	
NAV (as at June 30 2020)	Rs.67.91	
NAV (as at June 30 2019)	Rs. 80.15	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-</b>	Not Rated Yet	



<b>VIS)</b>		
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	1.76%	
Year ended June 30 2022	-5.52%	
Year ended June 30 2021	20.68%	Rs. 7 per unit
Year ended June 30 2020	-15.27%	-
Year ended June 30 2019	-12.12%	-

### UBL DEDICATED EQUITY FUND (UDEF)

The investment objective of the Fund is to provide other 'Fund of Funds' schemes & Separately Managed Accounts (only managed by UBL Fund Managers) an avenue for investing in Equities.

<b>Date of launching</b>	<b>31 May 2018</b>	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 103 Million	
Net Assets (as at 30 June 2022)	Rs. 30 Million	
Net Assets (as at 30 June 2021)	Rs. 31 million	
Net Assets (as at 30 June 2020)	Rs. 36 million	
Net Assets (as at 30 June 2019)	Rs. 181 million	
NAV (as at June 30 2022)	Rs. 112.93	
NAV (as at June 30 2021)	Rs. 107.57	
NAV (as at June 30 2020)	Rs. 118.44	
NAV (as at June 30 2019)	Rs. 86.21	
NAV (as at June 30 2019)	Rs. 80.89	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	Not Rated Yet	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	5.95%	
Year ended June 30 2022	1.81%	
Year ended June 30 2021	6.40%	-
Year ended June 30 2020	11.28%	-
Year ended June 30 2019	8.46%	-

### AL AMEEN ISLAMIC CASH FUND (AICF)

Al-Ameen Islamic Cash Fund - AICF (Formerly UBL ISLAMIC CASH FUND (UICF)) is an open-end Shariah Compliant Money Market Fund which aims to provide high liquidity and competitive returns to investors, while seeking maximum possible preservation of capital by investing in low risk and liquid instruments.

<b>Date of launching</b>	<b>17 September 2012</b>	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 17,194 million	
Net Assets (as at 30 June 2022)	Rs. 7,807 Million	
Net Assets (as at 30 June 2021)	Rs. 5870 million	
Net Assets (as at 30 June 2020)	Rs. 8196 million	
Net Assets (as at 30 June 2019)	Rs. 4166 million	

NAV (as at June 30 2023)	Rs. 101.01	
NAV (as at June 30 2022)	Rs. 100.789	
NAV (as at June 30 2021)	Rs. 100.62	
NAV (as at June 30 2020)	Rs. 100.51	
NAV (as at June 30 2019)	Rs. 100.33	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR- VIS)</b>	AA	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	16.34%	
Year ended June 30 2022	6.98%	
Year ended June 30 2021	6.40%	Rs. 0.26 per unit
Year ended June 30 2020	11.28%	-
Year ended June 30 2019	8.46%	Rs. 0.55 per unit

**AL-AMEEN ISLAMIC SOVEREIGN FUND (AISF)  
(Formerly UBL Islamic Sovereign Fund)**

AISF is an open-end Shariah Compliant Income Fund which aims to provide a competitive return with a moderate level of risk to its investors by investing in Shariah-compliant government securities and other shariah compliant fixed income securities / instruments. The Fund invests in both Government- issued and private Islamic debt securities including Ijarah/Sukuks, with the remainder in placements with Islamic banks, and licensed Islamic windows of conventional banks. The fund operates under the expert guidance of a renowned Shariah Advisory Board which includes Mr. Hassan Kaleem and Mr. Najeeb Khan.

**Note:** Effective from July 18<sup>th</sup>, 2012, UBL Islamic Savings Fund (UISF) is now renamed as UBL Islamic Sovereign Fund (UISF) and has been reconstituted as a Shariah Compliant Government Securities Fund under the Shariah Compliant Income Category.

<b>Date of launching</b>	7 November 2010	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 2,073	
Net Assets (as at 30 June 2022)	Rs. 2,986 Million	
Net Assets (as at 30 June 2021)	Rs. 2787 Million	
Net Assets (as at 30 June 2020)	Rs. 4,923 Million	
Net Assets (as at 30 June 2019)	Rs. 5,138 Million	
NAV (as at June 30 2023)	Rs. 101.61	
NAV (as at June 30 2022)	Rs. 108.458	
NAV (as at June 30 2021)	Rs. 101.30	
NAV (as at June 30 2020)	Rs. 101.14	
NAV (as at June 30 2019)	Rs. 101.04	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR- VIS)</b>	AA-	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	14.06%	
Year ended June 30 2022	7.36%	
Year ended June 30 2021	5.87%	Rs. 5.77 per unit
Year ended June 30 2020	9.90%	Rs. 9.91 per unit
Year ended June 30 2019	6.82%	Rs. 6.68 per unit

**AL AMEEN ISLAMIC AGGRESSIVE INCOME FUND (AIAIF)**

An open end Islamic aggressive income fund, AIAIF endeavors to provide attractive returns to its investors by investing in Shariah compliant income instruments while taking into account capital security and liquidity considerations. AIAIF invests in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term. The fund operates under the expert guidance of a renowned Shariah Advisory Board which includes Mr. Hassan Kaleem and Mr. Najeeb Khan.

<b>Date of launching</b>	20 October 2007	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 618	
Net Assets (as at 30 June 2022)	Rs. 848 Million	
Net Assets (as at 30 June 2021)	Rs. 375 Million	
Net Assets (as at 30 June 2020)	Rs. 422 Million	
Net Assets (as at 30 June 2019)	Rs. 456 Million	
NAV (as at June 30 2023)	Rs. 101.05	
NAV (as at June 30 2022)	Rs. 107.84	
NAV (as at June 30 2021)	Rs. 100.41	
NAV (as at June 30 2020)	Rs. 100.28	
NAV (as at June 30 2019)	Rs. 100.13	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	BBB+ (JCR-VIS)	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	17.98%	
Year ended June 30 2022	6.09%	
Year ended June 30 2021	4.78%	Rs. 4.66 per unit
Year ended June 30 2020	8.45%	Rs. 8.31 per unit
Year ended June 30 2019	6.52%	Rs. 6.31 per unit

#### AL-AMEEN ISLAMIC ASSET ALLOCATION FUND (AIAAF)

Al-Ameen Islamic Asset Allocation Fund (AIAAF) is a shariah compliant asset allocation scheme that offers you an opportunity to earn competitive return by investing in various shariah compliant asset classes based on market outlook

<b>Date of launching</b>	<b>10 December 2013</b>	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 833 million	
Net Assets (as at 30 June 2022)	Rs. 1,675 Million	
Net Assets (as at 30 June 2021)	Rs. 2,561 million	
Net Assets (as at 30 June 2020)	Rs. 1,877 million	
Net Assets (as at 30 June 2019)	Rs. 3,599 million	
NAV (as at June 30 2023)	Rs. 125.85	
NAV (as at June 30 2022)	Rs. 126.54	
NAV (as at June 30 2021)	Rs. 126.62	
NAV (as at June 30 2020)	Rs. 113.74	
NAV (as at June 30 2019)	Rs. 112.34	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	BBB+ (JCR-VIS)	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>

Year ended June 30 2023	7.42%	
Year ended June 30 2022	7.70%	
Year ended June 30 2021	17.07%	Rs.6.6 per unit
Year ended June 30 2020	9.81%	Rs.9.58 per unit
Year ended June 30 2019	-4.16%	-

#### AL AMEEN ISLAMIC ENERGY FUND (AIEF)

The objective of (AIEF) is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equities belonging to the Energy Sectors as defined below;

The petroleum industry, including oil and gas exploration companies, oil refiners, oil marketing, fuel transport and end-user sales at gas stations

The gas industry, including natural gas extraction, and coal mining, as well as Distribution and sales

The electrical power industry, including electricity generation, electric power distribution and sales

The coal industry as well as distribution and sales

The nuclear power industry as well as distribution and sales

The renewable energy industry, comprising alternative energy and sustainable energy companies, including those involved in hydroelectric power, wind power, and solar power generation, and the manufacture, distribution and sale of alternative fuels.

<b>Date of launching</b>	13 December 2019	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 534 million	
Net Assets (as at 30 June 2022)	Rs. 542 Million	
Net Assets (as at 30 June 2021)	Rs. 448 Million	
Net Assets (as at 30 June 2020)	Rs. 233 Million	
Net Assets (as at 30 June 2019)	-	
NAV (as at June 30 2023)	Rs. 88.50	
NAV (as at June 30 2022)	Rs. 86.11	
NAV (as at June 30 2021)	Rs. 92.79	
NAV (as at June 30 2020)	Rs. 80.41	
NAV (as at June 30 2019)	-	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	Not Rated Yet	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	1.68%	
Year ended June 30 2022	7.70%	
Year ended June 30 2021	16.91%	Rs. 1.25 per unit
Year ended June 30 2020	-19.58%	-
Year ended June 30 2019	-	-

#### AL AMEEN SHARIAH STOCK FUND (ASSF)

ASSF is an open-end Islamic Equity Fund which offers its investors an opportunity to invest in a portfolio of Shariah compliant equity stocks. The fund seeks to maximize medium to long term returns for a given level of risk. The fund operates under the expert guidance of a

renowned Shariah Advisory Board which includes Mr. Hassan Kaleem and Mr. Najeeb Khan.

<b>Date of launching</b>	24 December 2006	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 5348 Million	
Net Assets (as at 30 June 2022)	Rs. 7,313 Million	
Net Assets (as at 30 June 2021)	Rs. 9,595 million	
Net Assets (as at 30 June 2020)	Rs. 5,967 million	
Net Assets (as at 30 June 2019)	Rs. 5,377 million	
NAV (as at June 30 2023)	Rs. 137.41	
NAV (as at June 30 2022)	Rs. 142.730	
NAV (as at June 30 2021)	Rs. 159.68	
NAV (as at June 30 2020)	Rs. 119.56	
NAV (as at June 30 2019)	Rs. 109.51	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	MFR 5-Star (JCR-VIS)	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	<b>-1.90%</b>	
Year ended June 30 2022	7.70%	
Year ended June 30 2021	33.96	Rs. 0.50 per unit
Year ended June 30 2020	10.36	Rs. 1.28 per unit
Year ended June 30 2019	-18.45	-

#### AL AMEEN ISLAMIC DEDICATED EQUITY FUND (AIDEF)

AIDEF is an Open end Shariah Compliant Fund of funds that aims to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant Equities.

<b>Date of launching</b>	<b>15 December 2015</b>	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2023)	Rs. 54 million	
Net Assets (as at 30 June 2022)	Rs. 7,313 Million	
Net Assets (as at 30 June 2021)	Rs. 32 million	
Net Assets (as at 30 June 2020)	Rs. 417 million	
Net Assets (as at 30 June 2019)	Rs. 4,657 Million	
NAV (as at June 30 2023)	Rs. 219.18	
NAV (as at June 30 2022)	Rs. 377.28	
NAV (as at June 30 2021)	Rs. 145.61	
NAV (as at June 30 2020)	Rs. 104.54	
NAV (as at June 30 2019)	Rs. 96.02	
<b>Listing</b>	<b>Pakistan Stock Exchange</b>	
<b>Fund Rating: (Credit Rating Agency: JCR-VIS)</b>	Not yet Rated	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended June 30 2023	<b>-10.76</b>	
Year ended June 30 2022	24.43%	
Year ended June 30 2021	39.29%	-
Year ended June 30 2020	8.87%	-
Year ended June 30 2019	-17.18%	-

## **INVESTMENT PLANS**

### **Mahana Munafa Plan (conventional and Shariah compliant)**

With Mahana Munafa Plan the investors will earn profit on a regular basis so that a household can be managed without cutting corners. While the investors enjoy a regular source of income, their initial investment will remain in safe hands.

The investment portfolio of the Mahana Munafa Plan (conventional) comprises one hundred per cent (100%) investment in the USIF, whereas the investment portfolio of the Mahana Munafa Plan (Shariah compliant) comprises one hundred per cent (100%) investment in the UISF.

For further information, please refer to the offering document of the Mahana Munafa Plan on the Management Company's website (<http://www.ublfunds.com.pk>).

### **UBL Children Savings Plan (UCP)**

This is a systematic investment plan designed exclusively for persons aged between 0 to 25 years that allows investors to invest regular sums of money in their account from time to time on a periodic basis, thus growing their savings and enabling them to meet their child's future needs such as education etc.

The investment portfolio of UCP comprises investment in USF and UGIF - Growth Units.

For further information, please refer to the offering document of UCP on the Management Company's website (<http://www.ublfunds.com.pk>).

## **4.3 Role of the Fund Manager of the Pension Fund Manager**

The Pension Fund Manager shall designate a Fund Manager for Al Ameen Voluntary Pension Fund – KPK who shall, use his investment experience and knowledge of pensions and based on the input from the Research Department, structure the portfolios for the individual Sub-Funds.

Additionally, the allocation exposure to the asset classes within the sub-funds offered under the Pension Fund, will be reviewed by the Investment Committee from time to time and based on the assessment of key economic indicators. The Fund Manager will, in conjunction with the Investment Committee of the Pension Fund, decide on the relative attractiveness and valuation of various investment avenues available. However, such changes shall be made within the limits set out in the Approved Investment Policy specified by the Commission.

### **Disclaimer**

The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations and the Constitutive Documents, nor shall the Pension Fund Manager (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty and the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Pension Fund

Manager shall not be under any liability therefore 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. The Pension Fund Manager shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.

#### **4.4 Obligations of the Pension Fund Manager**

4.4.1 The responsibilities of the Pension Fund Manager are to invest and manage the assets of the Pension Fund according to the provisions of the Trust Deed, the Rules, the Regulations and the provisions contained in the offering documents in good faith, to the best of its ability, and without gaining any undue advantage for itself or any Connected Persons or its officers in the best interest of the Employee(s).

4.4.2 The Pension Fund Manager shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its functions as Pension Fund Manager of the Pension Fund, howsoever designated, as if they were its own acts or omissions.

4.4.3 The Pension Fund Manager shall account to the Trustee for any loss in value of the assets of the Pension Fund caused by its negligence, reckless or willful acts or omissions.

4.4.4 The Pension Fund Manager shall maintain proper accounts and records at its principal office, to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of each of the Sub-Funds, all transactions for the account of the Sub-Funds and Contributions received by the Pension Fund and withdrawals by the Employee(s) including detail of tax penalties and withholding tax deducted at source and transfer or receipt of balances in the Individual Pension Accounts of the Employee(s) to or from other pension fund managers.

4.4.5 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 Sub-Funds, within four months of the close of each Accounting Period to the Commission, Employer and the Employee(s), and the balance sheet and income and expenditure account shall comply with the requirements of the Regulations.

4.4.6 The Pension Fund Manager shall within one month of the close of the first, and third quarter and within two months of close of second quarter of each Accounting Period, prepare and make available on its website for the Employee(s), the Employer 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 Pension Fund, and the balance sheet and income and expenditure account shall comply with the requirements of the Regulations; provided that the Pension Fund Manager may, with the prior approval of the Employer, post the said quarterly accounts on its website instead of mailing them to the Employee(s). However, it shall make the printed copy available to an Employee(s) free of cost as and when required.

4.4.7 The Pension Fund Manager shall maintain the Register and inform the Commission and Employer of the address where the Register is kept. For this purpose, it may appoint a Registrar, who shall maintain Employee(s)' records, issue statements of account and receipts for Contributions, process withdrawals and carry out all other related activities.

4.4.8 The Pension Fund Manager will appoint with the consent of the Trustee, at the establishment of the Pension Fund and upon any vacancy, the Auditor. Such auditor shall not be appointed for more than five consecutive years.

4.4.9 The Pension Fund Manager shall furnish to the Commission within one month of the close of each Accounting Period (i) particulars of the personnel (executive, research and other)

managing the Pension Fund, (ii) total number of Employee(s), (iii) total value of all Individual Pension Accounts, (iv) total Contributions for the Accounting Period (if any), and (v) such other information that may be prescribed by the Commission from time to time.

4.4.10 The Pension Fund Manager shall send an account statement as at the 30th June and the 31st December each year, within thirty days thereafter to each Employee(s), giving detail of the amounts received or withdrawn and tax deducted and 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.

4.4.11 The Pension Fund Manager may send an account statement each time when there is an activity in the Employee(s) account within seven working days of such activity and the Employee(s) may be entitled to receive any information, in respect of his account, at any time, on written application either physically or online;

4.4.12 The Pension Fund Manager shall send any other statement or certificate to the Employee(s) which may be necessary under the Rules and the Agreement.

4.4.13 The Pension Fund Manager shall furnish to the Commission and the Employer a copy of its annual report and half yearly report, together with copies of the balance sheet, profit and loss account, directors' report and auditors' report within one month of its annual general meeting and shall furnish its half yearly report to the Commission within two months of close of its half year;

4.4.14 Specify a criterion in writing to provide for a diverse panel of brokers at the time of offering of a pension fund or for any subsequent change and shall not enter, on behalf of a pension fund, into transactions with any broker that exceed twenty-five per cent or more of the brokerage or the commission payable by a pension fund in any one accounting year. Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities.

4.4.16 The Pension Fund Manager shall provide and replicate all recorded information to the trustee and shall arrange the reconciliation of these records with the Trustee and Employer on a periodic basis as may be mutually agreed between the parties or as specified by the Commission.

#### **4.5 Restrictions for Pension Fund Manager**

The Pension Fund Manager shall not:

- a) offer this Employer Pension to any other person except the Eligible Persons .
- b) 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 for such merger, acquisition or takeover;
- c) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund;
- d) Purchase from or sell any security to any connected person or employee except with the approval of its Board of Directors in writing and consent of the Trustee
- e) participate in a joint account with others in any transaction; except for placement of orders under a single Universal Identification Number (UIN) subject to mechanism approved by the



commission

- f) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund; or
- g) employ as a broker, directly or indirectly, any of its directors, officers or employees or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any broker who is a Connected Person where such transactions shall equal or exceed twenty-five per cent or more of the brokerage or commission paid by the Pension Fund in any one Accounting Period;
- h) Enter into a short sale transaction in any security.
- i) Invest in any non-shariah compliant investment avenue.

#### **4.6 Retirement or Removal of the Pension Fund Manager**

4.6.1 The Employer in pursuance of sub-rule 11 of rule 4 of the KPK Rules, may remove/terminate the Pension Fund Manager from the management of the pension fund after giving 30 days prior written notice of removal/termination to Pension Fund Manager and intimation to Trustee and Commission.

4.6.2 The Pension Fund Manager may, by giving at least 3 months' prior written notice in writing to the Employees as per the Agreement with the prior written approval of the Commission and the Employer, retire from management of the Pension Fund.

4.6.3 Where the Pension Fund Manager has given notice in accordance with Clause 4.6.2, its retirement shall be effective on the date, being within 3 months after the date of such notice, the employer, shall appoint a new pension fund manager to manage the Pension Fund.

4.6.4 The Trustee may, by giving notice in writing to the Pension Fund Manager with the prior approval of the Employer and the Commission remove the Pension Fund Manager if any of the following events have occurred:

- (a) the Pension Fund Manager has contravened the provisions of the Trust Deed in any material respect and has failed to rectify the contravention within (i) 30 days from the date of notice in writing given by the Trustee to the Pension Fund Manager regarding the contravention, such notice to be given under intimation to the Commission, or (ii) such other period as may be specified by the Commission, in respect of the subject contravention; *provided that* such notice by itself shall not be considered as an admission of contravention on part of the Pension Fund Manager who shall have the right to defend such action;
- (b) 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
- (c) a receiver is appointed over any of the assets of the Pension Fund Manager.

4.6.5 The removal of the Pension Fund Manager from management of the Pension Fund by the

Trustee under Clause 4.6.4 shall be effective on the date on which, with the approval in writing of the Commission and prior consent of the Employer subject to the condition that the Employer has appointed a new pension fund manager to manage the Pension Fund.

4.6.6 The Commission may, in exercise of its powers under the Rules, remove the Pension Fund Manager from management of the Pension Fund and appoint in its place a new pension fund manager to manage the Pension Fund in accordance with the Trust Deed and the Rules.

4.6.7 The Commission may, in exercise of its powers under the Rules, cancel the registration of the Pension Fund Manager as a pension fund manager, in which case the Pension Fund Manager, if not already removed from the management of the Pension Fund, shall stand removed from such management upon such cancellation.

4.6.8 If the Commission has cancelled the registration of the Pension Fund Manager as provided in Clause 4.4.7, the Employer shall appoint another pension fund manager to manage the Pension Fund in accordance with the Deed and the Rules.

4.6.9 Upon a new pension fund manager being appointed, the Pension Fund Manager shall 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.

4.6.10 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.

4.6.11 If so directed by the Commission, the Pension Fund Manager shall not receive any Contributions from any of the Employee(s) or make any other transaction on account of the Pension Fund as from the date of issue of the notice as referred to in Clause 4.6.1, 4.6.4 or 4.6.6 or as from the date of issue of the Commission's order in writing under Rule 6 of the Rules.

4.6.12 The Trustee shall ensure that 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, the Trustee and the new Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.

4.6.13 The Pension Fund Manager, upon termination/removal/retirement, shall continue to manage the Pension fund until the entire balance in all Individual Pension Accounts of the Employees are not transferred in the Individual Pension Accounts of the respective Employees with one or more other Pension Fund Managers. For this purpose, the Pension Fund Manager shall share the relevant data with the new Pension Fund Manager(s), in accordance with the instructions given by the Employer. Both parties shall make best efforts to complete the process for transfer of Pension Fund balances within the stipulated period.

#### **4.7 Obligations of Trustee of Pension Fund**

4.7.1 The Trustee shall comply with the provisions of the Trust Deed and the Rules when performing 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 Trust Property where such loss has been caused by negligence or any reckless or willful act and / or omission of the Trustee or of any of its directors, officers, nominees or agents.

4.7.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Employee(s). The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Pension Fund Manager, provided that the Trustee's actions and the Pension Fund Manager's requests are not in conflict with the provisions of the Trust Deed or the Rules. Whenever pursuant to any provision of the Trust Deed 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.

4.7.3 The Trustee shall take into its custody or under its control all the Trust Property, including properties of the Sub-Funds and hold the same in trust for the Employee(s) in accordance with the Applicable Law, the Rules and the provisions of the Trust Deed.

4.7.4 The Trustee shall be liable for any act or omission of any agent with whom any Investments are deposited as if they were the acts or omissions of any nominee in relation to any Investment.

4.7.5 The Trustee shall be liable for the act and omission of the lender and its agent in relation to assets forming part of the property of the Pension Fund and, where islamic financing is undertaken for the account of the Pension Fund, such assets may be registered in the lender's name or in that of a nominee appointed by the lender.

4.7.6 The Trustee shall ensure that the issue, redemption and cancellation of Units are carried out in accordance with the provisions of the Trust Deed and the Rules.

4.7.7 The Trustee shall ensure that the methods adopted by the Pension Fund Manager in calculating the values of the Units of each Sub-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.

4.7.8 The Trustee shall carry out the instructions of the Pension Fund Manager in respect of Investments unless they are in conflict with the Investment Policy, the Offering Document or the Trust Deed.

4.7.9 The Trustee shall ensure that the Investment Policy and the islamic financing limitations set out in the Trust Deed, the Rules and other conditions under which the Pension Fund was authorized are complied with.

4.7.10 The Trustee shall issue a report to be included in the annual report to be sent to Employee(s) whether, in the Trustee's opinion, the Pension Fund Manager has in all material respects managed the Pension Fund and the Sub-Funds in accordance with the provisions of the Trust Deed, 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.

4.7.11 The Trustee shall ensure that Units are not allocated until Contributions have been received.

4.7.12 The Trustee shall immediately inform the Commission under intimation to the Employer (if material), if any action of the Pension Fund Manager contravenes any provision of the Ordinance, the Act, the rules, constitutive document, offering document, guidelines, codes, circulars, directives or any other applicable laws.

4.7.13 The Trustee shall comply with the directions of the Commission given in the interest of the Employee(s).

4.7.14 The Trustee shall, from time to time appoint, remove or replace one or more Custodian(s) as an agent of the Trustee at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee;

4.7.15 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 Trust Property and all other matters relating to the Pension Fund.

4.7.16 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 and as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

4.7.17 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.

4.7.18 The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Employee(s), or in the interest of the capital market, public and Employees, 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.

4.7.19 The Trustee shall, if requested by Pension Fund Manager and may if it considers necessary for the protection of Trust Property or safeguarding the interest of Employee(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleading 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 legal fees) incurred in instituting or defending any such action shall be borne by the Pension Fund 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 the Trust Deed or the Rules.

4.7.20 The Trustee shall obtain and maintain replication of all the records of the Employee(s) maintained by the Pension Fund Manager or the Registrar, as the case may be, and shall keep the

records updated on fortnightly basis.

#### **4.8 Retirement or Change of Trustee**

4.8.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission and within a period of three months of the Trustee giving notice of its intention to retire to the Pension Fund Manager shall by a deed supplemental hereto under the seal of the Pension Fund Manager and the Trustee appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. The retirement of the Trustee shall take effect at the same time as the new trustee is appointed and the supplemental trust deed reflecting this appointment is executed. The Trustee shall ensure that accounts of the Pension Fund till the day of the appointment of the new Trustee are audited by the Auditors and the audit report is submitted within one-month time from the date of such appointment to the Commission, the newly appointed Trustee and the Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.

4.8.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Pension Fund Manager) or ceases to carry on business of trusteeship or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Pension Fund or its registration as a trustee has been suspended or cancelled by the Commission under the provisions of the Rules, the Pension Fund Manager shall forthwith by instrument in writing remove the Trustee from its appointment under the Trust Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and the Trust Deed as the new trustee.

4.8.3 The Commission after giving thirty days' notice, may remove the Trustee by order in writing on grounds of any material default or non-compliance with the provisions of the Rules or the Trust Deed, negligence of its duties or incompetence in performing its duties or if the Commission is of the opinion that the Trustee has otherwise neglected or failed to comply with any order or direction of the Commission and considers that it would be in the interest of the Employee(s) so to do; *provided that* such notice shall not per se be regarded as an admission of contravention on part of the Trustee who shall have the right to defend such notice or action.

4.8.4 The Pension Fund Manager may also remove the Trustee with the prior approval of the Commission after giving thirty days' notice if the Pension Fund Manager feels that the Trustee is charging a remuneration that is not comparable to the market norm and it would be in the interest of the Employee(s) to appoint another trustee. For this purpose, if the Pension Fund Manager, based on a firm quotation or offer received from an alternate institution (qualified to be appointed as trustee of a pension fund) determines that the remuneration being paid to the Trustee is not comparable to the market norm and that for this reason it would be in the interest of the Employee(s) to appoint another trustee on such favorable terms, it will issue a thirty days' notice of removal of the Trustee on this ground; *provided that* after receiving such notice from the Pension Fund Manager, the Trustee shall have the option to continue as trustee of the Pension Fund on such favorable terms offered by the alternate institution or to retire as trustee of the Pension Fund and notify the Pension Fund Manager accordingly. The change of Trustee shall become effective with the Commission's approval once the newly appointed trustee takes charge of all duties and responsibilities.

4.8.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver all the

documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Individual Pension Account held by or for the Trustee under any Approved Income Payment Plan to the new trustee and shall make payments to the new trustee of all sums due from the Trustee.

4.8.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto as trustee of the Pension Fund.

4.8.7 Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under the Trust Deed and the Rules, the Trustee shall remain entitled to the benefit of the terms of the Trust Deed till the removal or resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under the Trust Deed and / or the Rules.

#### **4.9 Transfer Agent/Registrar**

The Pension Fund Manager will perform duties as the Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Pension Fund Manager will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders.

#### **4.10 Auditor**

The Auditor of the Fund are:

##### **BDO Ebrahim & Co. Chartered Accountants**

*Lakson Square Building No. 1, 9th Floor, Block C Sarwar Shaheed Rd, Civil Lines, Karachi.*

4.10.1 The Pension Fund Manager shall, with the consent of the Trustee, appoint as the Auditor a firm of chartered accountants who shall be independent of the auditor of the Pension Fund Manager and the Trustee. The Pension Fund Manager may at any time, with the concurrence of the Trustee, and shall, if required by the Commission, remove the Auditor and appoint another Auditor in its place. At all times the Pension Fund Manager shall ensure that the Auditor is appointed from the panel of auditors, if any, prescribed by the Commission for this purpose. The appointment of Auditor and contents of the Auditor's report shall be in accordance with provision of the Rules and Regulations. The Auditors shall have access to the records, books, papers, accounts and vouchers of the Trust, whether kept at the office of the Pension Fund Manager, Trustee, Custodian, Transfer Agent 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. 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 Regulations.

4.10.2 The Auditors shall prepare a written report to the Employee(s) on the accounts and books of accounts of the Trust and the balance sheet, profit and loss account, cash flow statement and statement of movement in Employee(s)' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.

4.10.3 The contents of the Auditors report shall be as mentioned in the Regulations.

4.10.4 The Commission shall monitor general financial condition of the Pension Fund, and, at its discretion, may order special audit and appoint an auditor who shall not be the external auditor

of the Pension Fund, to carry out detailed scrutiny of the affairs of the Pension Fund, provided that the Commission may, during the course of the scrutiny, pass such interim orders and give directions as it may deem appropriate. On receipt of the special audit report, the Commission may direct the Pension Fund Manager to do or to abstain from doing certain acts and issue directives for immediate compliance which shall be complied forthwith or take such other action as the Commission may deem fit.

4.10.5 The Pension Fund Manager shall also appoint a Shariah Auditor for conducting an independent and objective assessment of compliance of operations with the Shariah. The existing auditor of the Fund may also act as Shariah Auditor provided that he has necessary expertise and is well-versed with the principle of Shariah. The Shariah Auditor shall issue a report annually to be included in the Annual report of the Fund. The scope of Shariah audit includes:

(1) Conducting an independent and objective assessment of compliance of operations with the Shariah principles and rules and to comply with any further conditions imposed by the Commission from time to time.

(2) The external Shariah auditor shall assess the compliance of the Shariah compliant security with financial arrangements, contracts, and transactions with the Shariah principles and rules.

(3) The external Shariah auditor shall prepare a report on the format, to be prescribed by Commission, for the board of directors giving their opinion on:

(a) the status of Shariah compliance;

(b) the risks associated with the Shariah non-compliance;

(c) the capacity and quality of the internal controls to measure, manage and mitigate the Shariah non-compliance risks;

(d) the adequacy and effectiveness of the Shariah governance framework;

(e) the level of awareness and sensitivity of the management and the board of directors in addressing the Shariah risks; and (f) any other issues deemed significant by the external auditors with respect to Shariah compliance.

#### **4.11 Legal advisor**

**Akhund Forbes Hadi, 2<sup>nd</sup> floor, Dime center, BC-4, Block 9, Kehkashan, Clifton, Karachi.**

#### **4.12 Bankers**

The bankers to the Fund may include banks as per the discretion of the Management Company to change from time to time. The Trustee shall operate the bank accounts on instruction from the Management Company.

#### **4.13 Bank Accounts**

The Trustee shall, at the request of the Pension Fund Manager from time to time, open separate Bank Accounts in Bank titled “CDC-Trustee Al Ameen Voluntary Pension Fund - KPK” , or any other as deemed necessary, at designated Bank(s) for the Pension Fund and each Sub-Fund for, inter alia, (i) receipt of proceeds of Seed Capital Units and subsequent Contributions into the Pension Fund, (ii) credit of proceeds realized on account of any transfer or withdrawal at or before retirement or re-allocation in relation to Individual Pension Accounts, and (iii) withdrawals from Approved Income Payment Plans for the Pension Fund.

The Bank Accounts shall be opened by the Trustee at such branches of Banks/ *Islamic bank or Islamic windows of conventional banks* and financial institutions approved by the Pension

Fund Manager having entity rating awarded by a credit rating agency approved by the Commission and at such locations as determined by the Pension Fund Manager, subject to compliance with Applicable Laws and after obtaining all necessary Approvals as may be required from time to time.

Notwithstanding anything in the Trust Deed, the beneficial ownership of the balances in the Bank Accounts opened by the Trustee shall vest at all times in the Employee(s) collectively.

Further on the request of the Pension Fund Manager, the Trustee shall open Sub account(s) titled:

- CDC Al Ameen Funds
- CDC Trustee Al Ameen Voluntary Pension Fund - KPK
- CDC Trustee Al Ameen Voluntary Pension Fund - KPK- Equity Sub Fund
- CDC Trustee Al Ameen Voluntary Pension Fund - KPK-Debt Sub Fund
- CDC Trustee Al Ameen Voluntary Pension Fund - KPK - Money Market Sub Fund
- CDC Trustee Al Ameen Voluntary Pension Fund - KPK- Equity Index Sub Fund

All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.

#### **4.14 Investment Facilitators**

*UBL Fund Managers* Limited shall nominate the person(s) to act as an Investment Facilitators for assisting the Eligible Person to participate in the applicable Allocation Plan. A list of Investment Facilitators is provided in Annexure E.

#### **4.15 Shariah Governance/Shariah Advisory Services**

The shariah advisor of the fund has reviewed this offering document and provided their consent dated that this offering document adhere to the principles of Shariah and nothing in the document is repugnant to/impermissible to Shariah.

##### **Shariah Advisor**

The Management Company has appointed Mufti Muhammad Hassaan Kaleem and Mufti Mohammad Najeeb Khan as the Shariah Advisor for the Fund.

The Shariah Advisor will be appointed under intimation to the Trustee for a period of three years, but may be reappointed on completion of the term. The Management Company may at any time, with prior notice to the Trustee and intimation to the Commission, terminate the Agreement with the Shariah Advisor by giving a notice as per the Agreement with the Shariah Advisor, before the completion of the term, and fill the vacancy under intimation to the Commission and the trustee. Furthermore, the agreement entered into for the appointment of the Shariah Advisor shall be furnished to the Commission.

##### **Duties and Responsibilities of Shariah Advisor**

The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable to the Trustee, the Management Company, the Unit Holders and other parties. In case of any dispute or difference of opinion regarding a Shariah opinion between the Shariah Advisor and the management w.r.t the Shariah interpretation, the matter shall be referred to the



Commission, which may refer it to any relevant forum including the Shariah Advisory Committee of the Commission.

The Shariah Adviser shall do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Adviser will then decide as to which screening criteria are relevant to be used in the context of Pakistan's capital markets and the instruments available therein, and which need to be modified/added/deleted.

The Shariah Adviser shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mould the Fund into a Shariah Compliant Investment.

The Shariah Adviser has certified that Investment Policy of the Trust is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on future research for purposes of increasing the Shariah acceptability of the Investment Policy, permission for necessary amendments of the Deed may be sought from the Commission.

The Management Company shall determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the any Fund has invested from activities not in accordance with the principles of the Shariah, and get it approved by the Shariah Adviser. All such sums shall be donated, after approval of Shariah Adviser, subject to the condition that such charity organization is not related to the Shariah Adviser, Management Company or any of their Employees.

At the end of each Annual and Semi Annual Accounting Period or such other interval as the Commission may require, the Shariah Adviser shall issue a certificate to be included in the Annual reports or such other report in respect of the Shariah compliance of the preceding year's or past operations of the Fund.

## **5. CHARACTERISTICS OF THE PENSION FUND**

### **5.1 Eligibility**

- 5.1.1 In line with the permission granted by the Commission, all Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act.2022 or an Employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.

### **5.2 Procedure for Opening Individual Pension Accounts**

- 5.2.1 The Pension Fund Manager shall be responsible for obtaining all Approvals required in connection with the Pension Fund.
- 5.2.2 An Eligible Person joining the Pension Fund must open an Individual Pension Account with the Pension Fund Manager using the Prescribed Account Opening Process through the digital portal established by the Employer which is duly integrated with the systems of the Pension Fund Manager or such other process as may be prescribed by the employer in consultation with the Pension Fund Manager.
- 5.2.3 The Pension Fund Manager shall decide, in consultation with authorized person or office of the Employer, for receiving the completed Prescribed Application Forms and Contributions from or on behalf of the Employees either in hard copy or through electronic means. Details

- of these arrangements shall be duly disclosed by the Employer to the Employees in an appropriate manner.
- 5.2.4 The Pension Fund Manager in coordination with the Employer shall ensure that Prescribed Application Forms can be obtained in either hard copy or electronic form from the Pension Fund Manager or the Employer as the case may be, the Authorized Branches of Pension Fund Manager and Investment Facilitators and/or downloaded from the Pension Fund Manager's website or Employer's Digital Portal/Platform.
- 5.2.5 Each applicant, in case of account opening through Physical Forms, shall obtain a receipt signed and stamped by an authorized officer of the Pension Fund Manager or the Employer as the case may be for acknowledging the receipt of the application and copies of other documents prescribed therein.
- 5.2.6 If an application received pursuant to this clause is found by the Pension Fund Manager to be complete and correct in all material respects, the Pension Fund Manager shall issue an acknowledgement in writing of the opening of the Employee's Individual Pension Account with the Pension Fund Manager and shall also confirm the Allocation Plan opted by the Employee with details of Sub-Funds.
- 5.2.7 The Pension Fund Manager in consultation with the Employer may decide to accept applications for opening Individual Pension account through electronic means subject to the conditions of Customer Due Diligence (CDD) / Know Your Customer Policy (KYC), specified by the Commission through notifications / circulars / Rules / Regulations, etc.
- 5.2.8 The application procedure described in Clauses 5.2.1 to 5.2.7 may be altered by the Pension Fund Manager from time to time in consultation with Employer on behalf of Eligible Person and with the approval of the Commission, where required. Such alterations shall be announced by the Pension Fund Manager from time to time through its website and the Employer through its portal/platform shall be deemed to correspondingly alter the provisions of Clauses 5.2.1 to 5.2.7 without the need to execute a supplemental offering document.

### **5.3 Contribution Procedures**

- 5.3.1 A Employee(s) and/or their employer, shall endeavor to make contribution in lumpsum or in installment, as the case may be.
- 5.3.2 The Pension Fund Manager shall send an acknowledgement of receipt of each Contribution along with a statement of account to the Employee within one week of the receipt of the Contribution or any other frequency as decided in consultation with the Employer or prescribed by the Commission from time to time.
- 5.3.3 The Pension Fund shall offer Takaful Policy to each Employee(s) (after launch of the Fund) subject to the conditions prescribed by the Employer. The premium/ contribution/ charges paid to the Takaful companies to cover the Takaful Policy may be charge to the Pension Fund.
- 5.3.4 The Pension Fund Manager may decide to accept contributions through electronic means in consultation with Employer and the Trustee.
- 5.3.5 Any alterations to the contribution procedure enunciated in Clauses 5.3.1 to 5.3.4 arising out of amendments to or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and/or the Income Tax Rules shall be announced by the Pension Fund Manager from time to time and such alterations shall be deemed to correspondingly alter the provisions of Clauses 5.3.1 to 5.3.4 without need for executing a supplemental offering document.

### **5.4 Individual Pension Accounts**

- 5.4.1 The Pension Fund Manager shall assign a distinctive/unique Customer ID to the Individual Pension Account of each Employee(s). Such unique Individual Pension Account number shall be issued in line with the criteria prescribed by the Commission.

- 5.4.2 Contributions received from or on behalf of any Employee(s) by Trustee in funds on any Business Day shall be credited to the Sub-fund(s) in accordance with Allocation Plan applicable to the Employee(s) and the Pension Fund Manager shall allocate such number of Units of the relevant Sub-Funds. The Units shall be allocated at Net Asset Value notified by the Pension Fund Manager at the close of that Business Day.
- 5.4.3 Contributions shall not be treated as having been received from or on behalf of any Employee(s) unless they are received by the Trustee in realized in the bank account(s) of the fund and only the such realized amount shall be treated as the Contribution received.
- 5.4.4 If any Contribution is received from or on behalf of any Employee(s) on a day which is not a Business Day, it will be treated as having been received on the first following Business Day.

## **5.5 Change of the Pension fund Manager/ Pension Fund**

- 5.5.1 Employee(s) shall be entitled to transfer in accordance with the terms of the Trust Deed the whole of their Individual Pension Account with the Al Ameen Voluntary Pension Fund – KPK to a pension fund managed by another pension fund manager with whom the Employer has made similar arrangements.
- 5.5.2 No change, whatsoever called, shall be deducted for any transfer of a Employee(s)'s Individual Pension Account to a pension fund managed by another pension fund manager.
- 5.5.3 The Pension Fund Manager shall use the funds received and realized on for the account of a Employee(s)'s Individual Pension Account from a pension fund managed by another pension fund manager to purchase such number of Units of the relevant Sub-Funds as is determined in accordance with the Trust Deed and the Units shall be purchased at Net Asset Value notified at the close of the Business Day on which such realized funds are received by the Trustee.
- 5.5.4 If an Employee(s) desires to transfer his Individual Pension Account, the Employee(s) shall specify in an application given to the Pension Fund Manager and copy to the Employer, the name of the new pension fund manager, the name of the new pension fund, the individual pension account number with the new pension fund manager and the Units or Amount held in the Employee(s)'s Individual Pension Account to be transferred. The application shall be given in a form prescribed by the Pension Fund Manager in consultation with the Employer through this Offering Document.
- 5.5.5 The transfer of individual Pension account from one Pension Fund Manager to another Pension Fund Manager or from one Pension fund to another Pension fund shall only take place as per discretion of the Employee(s) and the notice for the change of the Pension Fund Manager or Pension fund, shall be sent by the Employee(s) to the Employer at least seven working days before the effective date of the proposed change and the Pension Fund Managers shall record such transactions as transfer in the statement of account of the Employee(s). For this purpose, the units shall be encashed at the net asset value of each sub-fund notified on the working day prior to the date of transfer.
- 5.5.6 The transferred amount shall be used to purchase the units of the sub-funds of the pension fund maintained by the new Pension Fund Manager at the net asset value notified at the close of the working day, of the receipt amount, on such percentage according to the applicable allocation policy.
- 5.5.7 In the event the Commission cancels the registration of the Pension Fund Manager as a pension fund manager or discontinues the authorization of the Pension Fund, in each case in accordance with the Rules and other Applicable Laws, the Pension Fund Manager shall, as soon as practicably possible thereafter, transfer the Individual Pension Accounts of the Employee(s) to pension funds managed by other pension fund managers as selected by the Employee(s) or as directed by the Commission or Employer.

**5.6 Register of Employees**

- 5.6.1 The Pension Fund Manager shall perform the Registrar Functions directly or it may appoint a Registrar for such purpose, but in each case the responsibility for performing the Registrar Functions shall be that of the Pension Fund Manager itself. Where the Pension Fund Manager appoints a Registrar for performing the Registrar Functions, the Pension Fund Manager shall ensure that the Registrar complies with all relevant provisions of the Trust Deed and the Rules.
- 5.6.2 The Pension Fund Manager or, as the case may be, the Registrar shall maintain the Register at their respective registered office.
- 5.6.3 The Pension Fund Manager shall maintain a register of Employees of the pension fund and inform the Commission, the trustee and the Employer of the address where the register is kept.
- 5.6.4 The Pension Fund Manager shall or shall ensure that the Registrar shall at all reasonable times during Business Hours give the Trustee and the Employer or their representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without any charge. The Commission may however at any time inspect, remove or take possession of the register without any prior notice.
- 5.6.5 The Registrar shall, within seven working days of receiving a written request from any Employee, give to such Employee (whether by post, courier or through electronic means) details of such Employee's account in the Register. Such service shall be provided free of charge to any Employee so requesting once in any financial year. The Pension Fund Manager may, with the approval of Employer, prescribe charges for servicing any additional requests. The Pension Fund Manager may, with the approval of the Commission, prescribe charges for servicing any additional requests which shall be disclosed through Supplementary Offering Document.
- 5.6.6 The Register shall, in respect of each Employee, shall contain the information required by or under the Rules, the Guidelines and such other information as may be specified by the Commission from time to time or required by the Pension Fund Manager and the Employer which at the minimum, may contain the following information:
- a) Registration Number;
  - b) Individual Pension Account Number;
  - c) Full names, father's name, residency status, CNIC number (in respect of Pakistani Nationals)/ NICOP number (in respect of Overseas Pakistanis), National Tax Number (NTN) if applicable and address of the Employee;
  - d) If Employee is registered through employer, the Individual Pension Account Number will be linked to an Employer Account that will contain the following:
    - i. Employer name;
    - ii. Registered Address;
    - iii. NTN;
    - iv. Number of Employees contributing in VPS; and
    - v. Telephone Number & Email Addresses.
  - e) Date of Birth and Gender of the Employee;
  - f) Complete record of the amount and date of each contribution paid by the Employee;
  - g) Complete record of the amount and date of each contribution paid by the Employer;
  - h) Date and Amount of the incoming and the outgoing transfers;
  - i) The number of Sub-Funds Units Allocated and Standing in the name of the Employee in the Individual Pension Account or Approved Income Payment Plan balances;
  - j) The date on which the name of every Employee(s) was entered in respect of the Sub-Fund

- Units standing in his/ her name;
- k) Tax/ Zakat status of the Employee(s);
  - l) Next of Kin;
  - m) Record of Specimen signatures of the Employee(s);
  - n) Information on retirement of the Employee(s) and the payments made or to be made;
  - o) Information on death and transfer of account to heirs; and
  - p) Such other information as may be specified by the Commission, the Employer or Pension fund Manager may require.

5.6.7 The Register shall be conclusive evidence as to the Units of Sub-Funds held in a Employee(s) Individual Pension Account or balances of the Employee(s) Approved Income Payment Plan.

5.6.8 Any change of address or status of any Employee(s) shall forthwith be notified in writing to the Registrar who, upon being satisfied with the supporting evidence provided therefore, shall update the Register with the change.

5.6.9 The Employee(s) or his successors (in case of death of the Employee(s)), as the case may be, shall be the only persons to be recognized by the Trustee, the Employer, the Pension Fund Manager and the Registrar as having any right, title or interest in or to the Units held by the Employee(s) and the Trustee, the Pension Fund Manager and the Registrar may recognize the Employee(s) 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 any court of competent jurisdiction.

5.6.10 Upon being satisfied that any Contribution has been received and realized by the Trustee from Employer on behalf of the Employee(s), the Registrar shall, within one week (seven days) of the receipt of the Contribution, issue a receipt therefor together with an account statement, either physically or electronically, that shall constitute evidence of the number of Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan balances registered in the name of the Employee(s) and shall contain such other information as may be prescribed by the Commission/ Employer from time to time.

5.6.11 While making payment of the benefits from the Pension Fund to any Employee(s), the Pension Fund Manager shall ensure that adequate description of the reasons for the payment (for example, retirement, disability, death benefit) is mentioned in the Register.

5.6.12 The Pension Fund Manager shall ensure that the information on the Register shall remain accessible for three years after the last amount in relation to the Pension Fund payable to the Employee(s), to any other pension fund manager nominated by the Employee(s) to which the Individual Pension Account has been transferred or to any heirs or nominated survivors of the Employee(s), has been paid.

## **5.7 Date of Retirement**

5.7.1 Retirement age of an Employee shall be such date as prescribed by the Employer.

The Pension Fund Manager shall send a notice to an Employee under intimation to the Employer at least thirty days before the chosen date of retirement informing him/her the options available to him/her on retirement. The notice should be sent physically on the mailing address as well as electronically on email or cellular phone number.

In case of contribution made by the Employer on behalf of Employees, the Retirement Date of each Employee shall be the Date of Retirement confirmed by the Employer in writing in accordance with the term of employment with each Employee.

- 5.7.2 If an Employee suffers from any of the following disabilities, as mentioned in VPS Rules, 2005, which render the Employee unable to continue any employment and the Employee may, so elects, be treated as having reached the retirement age at the date of such disability and all the relevant provisions shall apply accordingly namely:
- (a) loss of two or more limbs or loss of a hand and a foot;
  - (b) loss of eyesight;
  - (c) deafness in both ears;
  - (d) severe facial disfigurement;
  - (e) loss of speech;
  - (f) paraplegia or hemiplegia;
  - (g) lunacy;
  - (h) advanced case of incurable disease; or
  - (i) any injury or disease resulting in a disability due to which the Employee is unable to continue any work or generate any income.

Subject to the requirement of the Rules, the Employer shall confirm any disability specified in Clause 5.7.2 happened with any Employee along with the mode of disbursement to such Employee. A doctor's assessment certificate confirming the said disability shall also be required to be submitted to the Pension Fund Manager.

## **5.8 Benefits on Retirement**

On the date of retirement of an Employee or, if such date is not a Business Day, on the first Business Day following the date of retirement all of the Units held by him in his Individual Pension Account shall be redeemed at Net Asset Value of each Unit notified at close of that day and the proceeds realized thereby shall be credited to his Individual Pension Account in the lower volatility scheme, which shall earn the rate of profit paid to depositors for deposits of a similar maturity by an Islamic Bank (or Islamic windows of conventional banks) selected by the Pension Fund Manager in its discretion. The Employee shall then have the following options, namely:

- (a) withdraw up to 20% of the accumulated balance or such amount from his Individual Pension Account as specified in the KPK Rules; and
- (b) to use the remaining amount to purchase an annuity from Insurance /Takaful Company or to subscribe to a Pension Annuity Fund as approved by the Commission, as the case may be, of his choice; or
- (c) to enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount in monthly installments according to an income payment plan approved by the Commission with a minimum tenure of at least 20 years or such other period as prescribed by the Employer. Details of the Approved Income Payment Plan are disclosed in this Offering Document of the plan.
- (d) the transfer of an individual income payment plan account from one Pension Fund Manager to another Pension Fund Manager or from one income payment plan to another income payment plan shall only take place once in a financial year and notice for the change, specifying the name of new Pension Fund Manager and the income payment plan shall be sent by the Employee at least seven working days before the effective date of the proposed change.

(e) At the expiry of the Approved Income Payment Plan according to clause (c) above, the Employee shall have option to use the outstanding balance in his/her Individual Pension account to purchase an Approved annuity plan from an Insurance/Takaful Company, or to subscribe to the Pension Annuity Fund of his/her choice and/or buy an Approved income payment plan for another term and/or to withdraw the amount from his/her account subject to the conditions laid down in the Income Tax Ordinance, 2001. According to the rules, the annuity purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, and investment -linked and retail price index linked or with any additional features as may be offered by the Insurance/Takaful Companies.”

## **5.9 Withdrawal of Funds before Retirement**

5.9.1 On any Business Day and from time to time before the date of retirement an Employee may withdraw from his balance in the Employee Individual Pension Account, subject to KPK Rules, where such withdrawal shall be subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001). The withdrawals may be liable to withholding tax or tax penalty, and in case any such liability exists the amount of withholding tax or tax penalty shall be deducted by the Pension Fund Manager from the amount withdrawn and such deducted amount shall be paid to the relevant Authority. Moreover, if so prescribed by the Employer, such withdrawal may also result in withholding of the future contributions by the Employer or such other repercussions as prescribed by the Employer.

***Employee(s) must understand that as per existing provisions of KPK Rules, in case an Employee withdraws any amount from his Individual Pension Account before attaining the retirement age; the employer shall stop making employer’s contributions in the subject Individual Pension Account and shall not resume such contributions until the Employee deposits the withdrawn amount, along with an additional amount equal to one percent (1%) of the withdrawn amount for every completed month, since the date of withdrawal, in his Individual Pension Account.***

5.9.2 Where the request made by an Employee under Clause 5.9.1 is for partial withdrawal from his Individual Pension Account, the request shall be given effect to by redemption of Units of Sub-Funds in such proportion that the remaining balance in his Individual Pension Account is in accordance with the Allocation Scheme last applicable for the Employee(s).

5.9.3 If an Employee intends to withdraw funds from his Individual Pension Account before the date of his retirement, he must give written notice of his intention to the Pension Fund Manager in the form prescribed for such purpose by the Pension Fund Manager, with copy to Employer, specifying therein whether the withdrawal is required of the whole or part of the Units held by him, and in the case of part withdrawal, the percentage of Units to be withdrawn.

5.9.4 The Pension Fund Manager shall ensure that the withdrawal/redemption form referred to in Clause 5.9.3 shall be available from Authorized Branches of Pension Fund Manager or on its official website and Employer Platform/Portal. Such form shall, if completed by the Employee and submitted to any Authorized Branch of Pension Fund Manager, shall be taken to be the notice to the Pension Fund Manager referred to in that Clause 5.9.3.

5.9.5 On any Business Day being not later than the sixth (6th) Business Day after the Employee submitted the completed form to any Authorized Branch under Clause 5.9.3, the Pension Fund Manager shall, subject to Clause 5.9.2, redeem the relevant number of Units held by Employee in his Individual Pension Account at Net Asset Value notified at close of the day on which the Employee

submitted the completed form as aforesaid or, if such day is not a Business Day, on the first Business Day following that day and the proceeds realized thereby shall be paid to the Employee subject to Clause 5.9.1.

5.9.5 The provisions relating to withdrawal of funds before the date of retirement set out in Clauses 5.9.1 to 5.9.5 may change due to amendments in or substitutions of the KPK Rules, the Rules and/or the Income Tax Ordinance, 2001. Any such changes shall be deemed to become part of this Offering Document without the need for executing supplemental Constitutive Documents.

#### **5.10 Benefits on Death before Retirement**

5.10.1 In case of death of an Employee before the date of retirement, all the Units of the Sub-Funds to his credit shall be redeemed at Net Asset Value notified at close of the day on which information of the Employee's death is given in writing to the Pension Fund Manager by any nominee, executor, administrator or successor of the deceased Employee or, if such day is not a Business Day, the first Business Day following such day, and the proceeds realized thereby shall be credited to the Employee's Individual Pension Account in the lower volatility scheme, which shall earn the rate of profit paid to depositors for deposits of a similar maturity by a Bank selected by the Pension Fund Manager in its discretion or invest/ transfer in the Money Market sub-fund.

5.10.2 The total amount in the Individual Pension Account of the deceased Employee shall be divided among the survivor(s) or successors of the Employee according to the percentages specified in the succession certificate or as may be ordered by the court, and each successor shall then have the following options, namely:

- (a) withdraw his share of the amount subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001);
- (b) in accordance with the Rules, transfer his share of the amount into his own individual pension account with the pension fund manager of his/her choice or his/her new individual pension account or his income payment plan to be opened with the Pension Fund Manager of his/her choice;
- (c) if he is aged fifty-five (55) years or more, use his share of the amount to purchase an Approved Annuity Plan on his life from an Insurance / Takaful Company or
- (d) if he is aged less than fifty-five (55) years, use his share of the amount to purchase a deferred Approved Annuity Plan on his life from an Insurance / Takaful Company, to commence when he reaches the age of fifty-five (55) years or later.
- (e) Payments at (c) and (d) above will be made directly by the Trustee to the Insurance/Takaful Company without tax deduction on the instruction of the Pension Fund Manager."

5.10.3 Death benefits paid to successors of an Employee under any group life cover taken out by the Employee as part of the Pension Fund shall be additional benefits payable to the successor(s).

5.10.4 After an Employee's death the only persons recognized by the Trustee and the Pension Fund



Manager as having title to the Sub-Fund Units held in the deceased Employee's Individual Pension Account shall be the executors, administrators or successors of the deceased Employee.

5.10.5 Any person or persons becoming entitled pursuant to Clause 5.10.4 to any Sub-Fund Units in consequence of the death of any Employee may, subject as hereinafter provided, upon producing such evidence as to his title as the Trustee and Pension Fund Manager shall think sufficient, exercise rights under Clause 5.10.2; provided that the Pension Fund Manager or the Trustee shall not be liable or be involved in any manner whatsoever in any disputes among such executors, administrators or successors and/or the rest of the legal heirs or the legal representatives of the deceased Employee; provided further that all the limitations, restrictions and provisions of this Offering Document related to withdrawal of funds before retirement shall be applicable to withdrawals pursuant to Clause 5.10.2(a).

### **5.11 Instructions from Employee(S)**

All the instructions from a Employee or his, executors, administrators or survivors with regard to this Pension Fund shall be in writing.

### **5.12 Allocation Scheme**

5.12.1 The Pension Fund Manager shall offer Allocation Scheme to the Employees Employee according to their risk/return and age requirements, through Sub-Funds of the Al Ameen Voluntary Pension Fund – KPK managed by the Pension Fund Manager. The risk profile of each Allocation Scheme shall be dependent on the percentage allocation of that Scheme in the various Sub Fund. Each Allocation Scheme being offered can have exposure to the following sub-Funds:

- (a) Al Ameen Voluntary Pension Fund – KPK Pension Fund - Equity Sub Fund;**
- (b) Al Ameen Voluntary Pension Fund - KPK - Debt Sub Fund; and**
- (c) Al Ameen Voluntary Pension Fund - KPK - Money Market Sub Fund**
- (d) Al Ameen Voluntary Pension Fund - KPK - Equity Index Sub Fund**

The Contributions received from any Employee shall be allocated amongst the Sub-Funds in accordance with the Allocation Scheme selected by the employee or default allocation scheme as laid in the Second and third schedule respectively (in terms of proviso of rule 5(d)(ii)) of the selected by the Employee KPK Rules. The Employee 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 of Individual Pension Account. The Employee may change the Allocation Scheme as and when required till retirement. Form for the change in Allocation Scheme must be sent by the Employee in writing or in such other form as may be acceptable to the Pension Fund Manager.

5.12.2 The Pension Fund Manager is offering the following Allocation Scheme to allocate the Contributions received from the Employees in the Sub-Funds:

#### **(a) Life Cycle Allocation Scheme**

This Allocation Scheme provides the Employees with an option to allocate their contributions in a pre- planned allocation strategy as per their age. The younger the Employee, the higher the allocation towards equity market due to his/ her risk-taking ability with reference to long term horizon.

Age	Equity Index Sub-Fund	Equity Sub Fund	Combined Exposure to Equity	Debt / Money Market Sub-Fund
For the period of 3 years from date of account opening	0%	0%	0%	100%
Up to 30 years	Max 50%	Max 25%	Max 50%	Min 50%
Upto 40 years	Max 40%	Max 20%	Max 40%	Min 60%
Upto 50 years	Max 30%	Max 15%	Max 30%	Min 70%
Upto 60 years	Max 20%	Max 10%	Max 20%	Min 80%

The exact exposure to each Sub Fund within the Allocation Scheme would be decided by the Employee at time of account opening and may be changed at any time at the discretion of Employee subject to age limits prescribed under KPK Rules.

**(b) Default Asset Allocation Scheme**

In the event no choice is made by the Employee, a Pension Fund Manager, keeping in view the profile and age of the Employee, shall allocate the Contributions to the default Asset Allocation Scheme as follows

Age	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub Fund	Money Market Sub-Fund
For the period of 3 years from date of account opening	0%	0%	0%	100%
Up to 30 years	30%	10%	30%	30%
Upto 40 years	20%	10%	30%	40%
Upto 50 years	15%	5%	20%	60%
Upto 60 years	10%	0%	10%	80%

- 5.12.3 Currently, as per the arrangement between Employer and Pension Fund Manager, the Employees are allowed to choose in accordance with Life Cycle Scheme as given in clause (a) above or in the event no choice is made by the Employee the Pension Fund Manager shall allocate his contribution to the Default Asset Allocation Scheme as given in clause (b) above. At a later stage, Employees may be given option to choose other Allocation schemes subject to approval by Employer.
- 5.12.4 If Pension Fund Manager want to provide additional allocation schemes or products, it may do so subject to the approval of the Commission.
- 5.12.5 The Employee shall have the option to change selection of Allocation Scheme to another Allocation Scheme being offered by the Pension Fund Manager as and when required till retirement. However, under KPK Rules, for the first three years of contribution by or on behalf of the employee, such contribution shall remain invested in money market sub-fund.
- 5.12.6 The form for the change in Allocation Scheme shall be provided to the Pension Fund Manager by the Employee 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 to the new selected Allocation Scheme.

- 5.12.5 As a part of the Prescribed Application Form, each Employee shall provide an undertaking that Employee has no objection to the investment/allocation policy determined by the Employer or the Commission and offered by the Pension Fund Manager and Employee is fully aware of the associated risks of Allocation Scheme.

### **5.13 Allocation among the Sub-Funds**

- 5.13.1 Each Employee will in turn be the holder of Units of the Sub-Funds in proportions determined in accordance with the applicable Allocation Scheme for the Employee.
- 5.13.2 The Pension Fund Manager shall manage the equity allocation within the prescribed limits of the scheme using various investment management tools. Increase or decrease in allocation to the Debt Sub Fund (normally higher-yielding than money market investments) in preference to the Money Market Sub Fund (normally lower risk and lower return investments) will be based on anticipated profit rates movements and risk-reward profile of underlying debt instruments.

Provided that the Pension Fund Manager is permitted to place the seed capital i.e. Rs. 0.5 million of each Equity, Equity Index and Debt sub-funds in separate bank accounts instead of compliance with the Investment Policy prescribed in the Circular No. 12 of 2021 dated April 06, 2021 for the first three years from the date of launch of the Pension Fund.

- 5.13.3 The Pension Fund Manager will make reallocation of the Sub-Fund Units between the Sub-Funds at least once a year after three years from the date of initial contribution by an Employee to ensure that the allocations of Sub-Fund Units of all the Employees are according to the percentages selected by the Employees or deemed to be selected by the Employees.
- 5.13.4 All Employees of the Pension Fund will, in turn, be holders of Units of the Sub-Funds in various proportions.

### **5.14 Allocation Policy**

- 5.14.1 An Employee has the option to select any of the applicable Allocation Scheme as per the KPK Rules in relation to the Contributions and shall make such selection at such date as may be prescribed. For the first three years from the date of opening of the Employees' Individual Pension Account (regardless of age); 100% contributions shall be allocated to the Money Market Sub Fund. An Employee may change any Allocation Scheme selected in relation to his/her Contributions to a different Allocation Scheme selected by him by sending Form of the change to the Pension Fund Manager through the Employer as per the Allocation Policy prescribed by the Employer and approved by the Commission.
- 5.14.2 The number of Units of any Sub-Fund purchased out of Contributions made by any Employee shall be determined in accordance with the Allocation Scheme selected by the Employee.
- 5.14.3 The Pension Fund Manager may assist an Employee in the selection of a suitable Allocation Scheme but the final decision and responsibility as to which Allocation Scheme to choose shall lie with the Employee.
- 5.14.4 The Pension Fund Manager or the Registrar in coordination with the Employer shall ensure a built-in mechanism to facilitate the changes in asset allocation automatically between the Sub-Funds within the limits of the Prescribed Allocation Policy as and when required by the Pension Fund Manager.

- 5.14.5 If any Employee fails to select an Allocation Scheme at the date of opening Individual Pension Account, the Pension Fund Manager shall allocate Contributions of the Employee as per clause 5.12.2 of this Offering Document.
- 5.14.6 The Default Allocation Scheme mentioned in above sub-clause, shall then be deemed to be an Employee's selected Allocation Scheme in the event that the Employee fails to select an Allocation Scheme at the date of opening Employee Individual Pension Account.  
Employee
- 5.14.7 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 Employee, no sum shall pass to any trustee or person acting on behalf of Employee creditors.
- Provided that the individual Pension account can be subject to pledge, lien or encumbrance against the loan or advance given by the employer to the employee.
- 5.14.8 Each Employee shall provide an undertaking when establishing their Individual Pension Account or when selecting or deemed to be selecting an Allocation Scheme that they have no objection to the Investment Policy and the Approved Allocation Policy and that they are fully aware of the risks associated with the Allocation Scheme selected by them.
- 5.14.9 The criteria of allocations may be subject to changes and modifications from time to time in accordance with the changes prescribed by the Employer or the Investment Policy and the Prescribed Allocation Policy. All such changes shall be announced through Supplementary Offering Documents
- 5.14.10 The Employee(s) for the first three years shall only use Money Market Sub Fund for his/her allocation scheme; subsequently this allocation may be changed at Employee instruction as per life cycle allocation scheme or in case no instruction after the first three years then on the basis of Default Allocation Scheme.

#### **5.15 The Method of Determining Net Assets value of the Pension Fund**

Net Assets of the Pension Fund will comprise of the Net Assets of all the Sub Funds, Individual Pension Account, Approved Income Payment Plan, and any other assets in any other account related to the Pension Fund.

Net Asset Value of the Unit of each Sub-Fund shall be calculated on the basis of the Sub Fund's total Net Asset divided by the number of outstanding Units in that Sub-Fund.

**NET ASSET VALUE OF SUB FUNDS:** Net asset value in relation to a Sub-Fund means the excess of total value of assets over total value of liabilities of the Sub -Funds. The values of assets and liabilities will be computed in the manner specified in the Rules or as may be specified by the Commission from time to time. Such sum shall be rounded off to the nearest four decimal places.

#### **5.16 Frequency of Valuations of the Net Assets value and Dealings etc;**

- 5.16.1 The valuation of the Sub-Fund Units will be carried out on each Business Day and any other day determined by the Pension Fund Manager.
- 5.16.2 The valuation shall be conducted as at the close of a Business Day.
- 5.16.3 Contributions from Employees and requests for withdrawals and transfer to other pension fund manager will be received on all Business Days.

**5.17 Unit Pricing and the Circumstances under which it can Change**

- (a) Units of the Sub-Funds will be priced at Net Asset Value per Unit determined at the close of the Business Day as per criteria given in the Rules and amendment therein from time to time.
- (b) Unit pricing may change from time to time subject to change in Rules without any need to register the supplementary Constitutive Documents.

**5.18 The Mode of Announcement of Net Asset Value and unit price**

The Net Asset Value of Units determined by the Pension Fund Manager shall be made available to the eligible persons at office of the Pension Fund Manager. The Pension Fund Manager shall make it available on its website and communicate to the Employer for its dissemination on Employer's portal/platform.

**5.19 Payment of Proceeds on Withdrawals and Transfers**

5.19.1 Payment of proceeds on withdrawals and transfers shall be determined as per the Rules and the Income Tax Ordinance, 2001.

5.19.2 The amount payable on withdrawal shall be paid to the Employee or, in accordance with the constitutive documents, to Employee's successors, executors, or administrators by crossed cheque, pay order, banker cheque or transfer to their designated banker or Insurance Company or the Pension Annuity Fund, as the case may be, provided that the documents are complete and have been found as satisfactory, not later than the sixth (6th) Business Day from the date of presentation of the duly completed "Early withdrawal Form" at any Authorized Branch.

5.19.3 On receiving the Early Withdrawal Form mentioned in above sub clause, complete in all respects, the Pension Fund Manager will withdraw the required Units of the Sub-Funds equal to the requested withdrawal amount at the Net Asset Value prevailing on the close of the Business Day on which the request was received.

5.19.4 In the event of notification of death, or retirement (through notice), the Pension Fund Manager shall automatically withdraw all the Units from the Sub-Funds of the respective Employee on the close of the Business Day at which the date of retirement falls or death of an Employee has been notified. The proceeds of Units redeemed will be credited to the Employee's Individual Pension Account. The Employees or their successors, executors, or administrators, as the case may be, shall be entitled to withdraw amounts from the Pension Fund in accordance with the provisions of the Trust Deed, the Rules and any circulars and notices.

5.19.5 The transfer of individual pension account from one Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund as per the discretion of the Employee and the notice for the change of the Pension Fund Manager or pension fund, specifying the name of the new Pension Fund Manager or the pension fund shall be sent by the Employee at least seven working days before the effective date of the proposed change.

5.19.6 Employees may make transfer requests, by filling the "Change of Pension Fund Manager/Pension Fund Form" and submitting the same with any authorized Distributor or designated offices of the Pension Fund Manager.

5.19.7 On receiving a transfer request application mentioned in above clause, complete in all respects, the Pension Fund Manager shall redeem all Units of the Sub-Funds in the Individual Pension Account of the respective Employee and shall transfer the requisite encashed/ with draw amount to the requested pension fund/pension fund manager.

- 5.19.8 For the purposes of purchasing (issuance) and withdrawing (encashment) of Units of the respective Sub Fund, the Pension Fund Manager shall announce the Net Asset Value of each Sub-Fund at the close of each Dealing Day.
- 5.19.9 The Pension Fund Manager and Registrar shall verify the particulars given in the applications for withdrawals and transfers.
- 5.19.10 In the event that any withdrawal request or request to transfer the whole or any part of a Employee's Individual Pension Account is incomplete in any respect, the Pension Fund Manager or the Registrar shall inform the Employee of the discrepancies within one week of the receipt of the request. The payment shall not be made unless all discrepancies have been removed.
- 5.19.11 In the event requests for transfer or withdrawal from the Pension Fund would result in withdrawal of Units on any day in excess of ten per cent (10%) of the issued Units of any Sub-Fund, the transfer or withdrawal requests so in excess may be deferred in accordance with the procedure set out in clause 5.23 of this Offering Document.
- 5.19.12 The receipt of a Employee or, in accordance with the Constitutive Document, of the Employee executors, administrators or successors, or banking documents showing transfer to the Employee or, in accordance with the Constitutive Document, to the Employee executors, administrators or successors, or in accordance with their instructions to any designated banker, Insurance/Takaful Company or another pension fund, as the case may be, or proof of issue of a cheque and its mail to the Employee's or, in accordance with the Constitutive Document, to the Employee executors', administrators' or successors' address for or of any moneys payable in respect of the Employee's Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager in respect of such moneys.
- 5.19.13 The method for payment of proceeds shall be subject to change due to any changes prescribed by the Commission under the Rules and such changes shall be deemed to become part of the Constitutive Document without the need to execute any Supplementary Offering Document.
- 5.19.14 The Pension Fund Manager may avail financing from any Bank; with the consent of the Trustee for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such financing shall not exceed limits provided in the Rules.

## **5.20 Withholding Tax**

The Trustee on the advice of the Pension Fund Manager shall withhold any tax or tax penalty from payments to the Employees or, in accordance with the Constitutive Document, to their executors, administrators or successors, as the case may be, applicable under the Income Tax Ordinance, 2001 and shall deposit the same in the Government treasury under intimation to the Employer.

## **5.21 Dealing, Suspension, and Deferral of Dealing**

### **5.21.1 Temporary Change in the Method of Dealing 'Or' Suspension of Dealing**

Under the circumstances mentioned in the Offering Document, the Pension Fund Manager may request the Trustee to consent to a temporary change in the method of dealing in Units of all or any of the Sub-Funds. The Pension Fund Manager may, at any stage with the consent of the Trustee and intimation to the Commission and Employer, suspend the dealing of Units and for such periods it may so decide. Such suspension shall be immediately communicated to the Employees through publication on the website of Pension Fund Manager.

### **5.21.2 Suspension of Fresh Issue of Units**

The Pension Fund Manager may, with consent of the Trustee and under intimation to the Commission and Employer, at any time, subject to the Rules, suspend acceptance of all or any class of Contributions and suspend the issue of fresh Units in relation to such Contributions; provided that any such suspension shall not affect making of Contributions by the existing Employee.

#### **5.21.3 Refusal to Accept the Contributions**

The Pension Fund Manager may at any time refuse to accept any Contribution in any of the following cases:

- (a) In case the contribution is contrary to the Know-Your-Customer (KYC) rules or policy of the Pension Fund Manager or any other Applicable Laws relating to money laundering that the Pension Fund may be subject to or that the Pension Fund Manager may frame for self-regulation;
- (b) In case the contribution is made by an applicant who has not provided a valid CNIC or NICOP Number;
- (c) If accepting the contribution would in any case be contrary to the interests of the Pension Fund Manager or the Pension Fund or the Employee; or
- (d) If advised by the Employer/Commission to do so.

#### **5.21.4 Suspension of withdrawal of Units/ Withdrawal of Funds**

The Pension Fund Manager may with the consent of the Trustee and intimation to the Commission and Employer suspend withdrawal from any of the Sub Funds, subject to the Rules at any time during:

- (a) Extraordinary circumstances including war (declared or otherwise), natural disasters, a major breakdown in law and order, breakdown of the communication system, closure of Stock Exchange on which any of the Securities invested in by the Pension Fund are listed, closure of banking system or strikes or other events that render the Pension Fund Manager unable to function;
- (b) 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 interests of the Pension Fund or of the Employees;
- (c) Break down in the means of communication normally employed in determining the price of any Investment; or
- (d) When remittance of money cannot be carried out in reasonable time and if the Pension Fund Manager is of the view that it would be detrimental to the remaining Employees to with draw Units at a price so determined in accordance with the Net Asset Value (NAV); and
- (e) Execution of withdrawal of Units on any Dealing Day would result in more than ten percent (10%) of the issued Units of any Sub-Fund being with draw; provided that any suspension or deferral of withdrawal of Units shall not affect any Approved Income Payment Plans.

The Pension Fund Manager may announce, with the consent of the Trustee and intimation to the Commission and the Employer, a suspension or deferral of withdrawal and such a meas-

ure shall be taken to protect the interest of the Employees in the event of extraordinary circumstances or in the event withdrawal requests accumulate in excess of ten (10) per cent of the Units of the pertinent Sub-Fund in issue or ten (10) per cent of the pertinent Sub-Fund's NAV. In the event of a large number of withdrawal requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Pension Fund Manager may decide to wind up the Pension Fund by transferring the assets and records to another Pension Fund Manager with the Prior consent of the Employer and approval of the Commission.

Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Pension Fund Manager have ceased to exist and no other condition under which suspension or queue system is authorized under the Constitutive Documents exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Pension Fund Manager shall immediately notify the Commission, the Employer and the Trustee and also inform to Employees through its website.

## **5.22 Queue system**

If the Pension Fund Manager suspends or defers the withdrawal of Units of any Sub Fund, the Pension Fund Manager shall invoke a queue system whereby withdrawals initiated for the affected Units shall be processed on first come- first-served basis for such of the affected Units as do not exceed ten percent (10%) of the issued Units of the relevant Sub-Fund. Where it is not practical to determine the chronological ranking of any initiated withdrawals in comparison to other withdrawals initiated on the same Business Day, such initiated shall be processed on a proportional basis proportionate to the size of each initiated withdrawal. Withdrawals of Units in excess of 10% of the issued Units of the relevant Sub-Fund shall be treated as initiated on the next Dealing Day; provided that if the carried over withdrawals or the carried over withdrawals together with the fresh withdrawals initiated on such next Dealing Day together exceed ten per cent (10%) of the issued Units of the relevant Sub Fund, such withdrawals shall once again be processed on a first-come-first-served basis and the process for withdrawals Units shall be repeated and shall continue till such time the outstanding initiated withdrawals come down to a level below ten percent (10%) of the then issued Units of the relevant Sub Fund.

## **5.23 De-authorization and winding up of the Pension Fund**

5.23.1 The duration of the Pension Fund shall be perpetual and shall not be wound up by way of liquidation.

5.23.2 If the Pension Fund Manager does not wish to maintain the authorization of the Pension Fund, it shall immediately give a three months' notice to the Employer, the trustee and the Employees and after due acknowledgement of the same by the Employer, shall apply to the Commission to de-authorize the Pension Fund Employees, subject to such other conditions as may be prescribed by the Employer in the Agreement or the Rules.

5.23.3 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 or the Pension 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 Employees who are not withdrawing, it may apply to the Commission to de-authorize the Pension Fund and inform the Employer immediately. In such an event, the queue system, if already invoked, shall cease to apply.

5.23.4 The Pension Fund may also be de-authorized by the Commission under intimation to the Employer on the grounds provided in the Rules.

5.23.5 Upon the Pension Fund being de-authorized, the Pension Fund Manager shall suspend



receiving contributions forthwith from any of the Employees from the date of issue of the notice under this clause, proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.

5.23.6 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 Auditor of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the Employer and Commission, the new pension fund manager and the trustee (in case of any new appointment). The Trustee with the prior approval of the Employer 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.

5.23.7 Once the Pension Fund has been de-authorized by the Commission, the Pension Fund Manager may, after transferring all the records of Individual Pension Accounts and books of accounts of the Pension Fund to the new pension fund manager, wind up the Pension Fund under the provisions of the Rules and in the court of jurisdiction.

## **5.24 Features of Takaful in the Pension Fund**

The Pension Fund shall offer Takaful Policy to each Employee (after launch of the Fund) subject to the conditions agreed with the Employer. The premium/ contribution/ charges paid to the / Takaful companies to cover the Takaful Policy may be charge to the Pension Fund and shall not exceed 0.25% of the average daily net assets of each sub-fund, as agreed with employer. Benefits offered under the Takaful plan are as follows:

### Death / Permanent Total Disability before attaining retirement age

An amount equal to balance in Individual Pension Account on the date of death / permanent disability subject to minimum of Rs. 500,000 and a maximum of Rs. 2,000,000. Complete details of Takaful benefits will be shared with the Employer and on the website of the Pension Fund Manager.

## **6 FEES, CHARGES AND EXPENSES**

Subject to the maximum limit of Total Expense Ratio agreed between the Government of Khyber Pakhtunkhwa (the “Employer”) and the “Pension Fund Manager” in the Agreement, the Total Expense Ratio of the Pension Fund shall be computed and disclosed by the Pension Fund Manager in the following manner on its website and on the website of Mutual Funds Association of Pakistan (MUFAP) along with communication to the Employer:

- (a). Total Expense Ratio, excluding Takaful charges and Government taxes and levies;
- (b) Total Expense Ratio, including Takaful charges but excluding Government taxes and levies; and
- (c) Total Expense Ratio, including Takaful charges as well as Government taxes and levies.

### **6.1 Front End Fee**

The Pension Fund Manager shall not deduct any sales load or other transaction charges, by whatever name called, in respect of the contributions into, or withdrawals from the Pension Fund.

### **6.2 Remuneration of Pension Fund Manager**

The Pension Fund Manager shall be entitled to remuneration for its services out of the Trust Property by way of an annual management fee. The current level of management Fee is disclosed in the Annexure C-1 to the Offering document and shall be subject to the maximum

limit specified in the Agreement executed among the Pension Fund Manager and the Employer within the allowed expense ratio limit as per regulations.

- 6.2.1 The remuneration due to the Pension Fund Manager shall be accrued on daily basis and paid on monthly basis, within fifteen (15) Business Days after the close of each month.
- 6.2.2 The Pension Fund Manager shall be responsible for the payment of all expenses it incurs from time to time in connection with its responsibilities as Pension Fund Manager. Pension Fund Manager shall not make any charge against the Employees or against the Fund Property or against any individual pension account for its services or for its expenses, except such expenses as are expressly allowed under the agreement between Pension Fund Manager and the Employer and authorized under the provisions of the Rules and the constitutive documents to be payable out of Fund Property. In consideration of the foregoing and save as aforesaid and as provided 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 its duties as Pension Fund Manager of the Trust. The Pension Fund Manager shall also 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 provision of the constitutive documents. In the event that a Pension Fund Manager erroneously makes an incorrect charge, The Pension Fund Manager shall credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.
- 6.2.3 The remuneration shall begin to accrue from the date of payment in full for all the Seed Capital Units subscribed by the Seed Investors in such manner as to achieve compliance with the undertaking given to the Commission by the Pension Fund Manager pursuant to the Rules (the “**Contribution Date**”). In respect of the first and the last Accounting Periods, such remuneration shall be prorated on the basis of the actual number of days during such period for which such remuneration has accrued against the total number of days during such period.

### **6.3 Remuneration of the Trustee**

- 6.3.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (**Annexure "A-2"**), which shall be applied to the average daily Net Assets of the Pension Fund during such calendar month.
- 6.3.2 Such remuneration shall be paid to the Trustee in arrears within fifteen Business Days after the end of each calendar month.
- 6.3.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, in accordance with the provisions of the Constitutive document.
- 6.3.4 The remuneration shall begin to accrue from the date of payment in full of the Seed Capital units subscribed by the Seed 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.
- 6.3.5 In consideration of the foregoing and save as aforesaid 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 Employee(s) or against the Trust Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules and the constitutive document.
- 6.3.6 Any change in the remuneration of the Trustee agreed to by the Pension Fund Manager shall require the prior approval of the Commission.

**6.4 Formation Cost**

Formation Costs as agreed with the employer, not exceeding 1.5 % of the Seed Capital of each Sub-Fund, can be charged to the Pension Fund and shall be amortized over a period of five years and shall not include any marketing, sales, promotional or educational, communication or any form of advertisement cost. Formation Costs, including expenditure incurred in connection with the establishment and authorization of the Pension Fund, shall be borne by the Pension Fund, paid to the Pension Fund Manager within the first three months of complete receipt of proceeds against Seed Capital Units subscribed by the Seed Investors and amortized over a period of five years.

**6.5 Other expenses**

Other expenses subject to maximum total expense ratio that shall be chargeable to the Pension Fund in accordance with Clause 6.6 may include:

- (a) brokerage and transaction costs solely related to investment purchases and sales of the Trust Property;
- (b) legal costs incurred in protecting the interests of the Pension Fund or the collective interest of the Employees;
- (c) bank charges and financial costs related to financing for withdrawals or transfers in relation to the Pension Fund as permissible under the rules, shall not be higher than the normal prevailing bank charges or normal market rates.
- (d) audit fees in relation to the Pension Fund;
- (e) annual fee payable to the Commission but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies, in each case in relation to the Pension Fund;
- (f) Taxes, fees, duties if any, applicable to the Pension Fund on its income, turnover, assets and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund), if any, but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies in relation to the Pension Fund;
- (g) charges and levies of stock exchange, national clearing and settlement company and custody charges, including Central Depository Company of Pakistan Limited charges, if any;
- (h) Printing costs and related expenses for issuing the quarterly, half-yearly and annual reports;
- (i) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- (j) Fund rating fee payable to approved rating agency
- (k) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- (l) Shariah Advisor's fee (for Shariah-Compliant Fund);
- (m) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity;
- (n) fees and expenses related to registrar services, accounting, operation and valuation services related to Pension Fund
- (o) custody and Takaful costs relating to the safekeeping of the physical gold in the vault(s) for Commodity Funds
- (p) selling and marketing expenses for the purpose of opening and maintenance of branches; payment of salaries/commission to sales team and distributors; advertising and publicity expense; development of alternate delivery/distribution channels for Pension Fund
- (q) any other expense or charge as may be allowed by the Commission.

**6.6 Fees, Charges, Costs, etc. To be charged to the Sub-Funds**

- 6.6.1 The Pension Fund Manager's management fee and the Trustee's remuneration shall be charged each Sub Fund in proportion to the Net Assets of each Sub-Fund.
- 6.6.2 Formation Cost shall be divided equally among all the Sub-Funds.
- 6.6.3 Brokerage and transaction costs, bank charges and financial costs, custody charges and Taxes, and all direct expenses of Sub Fund, shall be charged to the pertinent Sub-Funds. Legal costs, audit fees and annual fees payable to the Commission and any other common expenses in accordance with the Rules and Regulations, shall be charged to the pertinent Sub-Funds in proportion to their respective Net Assets.

**7 INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER****7.1. Objective of the Al Ameen Voluntary Pension Fund - KPK**

The objective of the Fund is to provide Employees with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the allocation scheme empowers the Employees to invest their pension savings as per their desired asset allocations.

**7.2. Investment Policy of the Pension Fund**

- 7.2.1 The Pension Fund Manager shall invest assets of the Pension Fund in those securities which are declared eligible by the Commission.
- 7.2.2 The Pension Fund Manager shall make investment of the Pension Fund in a transparent, efficacious, prudent and sound manner. The Pension Fund will initially consist of three Sub Funds.
- 7.2.3 Prior to the Contribution Date the Trustee shall hold the Trust Property in respect of each Sub-Fund in cash in a separate account for each Sub-Fund with a Commercial Bank having at least the minimum rating by a credit rating agency as specified by the Commission or shall invest such cash in short term money market investments, as advised by the Pension Fund Manager. Any income from such investments shall accrue to the Sub Fund to which it pertains. After the Contribution Date all cash shall be invested by the Trustee strictly in compliance with the Investment Policy at the direction of the Pension Fund Manager, in Authorized Investments or in cash
- 7.2.4 All the investments of the Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Subject to prior approval of the Commission, the Pension Fund may invest in foreign 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.

**7.3. Investment Objective and Investment Policy of the Al Ameen Voluntary Pension Fund - KPK- Equity Sub Fund**

- 7.3.1 The Investment Objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets.
- 7.3.2 The Investment limits of the Equity Sub Fund are determined by the Commission. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of equity sub fund in a separate bank account instead of compliance with the following requirements for first three years from the date of launch of the Pension Fund. The current Investment policy/limits for equity sub-fund as stated below:

- (a) Assets of Equity Sub-fund shall be invested in Shariah Compliant equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a Stock Exchange and Equity sub-fund shall be eligible to invest in units of Shariah Compliant Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with;
- (b) At least ninety percent (90%) of Net Assets of Equity Sub-fund shall remain invested in listed Shariah Compliant equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis;
- (c) Pension fund manager may make investment maximum up to 5% of net assets of Equity Sub-Fund in units of Shariah Compliant Private Equity and Venture Capital Funds registered under Private Funds Regulations 2015;
- (d) Pension fund manager may make investment maximum up to 10% of net asset; of Equity Sub-Fund in public offering and pre-initial public offering of equity securities;
- (e) Investment in equity securities of any single company shall not exceed fifteen percent (15%) of Net Assets of Equity Sub-Fund or paid-up capital of that single company, whichever is lower;
- (f) Pension fund manager may invest up to thirty five percent (35%) or the index weight, whichever is higher, subject to maximum of forty (40%) of net assets of an Equity Sub-Fund in Shariah Compliant equity securities of companies belonging to a single sector as classified by Pakistan Stock Exchange;
- (g) Pension Fund Manager may invest any surplus (un-invested) funds in government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A"; and
- (h) Pension Fund Manager shall ensure that the investment in equity securities of the following companies shall not exceed 10% of the net assets of the equity sub fund on monthly average basis:
  - a. Company is not traded on regular trading counter of the Pakistan Stock Exchange;
  - b. The minimum free float of the company is less than 15% of total outstanding shares; Provided that this clause shall not be applicable on equity securities which are part of KSE-30 index or KMI-30 index at the time of investment. However, in case an equity security is subsequently excluded from KSE-30 index or KMI-30 index, the Pension Fund Manager shall rebalance the portfolio and ensure compliance within six months of such index recomposition.
  - c. The securities of the company are traded less than 50% of the total trading days during the last six months or from the date of listing as the case may be;
  - d. Company's paid up capital is fully eroded owing to accumulated losses as per the annual audited account or half yearly limited scoped reviewed accounts, whichever is latest.
  - e. The Pension Fund Manager shall not invest the Net Assets of the Equity Sub Fund in any company against which winding-up proceedings have been initiated and/ or a qualified opinion on the going concern assumption has been issued by its statutory Auditor.

For this purpose, the following events shall be considered as winding-up events;

- I. A show cause notice for winding-up has been issued to the company by the Commission.

- II. Winding-up petition is filed by creditors with a claim equivalent to at least 10% of the equity of the company as per latest accounts.
- III. Winding-up petition is filed by the shareholders who own at least 10% of the company's paid-up capital.
- f. Voluntary winding-up proceedings have commenced through passing of special resolution.

**7.4. Investment Objective and Investment Policy of the Al Ameen Voluntary Pension Fund - KPK- Debt Sub Fund**

7.4.1 The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund.

7.4.2 The Investment limits of the Debt Sub Fund are determined by the Commission. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of debt sub fund in a separate bank account instead of compliance with the following requirements for first three years from the date of launch of the Pension Fund. The current Investment policy/limits for debt sub-fund as stated below:

- (a) The Debt Sub-fund shall consist of government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial paper, TFC/ Sukuk or any other Islamic mode of placement, reverse repo, deposits/placements with Microfinance Banks and any other approved debt/money market security issued from time to time;

Note: Investments in shariah compliant money market placements shall be made as per the authorized investment limits and may include the following mode of shariah transaction such as; principles of Bai'- Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.

- (b) Rating of any security in the portfolio shall not be lower than A+;
- (c) Rating of any bank and DFI with which funds are placed should not be lower than A+;
- (d) Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AA;
- (e) At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks (excluding TDRs) or government securities not exceeding 90 days' maturity;
- (f) Exposure to any single entity shall not exceed 15% of net assets of debt sub fund;
- (g) Exposure in debt security of an entity shall not exceed 15% of net assets for debt sub fund or 10% of size of the issue of that debt security, whichever is lower;
- (h) The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;
- (i) Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of Debt Sub-fund;
- (j) A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of debt sub-fund with all microfinance banks, non-bank finance companies and Modarabas;

- (k) The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government; and
- (l) Rating of microfinance banks with which funds are placed shall not be lower than A+

**7.5. Investment Objective and Investment Policy of the Al Ameen Voluntary Pension Fund - KPK- Money Market Sub Fund**

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

7.5.2 The Investment limits of the Money Market Sub Fund are determined by the Commission. The current Investment policy/limits for money market sub-fund as stated below:

- (a) Investment avenues - government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) or any other mode of placement, TDRs, commercial papers, reverse repo;

Note: Investments in shariah compliant money market placements shall be made as per the authorized investment limits and may include the following mode of shariah transaction such as; principles of Bai'- Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.

- (b) Rating of any security in the portfolio shall not be lower than AA;
- (c) Rating of any bank and DFI with which funds are placed should not be lower than AA;
- (d) Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA;
- (e) At least 10%, of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days' maturity;
- (f) Exposure to any single entity shall not exceed 15% of net assets for money market sub fund;
- (g) Exposure in security of entity shall not exceed 15% of net assets for money market sub fund or 10% of size of the issue of that security;
- (h) The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;
- (i) Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund;
- (j) A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of money market sub-fund with all microfinance banks, non-bank finance companies and Modarabas;
- (k) The weighted average time to maturity of assets of a Money Market Sub-fund shall be up to ninety (90) days, and

- (l) Time to maturity of any asset in the portfolio of Money Market Sub-fund shall not exceed six (6) months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be up to five (5) years.

#### **7.6. Investment Objective and Investment Policy of the Al Ameen Voluntary Pension Fund - KPK- Equity Index Sub Fund**

- a) In line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of equity index sub fund in a separate bank account instead of compliance with the following requirements for first three years from the date of launch of the Pension Fund.
- b) The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages.
- c) The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Government Securities not exceeding 90 days maturity;
- d) Performance Benchmark shall be determined in accordance with the directive of the Commission.
- e) Performance Benchmark of Index Sub- Fund shall be return of KMI-30 Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party;
- f) Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset; and
- g) Exposure to any security shall not exceed weight of security in the index or its subset.

#### **7.7 Investment Restrictions**

7.7.1 The Fund Property shall be subject to such exposure limits as are provided in the Rules, subject to relaxations granted by the Commission from time to time.

7.7.2 The Fund shall not at any time:

- (a) 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 for such merger, acquisition or takeover;
- (b) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund;
- (c) Purchase from or sell any security to any connected person or employee except with the approval of its Board of Directors in writing and consent of the Trustee
- (d) participate in a joint account with others in any transaction; except for placement of orders under a single Universal Identification Number (UIN) subject to mechanism approved by the commission



- (e) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund; or
  - (f) employ as a broker, directly or indirectly, any of its directors, officers or employees or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any broker who is a Connected Person where such transactions shall equal or exceed twenty-five per cent or more of the brokerage or commission paid by the Pension Fund in any one Accounting Period;
  - (g) Enter into a short sale transaction in any security.
  - (h) Invest in any non-shariah compliant investment avenue.
- 7.7.3 Pension Fund Manager shall be responsible for managing and meeting the liquidity requirements of the Pension Fund.
- 7.7.4 Pension Fund Manager on behalf of a Pension fund shall not take exposure of more than 20% of net assets in any single group and the term "group" means persons having at least 30% of more shareholding in any other company, as per publicly disclosed information.
- 7.7.5 Pension Fund Manager shall not invest assets of Pension Fund in securities of a company if equity is less than paid-up capital of the company, irrespective of the limits stated in the Investment Policy.
- 7.7.6 Pension Fund Manager shall not invest or deposit or place assets of pension fund, if the issuer or the bank or the security does not fulfill the minimum rating specified in the investment policy.
- 7.7.7 Pension Fund Manager shall adhere to the limits stipulated herein below; however, if the limits are breached merely due to corporate actions including take up of right or bonus issue(s) or due to change in Net Assets resulting; from fluctuation in price of securities or due to withdrawals, the Pension Fund Manager shall regularize the deviation within four months of the breach.
- 7.7.8 The investment of properties of the Sub-Funds shall be subject to the restrictions/limitations prescribed by the Commission vide its Prescribed Investment Policy from time to time.

**Financing Restriction**

- (a) Subject to the applicable laws for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Pension Fund Manager under intimation to the Employer concur with the Pension Fund Manager in making and varying arrangements with Banks for financing by the Trustee for the account of the Pension Fund; provided that the financing shall not be resorted to, except for meeting the withdrawal requests or transfer of funds to other Pension Fund Managers.
- (b) Financing shall not be resorted to except for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such financing shall not exceed fifteen percent of the total net assets value of the pension fund at any time, and shall be repayable within a period of ninety days.
- (c) The charges payable to any Bank or Financial Institution against financings on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.
- (d) The maximum financing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Pension Fund and the maximum financing for the account of any Sub-Fund shall not exceed fifteen per cent of the total Net Asset Value of such Sub-Fund or such other limit as may be provided in the Rules. If subsequent to such financing,

the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or withdrawal of funds, the Pension Fund Manager or the Trustee shall not be under any obligation to reduce such financing.

- (e) Neither the Trustee, nor the Pension Fund Manager shall be required to issue any guarantee or provide security over their own assets for securing such financings from Banks and Financial Institutions. The Trustee or the Pension Fund Manager shall not in any manner be liable in their personal capacities for settlement of such financing.
- (f) For the purposes of securing any such financing the Trustee may upon instruction of the Pension Fund Manager mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules.
- (g) Neither the Trustee nor the Pension Fund Manager shall incur any liability by reason of any loss to the Trust or any loss that an Employee may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made in accordance with the Trust Deed.

### **Employees Rights in terms of Investment Choice**

The Employee, subject to such limitations as prescribed by the Employer and after an initial period of three years starting from the date of opening of employee's Individual Pension Account (regardless of age) has a right to allocate their Contributions between the Sub Funds in a manner to allow them to adopt a focused investment strategy, according to their risk/return requirements. Each Allocation Scheme being offered shall have a different percentage allocation in Sub-Funds based on which their risk/return may be assessed.

### **7.8 Risk Disclosure**

The Pension Fund Manager shall ensure that effective risk control measures are in place for the protection of the Employees.

Employees must realize that all investments in pension Fund and securities are subject to market risks. Our target return cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

- (1) **Equity Risk:** Share prices are generally volatile and may go up or down because of their dependence on market sentiments, speculative activity, supply and demand for the shares and liquidity in the market. Mutual funds that purchase shares become part owners in the companies. The companies' performance, domestic and/or industry outlook with respect to technological and consumer behavior dynamics, market activity and the larger economic scenario influence the price of these shares. Moreover, lack of trading in the investee companies' securities may result in liquidity crisis. When the economy is expanding, the outlook for many companies is positive and the value of these shares may rise, and vice versa. Share prices are also affected by the quality of the management of investee companies.
- (2) **Government Regulation Risk** - Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- (3) **Credit Risk** - Credit Risk comprises default risk, credit spread risk and down grade risk. Each can have negative impact on the value of the income and money market instruments including Sukuks etc.

- **Default Risk** - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all;
- (4) **Country or Political Risk** – 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 or legislative changes or court orders restraining payment of principal or income.
- (5) **Price Risk** - The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in profit rates.
- (6) **Liquidity Risk** – Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.
- (7) **Settlement Risk** – At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund’s performance etc.
- (8) **Reinvestment Rate Risk** – In a declining profit markup rate economic environment, there is a risk that maturing securities or coupon payments will be reinvested at lower rates, which shall reduce the return of the Fund compared to return earned in the preceding quarters.
- (9) **Sovereign Risk** - Payment of bonds/ notes may be affected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.
- (10) **Events Risk** - There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
- (11) **Withdrawal Risk** - There may be special circumstances in which the withdrawal of Units may be suspended or the withdrawal payment may not occur within six working days of receiving a request for withdrawal from the Employee.

## **7.9 Other Risks Involved:**

- (a) Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made.
  - (b) Breakdown of law and order, war, terrorist activity, natural disasters etc.
  - (c) Senior rights of some stake holders over other stake holders in the event of winding up.
- 7.9.1 Under exceptional (extraordinary) circumstances, the Pension Fund Manager may suspend withdrawal, invoke a queue system or announce winding-up of the Fund. In such events, the Employee will probably have to wait for payment beyond the normal period and the withdrawal amount so determined may be lower than the price at the time the withdrawal request was lodged. Employees are advised to read the relevant clauses of the Fund’s Trust Deed for more detailed information regarding this clause.
- 7.9.2 Risk specific to foreign investments: The Fund may invest outside Pakistan & such investments may be exposed to additional risks including political, economic & exchange rate risks that may reduce the value of the investments. However, evidence shows that diversifying internationally tends to reduce the overall volatility of the portfolio and thus may reduce risks for Employees.
- 7.9.3 Investment in the Pension Fund is suitable for Employees who have the ability to take the risks associated with financial and capital market investments. Capital invested in the financial and capital markets could, in extreme circumstances, lose its entire value. However, diversification of the investment into a number of highly liquid equities, income securities and repurchase

transactions tends to reduce the risk substantially. The historical performance of the Funds, the financial and capital market or that of any one security or transaction included in the Fund's portfolio does not indicate the future performance.

- 7.9.4 There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'Category'. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment- specific issues. Employees are advised to study the latest Fund Manager Report specially portfolio composition and Financial Statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned Category. The latest monthly Fund Manager Report as per the format prescribed by Mutual Funds Association of Pakistan (MUFAP) is available on the website of the Pension Fund Manager (PFM) and can be obtained by calling / writing to the PFM.

#### **7.10 Disclaimer**

- (a) The Units of the Sub Funds of the Pension 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 any of the investors of the Seed Capital Units or any other Bank or financial institution or the Employer.
- (b) Investment Risks and Tax Implication: All investments in the Pension Fund are subject to market risks. The value of such investments varies subject to market fluctuations and risks inherent in all such investments. Employees should read this Offering Document carefully to understand the investment policies, risks and tax implication and should consult legal, financial or tax advisors before making any investment decision.
- (c) Withdrawals from the Pension Fund before the retirement age is subject to such conditions as may be prescribed by the Employer and applicable taxes under the provisions of the Income Tax Ordinance, 2001 and the Rules.
- (d) The target return of the Sub-Funds cannot be guaranteed. It should be clearly understood that the portfolio of the Sub-Funds is subject to market fluctuations and risks inherent in all such investments.
- (e) It should be noted that the value/price of Units of the Sub-Funds can fall as well as rise.
- (f) It should be noted that under certain circumstances the withdrawal from the Pension Fund may be restricted or subject to tax penalties.
- (g) It should be noted that there will be no dividend distribution by the Sub-Funds.

#### **8. SAFEGUARD OF MONEY**

No contribution should be paid to an intermediary, except to the Pension Fund Manager or its authorized representatives as prescribed. Contributions should be in the form of "Account Payee Only" cheques, payment orders or demand drafts or direct bank transfers or in such other manner as may be agreed between the employer and the pension fund manager to the account of "**CDC Trustee Al Ameen Voluntary Pension Fund – KPK**". No contribution should be made in the form of cash or any bearer instrument.

#### **9. DISTRIBUTION RESTRICTION POLICY**

No distribution of Income or dividend shall be allowed from any of the sub-funds. Any income earned shall be accumulated and retained in the respective sub-funds.

## **10. TAXATION**

### **10.1 Tax Credit for Contributions to the Pension Fund**

An eligible person, as defined in the Income Tax Ordinance, 2001, deriving income chargeable to tax under the head “Salary” or the head “Income from Business”, will be entitled to a Tax Credit for a Tax Year in respect of any contribution paid in the year by the person to the Pension Fund.

### **10.2 Tax Exemptions**

Total income of the Pension Fund approved by the SECP under the VPS Rules, 2005, will be exempt under the Second Schedule of the Income Tax Ordinance, 2001.

### **10.3 Withholding Tax**

A Pension Fund Manager making payment from individual pension accounts, maintained under an approved pension fund, shall deduct tax from any amount:

(a) Withdrawn before the age of retirement, provided that tax shall not be withheld in the following cases.

- eligible person suffering from any disability which render him unable to continue with any employment at the age which he may so elect to be treated as retirement age or the age as on the date of such disability if not so elected by him/her; or
- on the share of the nominated survivor of the deceased eligible person.

(b) Withdrawn, if in excess of fifty per cent of his accumulated balance at or after the retirement age, provided tax shall not be withheld in the following cases.

- the balance is invested in an approved income payment plan;
- the balance is paid to an Insurance / Takaful company for the purchase of an annuity plan;
- the balance is transferred to another individual pension account of the eligible person;
- or
- the balance is transferred to the survivors approved pension account in case of the death of the eligible person.

The tax is required to be withheld at the last three year’s average rate of tax which shall be computed in accordance with the following formula:

$$A/B$$

Where,

A= the total tax paid or payable by the person on the person’s total taxable income for the three preceding years; and

B= the person’s total taxable income for the preceding three years.

### **10.4 Zakat**

Units held by resident Pakistani Employees shall be subject to Zakat at two and a half per cent (2.5%) on lower of the par value of Units and withdrawal price under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from withdrawal payment, and paid into the Government Treasury.

### **10.5 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 Employees are requested to seek independent advice from their tax advisors so as to determine the taxability arising from their Contributions to the Pension Fund.

**11 WARNINGS**

**INVESTMENT RISKS AND TAX IMPLICATION:** All investments in Pension 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. Employees should read the Offering Document carefully to understand the investment policies, risks and tax implications and should consult their legal, financial or tax advisors before making any investment decisions. Withdrawals from this Employer Pension Fund before the retirement age is subject to tax under the provisions of the Income Tax Ordinance, 2001 and penalty as may be applicable under KPK Rules.

**12 REPORTS AND ACCOUNTS****12.1 Fund Accounts**

Pension Fund Manager shall prepare Financial Accounts and Reports required under Rules for Al Ameen Voluntary Pension Fund – KPK including Sub-Funds as prescribed by the Commission from time to time.

**12.2 Annual Accounting Period**

The Annual Accounting Period shall commence on 1<sup>st</sup> July and shall end on 30<sup>th</sup> June of the succeeding calendar year.

Accounting Date shall be the 30<sup>th</sup> day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Pension Fund Manager may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

Accounting Period shall be the period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the full amount of Seed Capital is received and in any other case from the end of the preceding Accounting Period.

**12.3 Periodic Reports to be sent to Employees**

The Pension Fund Manager shall share quarterly, half-yearly and annual financial statements in respect of each Pension Fund with the Employer and the Employee. For details, please refer to section pertaining to Obligations of Pension Fund Manager in this offering document and prevailing regulatory framework.

The balance sheet and income and expenditure accounts mentioned shall be prepared separately for each Sub-Fund and in addition thereto consolidated accounts shall be prepared for the entire Fund.

**12.4 Periodic Reports to be sent to Commission**

Annual report and quarterly reports will be prepared and sent to the Commission. For details, please refer to Obligations of Pension Fund Manager.

**13 SERVICE TO EMPLOYEE(S)****13.1 Availability of Forms**

All forms mentioned and/or included in this Offering Document will be available at all the Authorized Branches of the Pension Fund Manager and the Investment Facilitators, the Pension Fund Manager's website and may also be requested via post. Sales Agents will also have sufficient stocks of such forms. However, it may be noted that all transaction in the pension fund shall primarily be executed through the digital/online portal as offered by the Employer/Pension Fund Manager.

### **13.2 Register of Employees**

13.2.1 The Pension Fund Manager shall perform the Registrar Functions directly or it may appoint a Registrar for such purpose, but in each case the responsibility for performing the Registrar Functions shall be that of the Pension Fund Manager itself. Where the Pension Fund Manager appoints a Registrar for performing the Registrar Functions, the Pension Fund Manager shall ensure that the Registrar complies with all relevant provisions of the constitutive document and the Rules.

### **13.3 Statement of Accounts**

Upon being satisfied that the Contribution to the Fund has been received, in full, from the Employees, the Registrar will send directly to each Employee Account Statement that will constitute evidence of the number of Sub-Fund Units or Individual Pension Account or periodic payment account balances registered in the name of the Employee.

The Registrar will issue an Account Statement, each time there is a transaction in the Individual Pension Account and it will be posted or electronically transmitted to the Employee within six (6) Business Days of each transaction.

## **14 COMPLAINTS**

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

### **14.1 Procedure for lodging a complaint with the Federal Insurance/Takaful Ombudsman**

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

- (a) A complaint shall be made in writing, addressed to the Insurance/ Takaful Ombudsman. The complaint shall set out the full particulars of the transaction complained of and the name and address of the Employee (complainant).
- (b) Prior to making a complaint, the Employee (complainant) shall intimate in writing to the Pension Fund Manager regarding their intention of filing a complaint and if the Pension Fund Manager either fails to respond, or makes a reply which is unsatisfactory to the complainant, within a period of one month, the Employee (complainant) may file a complaint, at any time thereafter, within a further period of three (3) months:

Provided that the Insurance/ Takaful 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/ Takaful Ombudsman may adopt any procedure 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 of Insurance/ Takaful Ordinance, 2000, the Insurance/ Takaful 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/ Takaful 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 Employee decision.

- (f) The Federal Government may further prescribe rules for the conduct of proceedings in relation to complaints brought before the Insurance/ Takaful Ombudsman.

**Note:** The Pension Fund Manager will not be responsible or liable for maintaining service levels and /or any delay in processing claims arising out of this facility. The Pension Fund Manager, the Trustee and the underlying Fund shall not be held liable for honoring any Insurance / Takaful claims.

#### **14.2 Contact Details of Office of Federal Insurance/Takaful Ombudsman**

The Present Insurance Ombudsman and Employee contact details are as follows:  
Federal Insurance Ombudsman Office 2<sup>nd</sup> Floor, Pakistan Red Crescent Society, Annexe Building, Plot # 197/5, Dr. Doud Pota Road, Karachi.  
Phone: 021-99207761-62

#### **15 TRANSACTIONS WITH CONNECTED PERSONS**

- (a) No Pension Fund Manager on behalf of the Pension Fund shall take exposure in any form or invest in debt or equity securities of connected persons or purchase from or sell any security to any of the Connected Person with the approval of its Board of Directors in writing and consent of Trustee.
- (b) 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 Pension Fund save in the capacity of intermediary or in the normal course of business.
- (c) All cash forming part of the Pension Fund assets shall be deposited with the Trustee or the Custodian, which is a Bank, 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 Bank to depositors of similar duration.

#### **16 ARBITRATION IN CASE OF DISPUTES BETWEEN THE PENSION FUND MANAGER AND THE TRUSTEE**

In the event of any disputes arising out of Constitutive Documents between the Pension Fund Manager on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and conditions of the constitutive document and/or the Supplementary Offering Documents, relating to the Fund, the same shall be referred first to the Commission and thereafter, if the dispute still continues, for arbitration by two arbitrators, one to be appointed by the Pension Fund Manager and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned Law Firms, or senior bankers, or senior members of any Stock Exchange (who may even be the heads of corporate members of any Stock Exchange). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.



## **17 DISPUTES BETWEEN THE EMPLOYEES AND THE PENSION FUND MANAGER**

If any complaint or dispute arises between the any Employee or any of its any, executors, administrators or successors and Pension Fund Manager under this the constitutive document or the Rules, it shall be referred to an authority as provided in the Rules.

## **18 GENERAL INFORMATION**

The Constitutive Documents concerning the Al Ameen Voluntary Pension Fund - KPK may be inspected at the registered office of the Pension Fund Manager at,  
**UBL Fund Managers Limited 4<sup>th</sup> floor, STSM building, Beaumont road, Civil Lines, Karachi.**

## **19 STATEMENT OF RESPONSIBILITY**

THE BOARD OF DIRECTORS OF THE PENSION FUND MANAGER ACCEPTS RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION HEREIN CONTAINED AS OF THE DATE OF PUBLICATION.

## **20 GENERAL**

- (a) Any notice required to be served upon a Employee shall be deemed to have been duly given if sent by post or courier service to or electronically submitted or left at Employee address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- (b) In case a general notice is required to be served upon all the Employees through newspaper, the Trustee or the Pension Fund Manager shall advertise any such notice in any leading daily newspapers in Pakistan having primary circulation in Khyber Pakhtunkhwa. The cost of issuing and publishing a general notice shall be charged to the Trust.
- (c) Service of a notice or document on any employer shall be deemed effective service on all the Employees registered through that employer unless the Employee has given notice to the Pension Fund Manager that he is no longer in the employment of that employer.
- (d) Any notice or document sent by post or courier service to or left at the registered address of an Employee shall notwithstanding that such Employee be then dead or bankrupt and whether or not the Trustee or the Pension Fund Manager have notice of Employee death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units registered in favor of that Employee.
- (e) A copy of this Offering Document, Trust Deed and of any deed supplemental hereto shall be made available for inspection at the respective head offices of the Trustee and the Pension Fund Manager at all times during usual Business Hours and shall be supplied by the Pension Fund Manager to any person on application at a charge disclosed in the Offering Document.

## **21 DEFINITIONS**

Unless the context requires otherwise, in this Offering Document (including in its Recitals) the following words or expressions shall have the meaning respectively assigned to them below:

**“Accounting Date”** means 30<sup>th</sup> June in each year; provided, however, that the Pension Fund Manager may, with the consent of the Trustee and after obtaining approval of the Commission, change such date to any other date;

**“Accounting Period”** means the period ending on and including an Accounting Date or, if nearer, on and including the day on which the Net Assets of all the Sub-Funds becomes zero and commencing from and including the date of establishment of the Pension Fund or, if nearer, from and including the day after the last Accounting Date.

**“Account Statement”** means statement of transactions in Units of each Sub-fund in the Individual Pension Account of the Employee, containing such information as may be prescribed by the Commission from time to time;

**“Agreement”** means the agreement signed between the Employer and the Pension Fund Manager dated XXXXXX.

**“Allocation Schemes”** means the allocation schemes offered by the Pension Fund Manager from time to time in conformity with the Prescribed Allocation Policy issued by the Commission;

**“Annuity”** means a series of payments of set frequency,

**“Applicable Law”** means any common or customary law, constitutional law, any statute, regulation, resolution, rule, ordinance, enactment, judgment, order, code, decree, directive, notification, clarification, guideline, policy, requirement or other governmental restriction and any form or decision of or determination by or interpretation of any of the foregoing (whether or not having the force of law) by any Authority, now or hereafter in effect, in each case as amended, re-enacted or replaced to the extent applicable.

**“Approval”** means any consent, registration, filing, notarization, certificate, license, approval (including foreign exchange control approval), permit, Authority, confirmation or exemption from or by or with any national, supranational or regional government or administrative, fiscal, judicial or governmental body, commission, agency, authority, central bank or similar entity and all corporate, creditors’, shareholders’ and directors’ approvals or consents required for execution of the Trust Deed and performance of the transactions contemplated herein.

**“Approved Annuity Plan”** has the meaning ascribed to it by Section 2(3A) of the Income Tax Ordinance, 2001.

**“Business Day”** means any day on which scheduled banks/stock exchanges are open for business in Pakistan..

**“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, representing income, which is Haram or prohibited by the Shariah).

The following procedure shall be followed in respect of disbursement of charity:

(1) Charity income shall be deemed as a liability of the fund and shall be transferred to a separate account named as ‘Charity Account’.

(2) The amount credited in the charity account shall be disbursed subject to the following:

(i) any disbursement or payment from the charity account shall be made only to the approved charitable organizations registered under Pakistani law as charitable organization (trusts, Hospitals etc). The income tax exemption certificate issued by the Government of Pakistan to that effect shall be considered as an approval for the purpose;

(ii) the amount available in charity account shall be disbursed within a period of three months

of its transfer to the charity account. A summary of operations of the charity account shall be published in the annual accounts of the fund.”

**"Company"** means an asset management company registered as a Pension Fund Manager.

**"Constitutive Document"** include the trust deed, offering document, supplemental documents and other principal documents governing the formation of a Pension Fund and all other related material agreements.

**"Combined Pension Annuity Fund"** means a pension annuity fund established by more than one Pension Fund Manager.

**"Contribution"** means an amount as may be voluntarily determined by an individual payable annually, semiannually, quarterly, or monthly to one or more Pension Fund Managers and held in one or more individual Pension accounts of an Employee, subject to any specified minimum limit.

**"Custodian"** means a Bank, a central depository company or any other depository for the time being appointed by the Trustee to hold and protect the Trust Property or any part thereof as custodian or nominee on behalf of the Trustee; provided that the Trustee may also itself provide custodial services for the Fund.

**"Cut-Off Time"/ "Business Hours"** means the day time for dealing in Units of the Fund. The Cut-Off Timing/Business Hours will be mentioned on the website of Pension Fund Manager.

**"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 declare any particular Business Day not to be a Dealing Day;

**"Deed" or "Trust Deed"** means the Trust Deed which is the principal document governing the formation management or operation of the Fund.

**"Default Allocation Scheme"** means the default asset allocation scheme as determined by the Pension Fund Manager in conformity with the Prescribed Allocation Policy for allocating between the Sub-Funds the Contributions received from Employee(s) who have not themselves selected any Allocation Scheme;

**"Eligible Person"** shall be construed to be the same as assigned in the term "Employees" provided in rule 2(1)(f) of the KPK Contributory Provident Fund Rules, 2022.

**"Employer"** means the Government of Khyber Pakhtunkhwa;

**"Employer Pension Fund"** means a pension fund as defined in the Rules.

**"Exposure"** includes finance, subscription to or investment in securities, debt instruments, units or certificates or shares of a Notified Entity, placements, and deposits, with financial institutions, certificates, derivatives, margin trading system or any mechanism that replaces it, but does not include:

- (a) obligations under letters of credit and letters of guarantee to the extent of cash margin held by an NBFC;
- (b) finance provided to financial institutions through REPO transactions with underlying statutory liquidity requirement eligible securities; and
- (c) deposits in current and savings accounts other than term deposits.

**"Force Majeure"** means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of the constitutive documents of the pension

fund or any obligations of the Pension Fund Manager or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of the constitutive documents and makes the performance of the constitutive documents in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

**“Front-end fee (Sale Charges)”** means the Sales charges which may be included in the offering price of the Units; provided however that different levels of Front-end fee (sale charges) may be applied to different investors, as determined by the Pension Fund Manager as per agreement with the Employer. However, aggregate of Front-end fee (sale charges) should not exceed 3% of Net Asset Value.

**“Federal Government”** means the Federal Government of Islamic Republic of Pakistan.

**“Financial Institution”** means a Bank, Development Finance Institution, Non-Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

**“Formation Costs”** means all preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Fund and its application fee payable to the Commission, execution and registration of the Constitutive Document, issue, legal costs, and all expenses incurred during the period leading up to the authorization.

**“Government Securities”** includes monetary obligations of the Government or a Provincial Government or a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the official Gazette, declare, to the extent determined from time to time, to be a Government Security.

**“Income Payment Plan”** means a plan constituting an agreement with the Pension Fund Manager after retirement enabling withdrawal of the remaining amount in any Individual Pension Account in monthly installments as allowed under the Applicable laws.

**“Investment”** means any Authorized Investment forming part of the Trust Property of any Sub-Fund.

**“Net Assets”** means, in relation to a Voluntary Pension Scheme, means the excess of assets over liabilities of the Pension fund, computed in the manner provided in the regulation.

**“Offering document”** includes, -

- (a) a published document containing information on a Voluntary Pension Scheme to invite the public for purchase of certificates or units in that scheme;
- (b) a document inviting contributions from eligible persons for a Pension fund; and
- (c) all supplementary documents thereto or any document relating to an income payment plan;”

“**Online**” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

“**Ordinance**” means the Companies Ordinance, 1984 and Companies Act, 2017.

“**Par Value**” means the face value of Rs. 100 for a Unit of allocation Plan under the Fund.

“**Employee**” means an Employee of KPK Government as defined in Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (KPK Rules) or Participant as defined in the Trust Deed, who has contributed or on whose behalf Contributions are made into one or more pension funds and held in one or more identifiable Individual Pension Accounts managed by one or more Pension Fund Managers;

“**Personal Law**” means the law of inheritance and succession as applicable to the individual Employee.

“**Pension Annuity Fund**” means a pension fund established for providing periodic payment to Employees contingent on their survival.

“**Provincial Governments**” mean the Provincial Governments of all four provinces of Pakistan.

“**Pension Fund**” means this fund offered in the form of Employer Pension Fund made up of Sub-Funds created from the Contributions paid by the Employees and would 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 the investments of Sub-Funds.

“**Pension Fund Manager**” means an asset management company, any pension fund manager or a life Insurance/Takaful company duly authorized by the Commission to efficaciously manage the contributions made by or on behalf of Employees in pension fund and meet such other conditions as may be prescribed from time to time by the Commission;

“**Prescribed Allocation Policy**” means the allocation policy as prescribed by the Commission from time to time under the Rules;

“**Prescribed Investment Policy**” means Investment Policy prescribed by the Commission from time to time under the Rules.

“**Records**” include ledgers, day books, cash books and all other manuals or magnetic records used in the business of a Pension Fund Manager.

“**Regulations**” means regulations as defined under the Rules.

“**Register**” means the register of Employees kept pursuant to the Rules and the Trust Deed.

“**Registrar**” means an organization that the Pension Fund Manager appoints for performing the Registrar Functions and, if no such organization is performing such functions, it shall mean the Pension Fund Manager.

“**Registrar Functions**” means the functions with regard to:

- (a) maintaining the Register as per the Rules, the Deed or as may be prescribed by the Commission from time to time;
- (b) processing requests for opening of Individual Pension Account, issue, withdrawal, transfer and transmission of Units and requests for recording changes in data / information /

- particulars with regard to the Employees or that of their survivors or nominees;
- (c) issuing statements of account in respect of Individual Pension Account to Employee;
  - (d) such other functions as may be required under the Rules with respect to record keeping; and
  - (e) such other functions as are required under the Trust Deed to be carried out by the Registrar.

**“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 Employee selects for retirement, in accordance with the provisions of the Rules.

**“Retirement Date”** means the date on which the retirement of a Employee from the Pension Fund becomes effective.

**“Rules”** means the Voluntary Pension System Rules, 2005, and includes all Guidelines issued, directions given, regulations and interpretations made and conditions imposed (either specifically in relation to the Pension Fund or generally) by the Commission thereunder from time to time.

**“SECP” or “Commission”** means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.

**“Seed Capital”** means the amount invested or arranged by the Pension Fund Manager as initial investment in each Sub-Fund of the Pension Fund. This investment will be kept for a minimum period of three years from the date of investment or as determined by the Commission

**“Seed Capital Units”** means the amount invested or arranged by the Pension Fund Manager as initial investment in each Sub-Fund of the Pension Fund. This investment will be kept for a minimum period of three years from the date of investment or as determined by the Commission;

**“Seed Investors”** of the Pension Fund shall be such initial investors, which may include the Pension Fund Manager, whose subscription shall in aggregate be in compliance of the requirements of Rule 9(3)(b) of the Rules. The Seed Investors shall be issued with Seed Capital Units representing their subscription.

**“Seed Capital Investors”** means the investor of Seed Capital.

**“Stock Exchange”** means any Stock Exchange registered under the Securities & Exchange Ordinance, 1969 (XVII 1969).

**“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 Trust Property shall be accounted for and segregated with respect to each Sub-Fund;

**“Supplementary Offering Document”** means a document issued by the Pension Fund Manager, with consent of the Trustee after approval of the Commission, describing the new features of the Pension Fund to invite offers by the eligible persons to invest in the Fund;

**“Supplementary Trust Deed”** means a deed registered between the Pension Fund Manager and the Trustee, with approval of the Commission, amending or adding to the Trust Deed. Such Supplementary Trust Deed shall be binding on each Employee, as if he/she is party to it and so to be bound by its provisions;

“**Transfer Agent**” means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Pension Fund Manager may itself perform the Registrar Function.

“**Takaful/Insurance Company**” includes Insurance Company or Takaful Company as defined in Insurance Ordinance 2000.

“**Tax Year**” shall have the same meaning as ascribed under the Income Tax Ordinance, 2001 (Ordinance No. XLIX of 2001).

“**Trust Deed**” or “**Deed**” means the Trust Deed of the Fund executed between the Pension Fund Manager and the Trustee along with all the exhibits appended hereto.

“**Trust Property**” means the aggregate proceeds credited in the Pension Fund including the Contributions received and seed capital received from Seed Investors of each Sub-Fund after deducting therefrom or providing there out any applicable Front-end fee (sale charges) and any other expenses chargeable to the Pension Fund including each Sub-Fund; and includes the Investments and all income, Profit and other benefits arising therefrom and all cash, bank balances and other assets, movable or immovable, 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 Employees pursuant to the Trust Deed;

“**Trustee**” means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time;

“**Withdrawal Form**” means a standardized form prescribed by the Pension Fund Manager Company to be duly filled by the Employee to redeem Units.

“**Unit**” means one undivided share in the Sub-Fund to which the share pertains, and where the context so indicates, includes a fraction of a Unit.

“**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 Act and Rules and Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words “written” or “in writing” include printing, engraving lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of the Trust Deed

## **22 INTERPRETATION**

In this Offering Document, unless the context shall otherwise require:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to an individual or person includes a company, firm, trust, Authority or government and vice versa;
- (d) a reference to any gender includes all genders;
- (e) a reference to a Recital, Clause or Annexure is to a Recital, Clause or Annexure of or to this Offering Document;

- (f) a Recital or Annexure forms part of this Offering Document;
- (g) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, restated or replaced from time to time;
- (h) a reference to any party to this Offering Document or any other document or arrangement includes that party's executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns;
- (i) where an expression is defined, another grammatical form or variation of that expression has a corresponding meaning;
- (j) a reference to any "Account" or "account" includes any renewal, redenomination, redesignation or sub-account thereof;
- (k) "include", "includes" and "including" shall be respectively construed as "include without limitation", "includes without limitation" and "including without limitation", and all derivative terms shall be construed accordingly; and
- (l) words "written" or "in writing" include printing, engraving, lithography, or other means of visible reproduction.

## **23 HEADINGS**

In this Offering Document, headings are for convenience of reference only and do not affect interpretation.



**LICENCE TO CARRY OUT ASSET MANAGEMENT SERVICES (A)**

**CERTIFICATE OF REGISTRATION AS PENSION FUND MANAGER (A-1)**



**ANNEXURE "A-2"****REMUNERATION OF TRUSTEE**

The trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the following tariff:

<b>Net Assets (Rupees)</b>	<b>Tariff</b>
Up to 1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets, whichever is higher.
1 billion to 3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1 billion.
3 billion to 6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets, on amount exceeding Rs.3 billion.
Over 6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets on amount exceeding Rs.6 billion.

**Annexure "B-1"**

**Authorization of Pension Fund**

**Annexure “B-2”**

**Approval of Offering Document**

**Annexure “B-3”**

**Registration/Approval of Trust Deed**

**Annexure “C”**

**Approval of Trustee**

**ANNEXURE 'C-1'****Current Level of Front-end fee (Sale Charge)**

<b>Front-end fee (Sale Charge) (%)</b>
Nil

**Note:** There shall be no sales charge payable in the event of the transfer of individual pension account from one Pension Fund Manager to another Pension Fund Manager.

**Current Level of Remuneration of Pension Fund Manager**

Pension Fund Manager shall be entitled to an accrued management fee within the limits of Total Expense Ratio as described below:

<b>Sub- Funds</b>	<b>Maximum Expense excluding charges and levies (as % of Net Assets)</b>	<b>Total Ratio Takaful and Govt % of Net Assets</b>	<b>Maximum Charge (as % of Net Assets)*</b>	<b>Takaful % of Net Assets</b>	<b>Maximum Expense including charges (as % of Net Assets)</b>	<b>Total Ratio Takaful % of Net Assets</b>
Money Market Sub-Fund	0.75% p.a.		0.25% p.a.		1% p.a.	
Debt Sub- Fund	0.75% p.a.		0.25% p.a.		1% p.a.	
Equity Index Sub- Fund	1.00% p.a.		0.25% p.a.		1.25% p.a.	
Equity Sub- Fund	1.75% p.a.		0.25% p.a.		2% p.a.	

\*As per the agreement between Pension Fund Manager and the Employer, the Pension Fund shall offer Takaful Policy to each Employee (after launch of the Fund) subject to the conditions agreed with the Employer.

Management shall disclose actual rate of management fee charged as percentage of net assets of Voluntary Pension Scheme in monthly Fund Manager Report.

**Business Hours and Current Cut off Time**

<b>Transactions</b>	<b>Business Hours</b>	<b>Cut off Time</b>
Application for issuance of units and Withdrawal of Units	Monday to Thursday 9:00 am to 5:30 pm  Friday 9:00 am to 6:00 pm	Monday to Friday 9:00 am to 4:30 pm

The Cut-Off Time may vary from time to time as may be determined by the Pension Fund Manager, under intimation to the trustee and SECP and the same shall be communicated to the Employee(s) before such unit transactions shall be effectuated.

**Note:**

- (a) Any change in the charges structure and/or management fee shall be notified after prior approval of the Commission through a supplemental.
- (b) Any change in the Cut-off Timing including for the month of Ramadan shall be notified to Employee(s) via Company's Website.

**ANNEXURE 'E'**

**Designated Outlets**

Pension Fund Manager of the Fund is  
**UBL Fund Managers Limited**  
and other information of the Fund can be collected from the address of the Pension Fund Manager available on <https://www.ublfunds.com.pk/> or from the branches of the Pension Fund Manager / Investment Facilitators.