

RISK DISCLAIMER: PARTICIPANTS AND PROSPECTIVE PARTICIPANTS ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS OFFERING DOCUMENT IN PARTICULAR THE RISK FACTORS MENTIONED IN CLAUSE 8.6 AND WARNINGS IN CLAUSE 15 BEFORE MAKING ANY INVESTMENT DECISION.

## **CONSOLIDATED OFFERING DOCUMENT OF**

### **Alfalah GHP Islamic Pension Fund (AGPF) A Voluntary Pension Fund**

#### **MANAGED BY**

### **Alfalah GHP Investment Management Limited (The Pension Fund Manager)**

**This Offering Document has been vetted by Shariah Advisors in their capacity as Shariah Advisor of the Alfalah GHP Islamic Pension Fund and has been found to be in compliance with the requirements of Shariah**

**Registered under the Voluntary Pension System Rules, 2005**

**Updated till First (1<sup>st</sup>) Supplement Offering Document  
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## OFFERING DOCUMENT OF

## Alfalah GHP Islamic Pension Fund (AGIPF) A Voluntary Islamic Pension Scheme

MANAGED BY

### Alfalah GHP Investment Management Limited

The Pension Fund Manager (AGIML) is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through license No. AMCW/03/AGIML/AMS/02/2014 dated March 10, 2014 to carry out Asset Management Services registered with the Commission under the Voluntary Pension System Rules, 2005 through Certificate of Registration 10/SEC/PRDD/VPS/AIML/106 dated December 21, 2015 as a Pension Fund Manager;

Date of Publication of Offering Document Dated January 1, 2017

### 1. INTRODUCTION TO ALFALAH GHP ISLAMIC PENSION FUND (AGIPF)

Alfalah GHP Islamic Pension Fund (AGIPF) is established in Pakistan as a Voluntary Pension Fund through a Trust Deed, dated October 5, 2016 on the basis of Wakalah tul Istismar (Investment Agency Agreement), entered in between Alfalah GHP Investment Management Limited in its capacity as the Pension Fund Manager and Central Depository Company of Pakistan Limited in its capacity as the Trustee and authorized under the Voluntary Pension System (VPS) Rules, 2005.

The Pension Fund shall initially consist of three (3) Sub-Funds to be called:

- |      |                                    |                                     |
|------|------------------------------------|-------------------------------------|
| I.   | <b>AGIPF Equity Sub-Fund</b>       | (the <b>Equity Sub-Fund</b> ),      |
| II.  | <b>AGIPF Debt Sub-Fund</b>         | (the <b>Debt Sub-Fund</b> ) and     |
| III. | <b>AGIPF Money Market Sub-Fund</b> | (the <b>Money Market Sub-Fund</b> ) |

After successfully managing the above mentioned Sub-Funds, the Pension Fund Manager (AGIML) may, with the approval of the Commission, launch other Sub-Funds through a Supplementary Trust Deed and a Supplementary Offering Document for investments in other asset classes, including securitized investment in real estate or in assets outside Pakistan (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.

#### 1.1. Salient Features of the Pension Fund

##### Term Sheet

<b>Fund Name</b>	Alfalah GHP Islamic Pension Fund (AGIPF)
<b>Fund Structure</b>	Unit Trust Scheme consisting of Sub-Funds under the VPS Rules 2005 on the basis of Wakalah tul Istismar (Investment Agency Agreement)
<b>Sub-Funds</b>	Alfalah GHP Islamic Pension Fund will initially consist of three Sub-Funds, to be called “AGIPF Equity Sub-Fund” (the “Equity Sub-Fund”), “AGIPF Debt Sub-Fund” (the “Debt Sub-Fund”) and “AGIPF Money Market Sub-Fund” (the “Money Market Sub-Fund”)
<b>Fund Objective</b>	To provide a secure source of savings and regular income after retirement

	to the Participants				
<b>Eligibility</b>	Every Pakistani national over the age of 18 years holding a valid National Tax Number or a CNIC or NICOP				
<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.500/- per transaction. There is no maximum limit of contribution. However, Tax Credit will be available to the extent specified in the Income Tax Ordinance, 2001.				
<b>Contribution Frequency</b>	Annual, semi-Annual, quarterly or monthly or as desired by the participant.				
<b>Contribution Mechanism</b>	<p>Cheque, bank draft, pay order (crossed account payee only), titled "CDC – Trustee Alfalah GHP Islamic Pension Fund" payable to the Trustee on any Dealing Day. Any other electronic form of Transfer as may be acceptable to the Pension Fund Manager and the Trustee. Contribution in the form of Cash or any bearer instruments shall not be made and accepted.</p> <p><i>*The Pension Fund Manager may make arrangements with Banks for online transfers from time to time. Such Arrangements (if any) will be communicated to Participants through the company's website.</i></p>				
<b>Investment Mechanism</b>	Takaful premium (for optional Takaful covers) shall be deducted from Contributions made by the Participant, followed by deduction unless waived of applicable Front-end Fee. The remaining Contribution amount is then credited to the Participant's Individual Pension Account and is invested in the underlying Sub-Funds of the Alfalah GHP Islamic Pension Fund (AGPF) as per the Allocation Scheme selected by the Participant. Front-end Fee and Takaful premium will be transmitted in the name of Pension Fund Manager and specified Takaful Company respectively.				
<b>Allocation of Contributions &amp; Allocation Schemes</b>	Contributions shall be allocated among the Units of Sub-Funds at Net Asset Value, as per the selected Allocation Scheme, from amongst the following Five (5) Schemes being offered by the Pension Fund Manager.				
	<b>Allocation Scheme</b>	<b>Equity Fund</b>	<b>Sub-Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>	<b>Market</b>
	High Volatility	Min 65%	Min 20%	Nil	
	Medium Volatility	Min 35%	Min 40%	Min 10%	
	Low Volatility	Min 10%	Min 60%	Min 15%	
	Lower Volatility	Nil	Min 40%	Min 40%	
	Customized	0-100%	0-100%	0-100%	
<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. The Pension Fund Manager shall also offer different Allocation Schemes to Participants to choose from, allowing them to adopt an investment strategy, according to their risk / return requirements				
<b>Reallocation Policy</b>	Units held in the Individual Pension Account shall be reallocated by the Pension Fund Manager between the Sub-Funds at least once a year to ensure that the allocation of Units of all Participants is in line with the Allocation Scheme selected by them.				
<b>Wakalah Istismar/ tul</b>	The amount charged by the Fund Manager as Wakeel from the fund in form of Front End Fee & Management Fee.				

<b>Wakalah Fee</b>	
<b>Management Fee</b>	1.5 % p.a. on average Net Assets of each Sub-Fund.
<b>Front-end Fee</b>	Maximum of 3 % on all Contributions, unless exempt under this Offering Document.
<b>Taxation</b>	Tax Credit will be available to Participants on contributions during any Tax Year subject to the limits prescribed under Income Tax Ordinance 2001 (XLIX of 2001)
<b>Benefits / Withdrawal / Retirement</b>	All Units of each Sub-Fund held by a Participant in his Individual Pension Account shall be redeemed at the Net Asset Value notified at close of the day of retirement or, if that day is not a Business Day, the following Business Day. The Participant will then have the following options, namely: (a) to en-cash up to fifty percent (50%) or any percent as admissible under the Income Tax Ordinance, 2001, of the amount in his Individual Pension Account, without any Tax deductions. Tax will be deducted at a rate of the average tax percentage of the Participant for the previous 3 years, if the Participant withdraws any amount over the limit as admissible under the Income Tax Ordinance, 2001 or amended time to time in Income Tax Ordinance; and (b) either to use the remaining amount to purchase an annuity from a Life Insurance Company of his/her choice; or (c) enter into an agreement with the Pension Fund Manager to transfer his balance to an Approved Income Payment Plan offered by the Pension Fund Manager or another Pension Fund Manager and withdraw from its monthly installments for up to 15 years following the date of retirement, according to the Approved Income Payment Plan by the Commission.
<b>Early Withdrawal / Withdrawal before Retirement</b>	Participants at any time before retirement are entitled to redeem 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.
<b>Transfers to and from Other Pension Funds</b>	Participants shall be entitled to transfer part or whole of their Individual Pension Accounts from this Pension Fund to another once a financial year by sending 21 prior days' notice before the effective date of the proposed change. There shall be no Tax or charges on such transfers. Similarly Participants are allowed to transfer-in their funds from other Pension Funds and approved Occupational Savings Schemes or approved superannuation funds to this Pension Fund without having to pay any Front End Fee to the Pension Fund Manager.
<b>Transparency</b>	Daily calculation and announcement of NAV of each Sub –fund.
<b>Distribution Restriction</b>	Any income earned shall be retained and accumulated in the respective sub-funds and no distribution / Dividend shall be made from the Pension Fund.

## 2. REGULATORY APPROVALS AND CONSENT

### 2.1. Registration of the Pension Fund Manager

Alfalah GHP Investment Management Limited, the Pension Fund Manager of Alfalah GHP Islamic Pension Fund, having its registered office at 8-B, 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan, 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 to, inter-alia, carryout Asset Management Services under License No. AMCW/03/AGIML/AMS/02/2014 dated March 10, 2014 (appended hereto as Annexure “A”) to carry out Asset Management Services registered with the Commission under the Voluntary Pension System



Rules, 2005 through Certificate of Registration 10/SEC/PRDD/VPS/AIML/106 dated December 21, 2015 appended hereto as Annexure “A” & “A-1”.

## **2.2. Authorization of the Pension Fund**

The Pension Fund Manager (AGIML) has been authorized by the Commission through its letter No. SECP/SCD/PRDD/VPS/AIML/57/2016 dated November 28, 2016 appended hereto as Annexure “B-1”, to constitute the Islamic Pension Fund under the name and title of “Alfalah GHP Islamic Pension Fund” (AGIPF) (hereinafter referred to as the “Alfalah GHP Islamic Pension Fund”, “Pension Fund” or AGIPF, or “Trust”) and authorized the formation of a scheme, under the name, “Alfalah GHP Islamic Pension Fund”, under rule (9) of the Voluntary Pension System Rules, 2005.

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

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 of “Alfalah GHP Islamic Pension Fund” through its letter No. SCD/PRDD/VPS/AIML/22/2016 dated September 2, 2016 appended hereto 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”.

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

This Offering Document sets out the arrangements covering the basic structure of Alfalah GHP Islamic Pension Fund. The provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 and the Islamic Shariah as per the guidelines provided by the Shariah Advisor and Islamic Shariah guidelines issued by SECP from time to time, hereafter govern this Offering Document and In case of any ambiguity in the constitutive documents of Alfalah GHP Islamic Pension Fund, the VPS Rules 2005 shall prevail. In case of any conflict with the requirements of Shariah, the matter may be referred to the Shariah Advisory Board of SECP for decision. It sets forth information about the Fund that a prospective Participant should know before contributing to the Pension Fund. Participants should read this Offering Document carefully prior to contributing to / participating in the Pension Fund, and retain the Offering Document for future reference.

The Commission has, through its letter No. SECP/SCD/PRDD/VPS/AIML/65/2016 dated December 8, 2016 appended hereto as Annexure “B-2” approved this Offering Document as per the guidelines for Authorization of Pension Fund under sub Rule (1) of Rule (9) of the Rules.

**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 you have any doubt about the contents of this Offering Document, you should seek independent professional advice, from your Shariah Advisor, legal, financial or tax advisor.**

**This Offering Document contains necessary information for the public to make an informed decision to participate in the Pension Fund described herein. The Participants are advised, in their own interest, to carefully read the contents of the Offering Document, in particular, the risks mentioned in Clause 8.5 and Warnings in Clause 15, before making any**

participation/contribution decision. Participants 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 with the Commission and circulated to all Participants or may be notified by advertisements in the newspapers, or on the Pension Fund Manager's (AGIML) website, subject to the applicable provisions of the Trust Deed and the Rules.

Participants 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 realization of Units may be restricted. All Investments of the Fund and of the Sub-Funds shall be in adherence to the Islamic Shariah. Due to limited number of Shariah compliant securities it is possible that adherence to the Islamic Shariah will cause the Fund and/ or the Sub-Funds to perform differently from funds with similar objectives, but which are not subject to the requirements of Islamic Shariah.

### **3. FILING OF THE OFFERING DOCUMENT**

The Pension Fund Manager has filed a copy of this Offering Document with the Commission, along with copies of the documents mentioned below:

- i. Trust Deed, dated October 6, 2016, executed between Pension Fund Manager and the Trustee constituting the Pension Fund;
- ii. Letter no. ASR 1005 dated November 8, 2016 from the Auditors confirming the subscription for the Units of Pension Fund by the core investors.
- iii. Consents of the auditors and trustee to their respective appointments and being named and described as such in this Offering Document.
- iv. Letter No. 10/SEC/PRDD/VPS/AIML/106 dated December 21, 2015 from the Commission, registering the Pension Fund Manager as a pension fund manager under the Rules,
- v. Letter No. SCD/PRDD/VPS/AIML/22/2016 dated September 2, 2016 from the Commission to the Pension Fund Manager, approving the Trustee to act as the trustee of the Pension Fund.
- i. Letter No. SECP/SCD/PRDD/VPS/AIML/57/2016 dated November 28, 2016 from the Commission, authorizing the Pension Fund.
- ii. Letter No. SECP/SCD/PRDD/VPS/AIML/65/2016 dated December 8, 2016 from the Commission, approving this Offering Document.
- vi. Letter No. 145-393 dated October 10, 2016 from Shariah advisor approving the Offering Document.

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

#### **4.1. Constitution of Alfalah GHP Islamic Pension Fund (AGIPF)**

The Pension Fund has been established as a trust under the Trusts Act, 1882 (II of 1882) through a trust deed dated October 6, 2016 executed between Alfalah GHP Investment Management Limited (AGIML) (the Pension Fund Manager), as party of the one part, and The Central Depository Company of Pakistan (CDC) (the Trustee), as party of the other part.



## **4.2. The Trust Deed**

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

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

### **4.2.1 Modification of the Constitutive Documents**

- a) The Trustee and the Pension Fund Manager acting together shall be entitled by a Supplementary Trust Deed to modify, alter or add to the provisions of the Offering Document in such manner and to such extent as they may consider expedient for any purpose, subject to 30 days prior notice to the Participants and the subsequent approval of the Commission, if so required. Provided that, the Trustee and the Pension Fund Manager shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of the Offering Document to be more efficiently, conveniently or economically managed or otherwise for the benefit of the Participant(s) and that it does not prejudice the interests of the Participant(s) or any of them or operate to release the Trustee or the Pension Fund Manager from any responsibility to the Participant(s).
- b) Where the Offering Document has been altered or supplemented, the Pension Fund Manager shall again notify the Participants and the participating employers immediately by a notice published in a newspaper having wide circulation and by placing the same on its website.
- c) The Pension Fund Manager may, from time to time, with the consent of the Trustee frame such operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such operational procedures are not inconsistent with the provisions of the Rules, the Deed or the Offering Document.
- d) If the Commission grants any relaxations or exemptions of Rules for the Pension Fund, these shall be deemed to be part of this Deed without the need of altering it. However, in cases of significant changes, the Commission may require issuance of a Supplementary Trust Deed from time to time.
- e) Where a change or amendment in the Rules or the Income Tax Ordinance, 2001, or any other applicable law or regulation, renders any of the clauses contained in this Offering Document ineffective or in need of amendment, such clause will automatically stand replaced by the new change or amendment and no modification in this Offering Document or any Supplemental Offering Document shall be required. However, if the Pension Fund Manager is amending the Offering Document or any Supplementary Offering Document for any reason, the Pension Fund Manager may also amend such clauses that have been automatically overwritten and amended due to a change / amendment in the Rules and / or the Income Tax Ordinance, 2001.
- f) If at any time, any clause of Offering Document is and / or becomes in whole or in part illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining clauses of this Offering Document

hereof, nor the legality, validity or enforceability of such clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

- g) Any change in the Offering Document will be made after vetting by Shariah Advisor so as to comply with the Principles of Shariah.

### 4.3. Seed Capital provided by the Core Participant

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 (PKR)	Amount (PKR in Millions)
<b>AGPF Equity Sub-Fund</b>	300,000	100	30
<b>AGPF Debt Sub-Fund</b>	300,000	100	30
<b>AGPF Money Market Sub-Fund</b>	300,000	100	30

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 period of three (3) years from the date of issue or as maybe determined by the Commission. A mention of 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.

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

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

- I. **AGIPF Equity Sub-Fund** (the **Equity Sub-Fund**),
- II. **AGIPF Debt Sub-Fund** (the **Debt Sub-Fund**) and
- III. **AGIPF Money Market Sub-Fund** (the **Money Market 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 Participant has a beneficial interest in the Pension Fund proportionate to the Units held by such Participant in the respective Sub-Fund in his Individual Pension Account. The liability of the Participant shall be limited to the amount paid against the number of Units or in certain circumstances cash, as may be allowed by the Rules, held by each Participant in his Individual Pension Account.
- 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.
- c) The Units in the Sub-Funds issued to the Participants would be non-transferable to another Participant/person. They shall only be redeemable in case of retirement (including retirement in the instance of disability), premature encashment/redemption, death of the Participant, and change of pension fund manager, change of Allocation Schemes and/or rebalancing of the portfolio/ Allocation Schemes.
- 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 Alfalah GHP Islamic Pension Fund to the eligible Participants on a continuous basis, through offer of Units of Sub-Funds issued at NAV calculated in the manner prescribed under the Rules or as may be specified by the

Commission from time to time, after deduction of Front-end Fee and Takaful premium from the Contribution amounts received.

- e) Units of the relevant Sub-Fund shall be issued to each Participant as per the selected ‘Allocation Scheme’, identified in clause 6.8, for the contributions among the Sub-Funds.

## 5. OPERATORS AND PRINCIPALS

### 5.1. The Pension Fund Manager (AGIML)

#### Organization:

Alfalah GHP Investment Management Limited (AGIM) is as an Asset Management and Investment Advisory Company, licensed by SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The company was incorporated on October 18, 2004 as a public limited company under the Companies Ordinance, 1984. The certificate of commencement of business was obtained on March 10, 2005.

#### Registered Address:

The registered address of the Pension Fund Manager is **8-B, 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, 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.

Alfalah GHP Investment Management Ltd. is an Abu Dhabi Group Company led by His Highness Sheikh Nahayan Mubarak Al Nahayan, the current Federal Education Minister in the UAE Government. The group is the single largest foreign investor group in Pakistan. The group is one of the largest in the Middle East and has diversified business interests across the Middle East, Africa and Asia comprising oil and gas exploration, hospitality services, communications, banking, financial services, automobile industry and property development.

#### Rating of the Pension Fund Manager

Currently AGIM has been rated as ‘AM2’ by Pakistan Credit Rating Agency (PACRA). The rating reflects the company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

### 5.2. Principle Shareholders & Main Sponsors

<b>Authorized Capital</b>	<b>Rupees</b> <b>400,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b> (32,445,970 shares of Rs. 10/- each)	<b>324,459,700</b>
<b>Sponsor's Equity:</b>	
Bank Alfalah Limited	130,490,700
MAB Investments Inc.	135,361,500
GHP Arbitrium Holdings (Formerly GHP Financial AG) Services	46,604,500
Muhammad Shoib	12,000,000
Abdul Aziz Anis	1,000
Mr. Aqueel Hassan	1,000
Mr. Manocher Ahmed Jamal	1,000
	<b>324,459,700</b>

#### Main Sponsors

The sponsor of Alfalah GHP Investment Management Ltd. is Bank Alfalah Limited which has nominated two Directors on the Board. Other institutional investors include GHP Arbitrium AG and MAB Investments Inc.

The following is the current shareholding structure of the company:

Sponsors	Shareholding Percentage
Bank Alfalah Limited	40%
MAB Investments Inc	42%
GHP Beteiligungen Limited	14%
Individuals	4%

#### a. Bank Alfalah Limited

Bank Alfalah Limited (BAL) was incorporated on June 21, 1992 as a public limited company under the Companies Ordinance, 1984. The bank is engaged in banking services and is operating through more than 648 branches that include 157 Islamic Banking branches and 10 overseas branches as at December 31, 2014. Bank Alfalah is the sixth largest bank in the country in terms of total assets and has shown aggressive expansion in recent years in all areas of business. The financial health of BAL is evident by long term credit rating of “AA” assigned by PACRA. As at December 31, 2014 the Bank had total deposits of approximately Rs. 605 billion and total shareholders’ equity of approximately Rs. 44.8 billion.

The key financials of Bank Alfalah for the last five years are as under:

Year End 31st December	2015	2014	2013	2012	2011
Shareholder’s Equity	42,425	37,823	28,265	25,501	25,777
Total Assets	902,607	743,128	610,614	536,567	468,174
Advances	327,298	290,597	260,779	233,933	198,469
Deposits	640,189	605,963	525,525	457,044	401,248
Total Income	70,299	64,414	52,240	53,361	32,892
Profit After Taxation	7,523	5,640	4,675	4,556	3,503

#### b. GHP Beteiligungen Limited

GHP Beteiligungen Limited is a premier portfolio management and investment counseling company with its head office in Switzerland. The company is a member of the Swiss Association of Asset Managers (SAAM). GHP prides itself on providing its investors with a long term view on investments and aims to achieve sustainable returns for investors with active risk management. Besides portfolio management and investment counseling the company is also engaged in private equity funding and investments, direct project investments, formation and administration of companies and trusts, mergers and acquisitions advisory and real estate investments and counseling. In addition to being a securities trader, GHP Arbitrium AG is an associated member of the Swiss Exchange and a member of the Swiss Bankers Association.

#### c. MAB Investments Inc.

MAB represents the private investment holding company of H.H. Sheikh Nahayan Mabarak Al Nahayan, the current Federal Education Minister in the UAE Government. MAB has a very distinguished board which is led by H.H. Sheikh Nahayan himself.

MAB is one of the investment vehicles through which the global investments of H.H. Sheikh Nahayan are managed.

### 5.3. Board of Directors of the Management Company

Name	Position	Other Directorships	Current Occupation	Address
Ms. Maheen Rahman	Chief Executive / Director	Nil	CEO - Alfalah GHP Investment Management Limited	8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi
Mr. Syed Ali Sultan	Director (Nominee – Bank Alfalah Limited)	- Pakistan Mercantile Exchange Limited	Group Head-Bank Alfalah Limited	8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi
Mr. Amin Dawood Saleh	Director (Nominee – Bank Alfalah Limited)	Nil	Head Financial Institution- Bank Alfalah Limited	8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi
Tufail J. Ahmad	Director (Non-Executive)	Nil		8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi
Mr. Abid Naqvi	Director (Non-Executive)	-Associated Construction Limited - Atlas Power Limited	Director-Associated Construction Limited	8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi
Mr. Michael Buchen	Director (Nominee - MAB Investment Inc)	- Dhabi Holding PJSC	Managing Director- Dhabi Holding PJSC	
Mr. Hanspeter Beier	Director (Nominee-GHP Arbitrium Ltd)	- GHP Arbitrium Limited	Portfolio Manager GHP Arbitrium Ltd	Galgerain 21, CH-6233 Büron

#### 5.3.1 Profile of Directors

##### Syed Ali Sultan – Chairman of the Board of Directors

Mr. Ali Sultan is a seasoned banker with over 20 years of experience in the financial sector of Pakistan and the Middle-East; offering knowledge across global markets, investment banking & fund management. Currently, Mr. Sultan is working for Bank Alfalah Limited as Group Head of Treasury & Financial Institutions where he is managing both conventional and Islamic treasuries and financial institutions coverage for the Bank.

Prior to joining Bank Alfalah, Mr. Sultan was the Director, Financial Markets Strategy and Conduct Department at the State Bank of Pakistan (Central Bank) and was responsible for implementing the Central Bank's strategic goal of policy formulation & development of vibrant financial markets. Mr. Sultan has also served with BNP Paribas as Regional Head of the Financial Institutions Group and with Standard Chartered Bank, covering treasury, capital markets and financial institutions across the Middle East.

In addition, Mr. Sultan is currently on the board of Pakistan Mercantile Exchange (PMEX) as a nominee director on behalf of SECP. He has actively participated in international professional forums like IMF meetings, WB and Euro-money conferences.

#### **Mr. Hanspeter Beier**

Mr. Hanspeter Beier is currently Client Relationship Manager, Portfolio Manager focusing on European Equities, macroeconomic Analyst, and Member of the Executive Committee.

As an acknowledged authority on the European stock market, Mr. Hanspeter Beier joined the Executive Committee of GHP Arbitrium in 2004. Previously Mr. Hanspeter Beier was head of portfolio management and Chief Financial Officer with a subsidiary of a major European bank before being appointed CEO of a Swiss private bank.

#### **Mr. Michael Buchen**

Mr. Buchen is the Managing Director of Dhabi Holdings PJSC, an Abu Dhabi based Investment Firm with a focus on direct investments in the GCC, Sub-Saharan Africa, South Asia and the Caucasus/Black Sea area. Dhabi Holdings is the primary investment advisor for Sheikh Nahayan bin Mubarak al Nahayan.

Mr. Buchen joined Dhabi Holdings in 2011 from Mubadala Development Company PJSC where he worked in the Special Situations Team. Mubadala is an Abu Dhabi Government owned Investment Vehicle with a portfolio valued at approximately USD 60bn. Before Mubadala, Mr. Buchen worked for Roland Berger Strategy Consultants in Europe, China and the Middle East on major cross-border M&A transactions and Restructurings.

Mr. Buchen serves as a director on the Board of a number of Dhabi Group Portfolio Companies. He holds a Master of Science in Business Management from the University of Muenster in Germany.

#### **Mr. Abid Naqvi**

Mr. Naqvi is presently the Director Investments and New Business Startups in Associated Constructors Limited and has almost twenty five (25) years of professional experience in the financial services industry. Mr. Naqvi started his career with Citibank, Pakistan in 1982 and his subsequent assignments include, Head of Economics for the National Development Finance Corporation (NDFC) where he was in close liaison with government economic, planning and finance ministries as well as a permanent representative of the CDWP, five (5) Year Plan Expert Working Groups. He was also the Managing Director, Deputy Managing Director and Head of Research for Taurus Securities from 1997 to 2004. He was a member of various committees of the Karachi Stock Exchange and played an active role in promoting the cause of capital markets.

Mr. Naqvi served on IGI Funds Limited Board between January 21, 2006 to October 14, 2013 and Chairman of IGI Funds Audit Committee between October 16, 2012 to October 14, 2013. Throughout his tenure with IGI Funds, he was an active member of the Board and Audit committee especially with regards to strengthening the role and scope of Risk Management at the company. Mr. Naqvi holds a Bachelor's degree in Economics from the University College London, United Kingdom.

#### **Tufail J. Ahmad**



Tufail J. Ahmad has been a successful seasoned banker with rich diversified multinational banking experience spanning over Middle Eastern & South Asian Markets. Presently, Mr. Ahmad serving as Chief Risk Officer at NIB Bank, a majority owned subsidiary of Fullerton Financial Holding, Singapore where he is overseeing enterprise wide risk management and represented the Bank from 2015-2016 on the Board of Directors of its wholly owned subsidiary PICIC Asset Management Company. Prior to this he served National Bank of Fujairah (a local UAE based entity) from 2005-2007 in the role of Head of Risk Management and later re-joined SCB Group in 2007 representing SCB on the Board of Directors of Standard Chartered Modaraba and Standard Chartered Leasing Company.

Mr. Ahmad is a former Chairman of various Credit, Risk and ALCO Committee(s) of the Bank and also served as member of two separate and independent Audit & Risk Committees of Standard Chartered Leasing Company and Standard Chartered Service (Private) Limited, the management company for Standard Chartered Modaraba. Member HR Board Committee of PICIC Insurance Company, Chairman Board Investment Committee, and Member Board Audit Committee of PICIC Asset Management Company. By profession, he has done his MBA from reputable institution in addition to completing several credit courses including AOP of Citibank, credit and risk courses with SCB in Dubai, Singapore and London. Received Credit Skill Accreditation from Moody's Risk Management Services for ANZ Banking Group besides receiving Credit Skill, Core Credit Curriculum, and Senior Credit & Risk accreditation from Standard Chartered Group.

#### **Mr. Amin Dawood Saleh**

Mr. Saleh has over twenty years of global experience in commercial loans, developing and implementing Asset Liability/Portfolio Management, including equities and bonds, derivatives structuring, and Risk Management strategies. Mr. Saleh has successfully established frameworks, leveraged economic and market analytics to service specialized needs of wholesale clients. He has demonstrated leadership in servicing the risk needs of clients in both the private and public sectors. Mr. Saleh is currently serving Bank Alfalah Limited as Head, Financial Institutions. Prior to this assignment he has also served in Gulf Bank K.S.C, Standard Chartered Bank and Ontario Financing Authority.

Mr. Saleh holds a Masters in Business Administration; and has also been awarded CFA charter and Financial Risk Management (FRM) designation.

#### **Ms. Maheen Rahman – Director and CEO**

See details as stated below.

### **5.3.2 Profile of the Management**

#### **Maheen Rahman – Chief Executive Officer**

Ms. Rahman is the Chief Executive of Alfalah GHP Investment Management, and has over fourteen years of experience in investment banking, research and asset management. Ms. Rahman started her career with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. Post Merrill Lynch, she joined ABN Amro Bank in Singapore in the Corporate Finance department and was involved in a series of equity raising and IPO activity across south-east Asia.

She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Under her stewardship BMA Capital's Research was represented on several international forums and widely recognized by local and international equity fund managers for its incisive analysis.

She joined IGI Funds in 2009 as Chief Executive. Total assets under management grew by over two hundred percent over the course of her tenure with a considerable widening in diversity and depth of client relationships on both mutual funds and investment advisory. The company was acquired by Bank Alfalah's

asset management company Alfalah GHP Investment Management in 2013. Within the first year of the takeover, Ms. Rahman focused the company to successfully leverage off the wide distribution network of Bank Alfalah with Assets under Management showing over sixty percent growth in the first nine months post acquisition making it one of the fastest growing asset management companies in the country. Her strategy for the company is straightforward – provide all clients with customized solutions and services for their investing and savings needs.

Ms. Rahman holds a Bachelors of Science (B.Sc. Hons) degree in Economics from the Lahore University of Management Sciences and a Master's of Science (M.Sc.) in Finance and Economics from Warwick Business School in the UK. She also holds a Series 7 qualification from the New York Stock Exchange.

**Noman Soomro – Chief Operating Officer**

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP) and has been with Alfalah GHP Investment Management Limited since May 2014. Prior to joining AGIML, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited between September 2007 to April 2014. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company.

Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, Modaraba, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

**Ahsan Javed Chishty – Head of Sales and Business Development**

Mr. Chishty has over ten years of experience in the financial services Industry. He has been with Alfalah GHP/IGI Funds since 2011 and has spearheaded the Sales and Marketing effort. Prior to joining Alfalah GHP he was Head of Capital Markets at BMA Capital Management.

He has also served as an economist with United Bank Limited where he spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Mr. Chishty has also worked with Standard Chartered where he was the Country Economist for Pakistan. He has also worked with AKD Securities. Mr. Chishty has done his B.Sc. in Economics from LUMS. He holds an ICM certification

**Nabeel Malik – Chief Investment Officer**

Mr. Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at Pak-Oman Asset Management Co. he had led POAMCL's Fixed Income Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Mr. Malik has done his MBA from SZABIST and holds a B.Sc. degree in Computing & I.T from Staffordshire University U.K.

**Muddasir Ahmed Shaikh – Lead SMA Advisor**

Mr. Shaikh's experience in the financial services industry spans over more than 10 years of which he has served 7 years as portfolio manager and investment advisor. He has been with Alfalah GHP Investment Management Limited since October, 2013. Prior to his current association, he served at the asset management arm of IGI Financial Service group (acquired by AGIML) for more than six years. During his career, he has also served other reputable institutions such as National Investment Trust Limited, JS Investments and Atlas Asset Management in the capacities of investment analyst and deputy fund manager.

Currently serving the company as Lead SMA Advisor, Mr. Shaikh is also a vital part of the portfolio management team and a senior member of the investment committee for the mutual funds. During his career as portfolio manager and investment advisor, he has managed various mutual funds schemes and advisory portfolios having diversified exposures in equities as well as fixed income instruments. His success in portfolio management, with a track record of successfully outperforming the benchmarks on continuous basis, has distinguished him from his peers.

Mr. Shaikh holds a Master's degree in Business Administration from Institute of Business Administration, Karachi.

**Shariq Mukhtar Hashmi – Head of Risk & Compliance**

Mr. Hashmi holds a diversified experience of over 12 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities.

Mr. Hashmi holds Financial Risk Manager (FRM) Certification from Certification of Global Association of Risk Professionals (GARP); USA. He is a Fellow Member of Association of Chartered Certified Accountants (FCCA) and holds MBA degree in Finance from SZABIST University.

**Mr. Shehzad Dhedhi– Chief Financial Officer**

Mr. Shehzad Dhedhi is a highly accomplished Chartered Accountant with proven experience of 15 years in audit, financial control and regulatory reporting in banking and financial sector. Prior to joining AGIML as CFO in May 2016, Mr. Dhedhi served at Credit Suisse Singapore in Group Finance where he was responsible for the financial control and regulatory reporting. He has also worked at Habib Bank Limited as regional head of financial control, Singapore (regional head quarter for Far East and Africa region)

Mr. Dhedhi has strong qualifications and skills in developing and implementing controls and processes. He qualified as a Chartered Accountant from Institute of Chartered Accountants of Pakistan in 2005, having completed his article ship from A.F. Ferguson & Co. He has also completed post-graduation from Institute of Business Administration Karachi.

**Mr. Ali Abbas Devjiani – Head of Operations & Registrar Services**

Mr. Devjiani has been awarded with the "Pakistan Market Regulations" (PMR) & "Fundamental of Capital Markets" (FCM) Certifications by Institute of Capital Markets. He also had an association with Institute of Cost and Management Accountants of Pakistan (ICMAP). He has been associated with asset management industry for the past 14 years, last serving as Head of Operations at MCB Arif Habib Savings and Investments Limited. Mr. Devjiani worked with founding teams in the industry and has experience in settlement, fund accounting, investor services, transfer agent and operations functions. He was instrumental in fund launching, merger and conversion of numerous funds managed by the company. He has diversified experience to look after conventional, Shariah compliant and Pension funds.

Mr. Devjiani holds two master degrees in the disciplines of Economics and International Relations respectively. His excellence and remarkable performance was acknowledged by CEO and he was awarded with certificate of appreciation for system development and he also holds recognized Diploma in Information Technology. Having a deep insight of the industry he has implemented numerous process changes to bring transparency, efficiency and effectiveness with his prudence.

**Mr. Luqman Shah – Acting Head of IT**

Mr. Luqman Shah, 15 years diversified professional experience in IT Management, Network and Systems Architecture design and Implementation, system Integration and automation. He has been with Alfalah GHP Investment Management Limited since 2005. During his career as Manager IT and System and Application Head. He has successfully completed various projects and achieves all business objects, Data Center, IT Operation 24 \*7, System and Applications Integration and Automating, Online Portal Services BCP and DR Site Deployment. Backup and Recovery, Data Storage Network Branch Setup, System and Hardware upgrading. Prior to Joining AGIML he has associate with Alsons Industries (Pvt.) Ltd. he had led Alsons Group of Industries information technology department.

Mr. Luqman Shah holds a Master degree in Computer Science from Federal Urdu University of Arts, Science and Technology, BSc. in Karachi University and also holds IT Professional Certificate, MCSE, MCTS, DCS and Training Certificate MCITP and CCNA.

**5.4. Asset under Management and their performance**

Alfalah GHP Investment Management Ltd. is currently managing twelve open end mutual funds namely:

1. Alfalah GHP Value Fund (AGVF)
2. Alfalah GHP Income Multiplier Fund (AGIMF)
3. Alfalah GHP Islamic Fund (AGISF)
4. Alfalah GHP Cash Fund (AGCF)
5. Alfalah GHP Alpha Fund (AGAF)
6. Alfalah GHP Income Fund (AGIF)
7. Alfalah GHP Stock Fund (AGSF)
8. Alfalah GHP Money Market Fund (AGMMF)
9. Alfalah GHP Islamic Income Fund (AGIIF)
10. Alfalah GHP Capital Preservation Fund (AGCPF)
11. Alfalah GHP Sovereign Fund (AGSOF)
12. Alfalah GHP Prosperity Planning Fund (AGPPF)
13. Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF)

**1. Alfalah GHP Value Fund (AGVF)**

Alfalah GHP Value Fund (AGVF) is an Open End Asset Allocation Fund which was launched on October 29, 2005. The objective of the fund is to invest in a broad range of asset classes so as to diversify Fund risk and to optimize potential returns. The Fund can invest up to a maximum limit of 80% of its NAV in equity securities or debt / money market securities with per company and per sector imitations as prescribed in the NBFC Regulations. Out of the total investment minimum 50% of assets shall remain invested in the listed securities. These asset allocations are changed from time to time in order to maximize investor returns and manage risk.

Fund Name	Alfalah GHP Value Fund (AGVF)
Fund Type	Open End
Nature of Fund	Asset Allocation Fund
Date of Launching	October 29, 2005
Fund Size as at August 31, 2016	Rs. 573 million
Par Value	Rs. 50/-
NAV per unit August 31, 2016	Rs. 67.2048/-
Credit Rating	“4 Star” by PACRA (5 Years)
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Risk Profile	Moderate to High
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	2.74%	Rs. 10.64 /-	19.7329
2010	17.36%	Rs. Nil /-	Nil
2011	7.20%	Rs. 4.25 /-	8.2486
2012	4.17%	Rs. 2.75 /-	5.4369
2013	30.11%	Rs. 10.77 /-	20.3509
2014	19.52%	Rs. 9.94 /-	18.1966
2015	25.50%	Rs. 7.7634/-	-
2016	18.30%	Rs. 1.6239/-	7.2725

\* Fund launch on 29-10-2005

**2. Alfalah GHP Income Multiplier Fund (AGIMF)**

Alfalah GHP Income Multiplier Fund (AGIMF) is an Open End Income Fund which was launched on June 15, 2007. The objective of the Fund is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements. The Investment Portfolio of the Fund comprises of fixed, floating and hybrid rate instruments. The allocation between various investment classes depends on prevailing market conditions and opportunities The Fund allows the investors to participate in the overall performance of fixed income / money market and to take advantage of a diversified and actively managed portfolio.

Fund Name	Alfalah GHP Income Multiplier Fund (AGIMF)
Fund Type	Open End
Nature of Fund	Aggressive Income Fund
Date of Launching	June 15, 2007
Fund Size as at August 31, 2016	Rs. 2,413 million
Par Value	Rs. 50/-
NAV per unit on August 31, 2016	Rs. 53.4813/-
Credit Rating	“A+ (f)” by PACRA

Trustee	CDC Pakistan Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

Distribution Details are as under:

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	3.24%	Rs. 4.24 /-	8.3307
2010	-0.04%	Nil /-	Nil
2011	2.83%	Rs. 1.59 /-	3.2610
2012	-8.75%	Nil /-	Nil
2013	6.81%	Rs. 3.86 /-	8.1582
2014	12.35%	Rs. 5.04 /-	10.4743
2015	14.20%	Rs. 4.248/-	-
2016	8.38%	Rs. 1.8738/-	-

\* Fund launch on 15-06-2007

### 3. Alfalah GHP Islamic Stock Fund (AGISF)

Alfalah GHP Islamic Stock Fund (AGISF) (formerly Alfalah GHP Islamic Fund) is an open end Shariah Compliant Islamic Equity scheme and was launched on September 3, 2007. The investment objective of the Fund is to achieve long term capital growth by investing primarily in Shariah compliant equity securities. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisory Board of the Fund.

Fund Name	Alfalah GHP Islamic Stock Fund (AGISF)
Fund Type	Open End
Nature of Fund	Islamic Equity Scheme
Date of Launching	September 4, 2007
Fund Size as at August 31, 2016	Rs. 4,295 million
Par Value	Rs. 50/-
NAV per unit on August 31, 2016	Rs. 65.8139/-
Credit Rating	"5 Star" by PACRA (1 Years)
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

Distribution Details are as under:

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	8.63%	Rs. 9.34 /-	16.2445
2010	11.79%	Rs. 2.00 /-	3.5236
2011	3.34%	Rs. 7.50 /-	13.7468
2012	11.32%	Rs. 5.75 /-	10.7396
2013	36.25%	Rs. 13.47 /-	23.6718
2014	18.42%	Rs. 14.99 /-	27.8751
2015	23.80%	Rs. 7.3107/-	
2016	20.33%	Rs. 6.0806/-	2.0266

\* Fund launch on 04-09-2007



#### 4. Alfalah GHP Cash Fund (AGCF)

Alfalah GHP Cash Fund (AGCF) is an open end Money Market Fund. The primary investment objective of the fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of mostly money market securities and placements. Investment is made in high quality and liquid money market securities and placements with a weighted average time to maturity of the net assets not exceeding 90 days. The fund principally invest in cash and cash instruments which includes cash in bank accounts (excluding TDRs), government securities, treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of Musharaka (COM), TDRs, commercial papers and reverse repo.

Fund Name	Alfalah GHP Cash Fund (AGCF)
Fund Type	Open End
Nature of Fund	Money Market Fund
Date of Launching	March 12, 2010
Fund Size as at August 31, 2016	Rs. 652 million
Par Value	Rs. 500/-
NAV per unit on August 31, 2016	Rs. 500.33/-
Credit Rating	“AA (f)” by PACRA
Trustee	MCB Financial Services Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Risk Profile	Low
Listing	Pakistan Stock Exchange

Distribution Details are as under:

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2010	8.14%	Rs. 27.10 /-	5.3938
2011	11.56%	Rs. 42.91 / -	8.5819
2012	11.02%	Rs. 51.93 /-	10.3858
2013	9.06%	Rs. 43.91 /-	8.7818
2014	8.09%	Rs. 33.72 /-	6.7456
2015	8.60%	Rs. 44.80/-	
2016	5.17%	Rs. 31.3261/-	-

\* Fund launch on March 12, 2010

#### 5. Alfalah GHP Alpha Fund (AGAF)

Alfalah GHP Alpha Fund (AGAF) is an open end Equity Fund which was launched on September 09, 2008. The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. AGAF will primarily invest in equity and equity related securities. If the Management Company expect the stock market to perform adversely during any period of time, based on its analysis of macroeconomic factors such as interest rates, economic growth rates, corporate earnings, stock market valuations, or based on political or any other factor(s), the management company may then temporarily allocate assets to other asset classes, subject to the prescribed limits, such as money markets, continuous funding system, ready future spread transactions, etc.

Fund Name	Alfalah GHP Alpha Fund (AGAF)
Fund Type	Open End
Nature of Fund	Equity Fund
Date of Launching	September 09, 2008

Fund Size as at August 31, 2016	Rs. 1,519 million
Par Value	Rs. 50/-
NAV per unit on August 31, 2016	Rs. 71.53/-
Credit Rating	“2 Star” by PACRA (5 Years)
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	14.34%	Rs. 28.29 /-	51.1249
2010	12.07%	Rs. 0.50 /-	0.8861
2011	15.70%	Rs. 7.00 /-	12.6789
2012	2.67%	Rs. 2.00 /-	3.6677
2013	39.80%	Rs. 18.00 /-	32.0779
2014	29.55%	Rs. 15.93 /-	27.9069
2015	27.40%	Rs. 7.0466/-	
2016	14.12%	Rs. 1.57/-	6.06

\* Fund launch on 09-09-2008

**6. Alfalah GHP Income Fund (AGIF) (formerly IGI Income Fund)**

The investment objective of Alfalah GHP Income Fund is to minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders. The management team ensures the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

The investment policy of the Fund is constructed to ensure the overall compliance with the above mentioned investment objective. As such, the investment policy shall focus on selecting instruments, executing transactions and constructing portfolio exposures to match the investment objective stated.

Fund Name	Alfalah GHP Income Fund (AGIF)
Fund Type	Open End
Nature of Fund	Income Scheme
Date of Launching	14 April 2007
Fund Size as at August 31, 2016	Rs. 1,473 million
Par Value	Rs.100/-
NAV per unit on August 31, 2016	Rs. 111.2892/-
Credit Rating	A+ (f) by PACRA
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Risk Profile	Low
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	6.47%	Rs. 2.64 /-	2.6479
2010	11.12%	Rs. 11.27 /-	11.2389

2011	11.33%	Rs. 13.07 /-	12.736
2012	11.16%	Rs. 13.11 /-	12.9969
2013	9.95%	Rs. 7.75 /-	7.7056
2014	8.00%	Rs. 7.79 /-	7.7621
2015	12.30%	Rs. 7.3777/-	
2016	7.56%	Rs. 2.6173/-	-

\* Fund launch on 14 April 2007

### 7. Alfalah GHP Stock Fund (AGSF) (formerly IGI Stock Fund)

The Scheme shall seek long-term capital growth by investing primarily in a diversified pool of equities and equity related investments.

The Scheme shall construct a diversified portfolio of equity and other Authorized Investments. At least 70% of the Net Assets of the Scheme shall remain invested in listed equity securities during the year on quarterly average investment calculated on daily basis. The remaining Net Assets shall be invested in cash and/or near cash instruments which shall include cash in bank account (excluding TDRs) and treasury bills not exceeding 90 days maturity. The Scheme shall not take exposure to Continuous Funding System (CFS).

The equity stocks shall be evaluated based on a combination of growth and value parameters. The best companies shall then be chosen from each sector. The final portfolio shall be determined taking into consideration the relative attractiveness of each sector. The Benchmark for Alfalah GHP Stock Fund is KSE- 100 Index. The performance of AGSF will be compared against KSE- 100 Benchmark. If the Fund Manager makes correct decisions on timing and selection of stocks, the Fund Manager should outperform the Benchmark and vice versa.

The Fund shall invest in the asset classes mentioned in the Offering Document under the heading Authorized Investment.

Fund Name	Alfalah GHP Stock Fund (AGSF)
Fund Type	Open End
Nature of Fund	Equity Scheme
Date of Launching	15 July 2008
Fund Size as at August 31, 2016	Rs. 2,242 million
Par Value	Rs.100/-
NAV per unit on August 31, 2016	Rs. 132.7031/-
Credit Rating	“4 Star” by PACRA (5 Years)
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

#### Distribution Details are as under:

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	32.90%	-	-
2010	26.09%	Rs. 23.52 /-	25.311
2011	30.32%	Rs. 34.58 /-	34.2173
2012	13.34%	Rs. 24.57 /-	22.9360
2013	66.38%	Rs. 18.75 /-	18.2666
2014	24.58%	Rs. 45.45 /-	44.5620
2015	27.70%	Rs. 14.4405	-
2016	14.88%	Rs. 0.5001/-	7.2129

\* Fund launch on 15 July 2008

### 8. Alfalah GHP Islamic Income Fund (AGIIF) (formerly IGI Islamic Income Fund)

The Scheme shall be Shariah based. The Scheme shall seek to provide good total return through a combination of current income and long term capital appreciation, consistent with reasonable investment risk in a Shariah Compliant manner. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

The Scheme has been categorized as Shariah Compliant (Islamic) Income Scheme. The investment policy of the Scheme is constructed to ensure overall compliance with investment objective mentioned in the Offering Document. The Scheme shall invest in a blend of short, medium and long term Shariah Compliant Islamic Income instruments. The investment policy shall focus on selecting instruments, executing transactions and constructing a portfolio to match the investment objective, subject to the Regulations and the directives and circulars issued by the Commission from time to time.

The investment policy of the Scheme shall select instruments from within the specified Shariah Compliant Authorized Investments and invest only in asset classes mentioned in the Offering Document.

Fund Name	Alfalah GHP Islamic Income (AGIIF)
Fund Type	Open End
Nature of Fund	Shariah Compliant (Islamic) Income Scheme
Date of Launching	3 December 2009
Fund Size as at August 31, 2016	Rs. 2,053 million
Par Value	Rs.100/-
NAV per unit on August 31, 2016	Rs. 101.4606/-
Credit Rating	“A+ (f)” by PACRA
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Risk Profile	Low
Listing	Pakistan Stock Exchange

#### Distribution Details are as under:

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2010	9.03%	Nil	Nil
2011	10.20%	Rs. 2.19 /-	11.5181
2012	9.68%	Rs. 10.16 /-	10.1071
2013	7.35%	Rs. 7.33 /-	7.2977
2014	6.02%	Rs. 5.31 /-	5.2878
2015	6.90%	Rs. 7.5632/-	-
2016	4.91%	Rs. 4.8198/-	-

\* Fund launch on 3 December 2009

### 9. Alfalah GHP Money Market Fund (AGMMF) (formerly IGI Money Market Fund)

As an open-ended money market Fund, the Scheme shall seek to generate competitive returns consistent with low risk from a portfolio constituted of short term instruments including cash deposits and government securities. The Fund will maintain a high degree of liquidity, with time to maturity of single asset not exceeding six months and with weighted average time to maturity of Net Assets not exceeding 90 days.

The Scheme has been categorized as Money Market Scheme. The investment policy of the Scheme is constructed to ensure overall compliance with investment objective mentioned above. Alfalah GHP Money

Market Fund will strive to earn Benchmark returns, by investing in short term instruments consistent with low risk and high liquidity. The Fund seeks to maintain a high degree of liquidity by investing in short-term instruments, whereby the time to maturity of any asset shall not exceed six months and weighted average time to maturity of net assets shall not exceed 90 days. The Fund will invest primarily in the money market specifically in cash and near cash instruments such as cash in bank accounts (excluding TDRs), Government Securities, money market placements, and deposits, certificate of deposits, certificate of Musharaka (COM), TDRs, commercial papers and reverse repos. The Fund will not take any direct or indirect exposure to equities. The Fund aims to mitigate risk by following prudent investment criteria and investing solely in high quality instruments and entities. With respect to entity ratings, rating of any NBFC or Modaraba shall not be lower than AAA (Triple A) and rating of any bank or DFI shall not be lower than AA (Double A Category). Furthermore, rating of any security in the portfolio shall not be lower than AA (Double A Category). The Fund's portfolio will therefore be firmly committed to high quality assets associated with low levels of risk.

Allocation among various instruments will be based on analysis of macro and micro economic variables such as interest rates, economic growth rates, political climate and analysis of the sector and entity in which the Fund intends to take exposure.

All investments made will be within the limits prescribed in the NBFC Regulations, as amended from time to time, or as otherwise specified by the SECP.

Fund Name	Alfalah GHP Money Market Fund (AGMMF)
Fund Type	Open End
Nature of Fund	Money Market Scheme
Date of Launching	27 May 2010
Fund Size as at August 31, 2016	Rs. 1,376 million
Par Value	Rs.100/-
NAV per unit on August 31, 2016	Rs. 99.2480/-
Credit Rating	“AA (f)” by PACRA
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Risk Profile	Low
Listing	Pakistan Stock Exchange

#### Distribution Details are as under:

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2010	10.71%	Nil	Nil
2011	11.89%	Rs. 10.65 /-	10.6002
2012	11.79%	Rs. 7.01 /-	6.9914
2013	9.46%	Rs. 5.85 /-	5.8329
2014	8.18%	Rs. 7.40 /-	7.3744
2015	8.70%	Rs. 8.8576/-	-
2016	5.37%	Rs. 8.0288/-	-

\* Fund launch on 27 May 2010

#### 10. Alfalah GHP Capital Preservation Fund (AGCPF)

The objective of the Fund is to earn a potentially high return through dynamic asset allocation between Equities and Sovereign Income/Money Market based Collective Investment Schemes along with exposure to government securities in order to provide capital preservation of the Initial Investment Value at completion of the Duration of Fund. Capital Preservation means that the Net Realizable Value of investment shall not fall below the Initial Investment Value, provided the investment is held till completion of the Duration of the Fund as per the terms specified in the Offering Document. Capital Preservation is

provided through investment structure of the Fund without any guarantee or undertaking by the Management Company or the Trustee, who shall not be liable as guarantors or otherwise.

The Scheme has been categorized as a Fund of Funds Scheme. The Investment Policy of the Fund shall be in accordance with the Rules, the Regulations and directives issued by SECP as specified in this Offering Document. The Fund will be dynamically allocated between the Equity Component and Sovereign Income/Money Market Component at pre-defined intervals by using the Constant Proportion Portfolio Insurance (CPPI) Methodology.

Fund Name	Alfalah GHP Capital Preservation Fund (AGCPF)
Fund Type	Open End
Nature of Fund	Fund of Funds Scheme
Date of Launching/Acquisition Date	18 September, 2014
Fund Size as at August 31, 2016	Rs. 1,812 million
Par Value	Rs.100/-
NAV per unit on August 31, 2016	Rs. 108.5278/-
Credit Rating	“CP2” by PACRA
Trustee	MCBFSL
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2015	10%	Rs. 6.3308/-	-
2016	8.68%	Rs. 6.7539/-	-

**11. Alfalah GHP Sovereign Fund (AGSOF)**

The investment objective of Alfalah GHP Sovereign Fund (AGSOF) is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term Government Securities and other debt instruments. The management team ensures the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

During the year, at least 70% of the net assets shall remain invested in Government Securities transactions based on quarterly average investment to be calculated on a daily basis, with the remainder invested in bank deposits or cash balance, money market placements, reverse repo, spread transactions, corporate bonds, Sukuks, and other authorized investments.

Fund Name	Alfalah GHP Sovereign Fund (AGSOF)
Fund Type	Open End
Nature of Fund	Income Scheme
Date of Launching	9 May 2014
Fund Size as at August 31, 2016	Rs. 5,559 million
Par Value	Rs.100/-
NAV per unit on August 31, 2016	Rs. 106.6745/-
Credit Rating	‘AA- (f)’ by PACRA
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants
Risk Profile	Low
Listing	Pakistan Stock Exchange



**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2014	8.70%	Rs. 1.16 /-	1.1634
2015	16.60%	Rs. 13.6802/-	-
2016	7.42%	Rs. 4.6776/-	-

\* Fund launch on 9 May 2014

**12. Alfalah GHP Prosperity Planning Fund (AGPPF)**

AGPPF is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the investor.

**Allocation Plans**

The following Allocation Plans are offered:

1. Alfalah GHP Conservative Allocation Plan
2. Alfalah GHP Moderate Allocation Plan
3. Alfalah GHP Active Allocation Plan

**Investment Objectives of Allocation Plans**

- a) The “Alfalah GHP Conservative Allocation Plan” is an Allocation Plan under the “Alfalah GHP Prosperity Planning Fund” and primarily aims to provide stable returns. This Allocation Plan is suitable for investors that have a relatively low risk tolerance and / or wish to save for the short to medium term.
- b) The “Alfalah GHP Moderate Allocation Plan” is an Allocation Plan under the “Alfalah GHP Prosperity Planning Fund” and primarily aims to provide a mix of capital appreciation and stable returns. This Allocation Plan is suitable for investors that have a relatively moderate risk tolerance and / or wish to save for the medium to long term.
- c) The “Alfalah GHP Active Allocation Plan” is an Allocation Plan under the “Alfalah GHP Prosperity Planning Fund” with the objective to earn a potentially high return through active asset allocation between Equity scheme(s) and Income scheme(s) based on the Fund Manager’s outlook on the asset classes.

Fund Name	Alfalah GHP Prosperity Planning Fund (AGPPF)	
Fund Type	Open End	
Nature of Fund	Fund of Funds Scheme	
Date of Launching	September 11, 2015	
Par Value	Rs.100/-	
Fund Size as at August 31, 2016	Alfalah GHP Conservative Allocation Plan	Rs. 303.198 m
	Alfalah GHP Moderate Allocation Plan	Rs. 304.269 m
	Alfalah GHP Active Allocation Plan	Rs. 230.390 m
NAV per unit on August 31, 2016	Alfalah GHP Conservative Allocation Plan	Rs. 107.1001
	Alfalah GHP Moderate Allocation Plan	Rs. 107.1787
	Alfalah GHP Active Allocation Plan	Rs. 110.8889
Trustee	CDC Pakistan Limited	
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants	
Risk Profile	Plan Specific	
Listing	Pakistan Stock Exchange	

**Distribution Details are as under:** Alfalah GHP Prosperity Planning Fund (AGPPF) –Active Allocation Plan

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	7.78%	Rs. 0.2449/-	-

\* Fund launch on 11 September 2015

**Distribution Details are as under:** Alfalah GHP Prosperity Planning Fund (AGPPF) –Moderate Allocation Plan

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	7.60%	Rs. 2.7502/-	-

\* Fund launch on 11 September 2015

### 13. Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF)

Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) is an Open-ended Shariah Compliant Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah compliant Mutual funds in line with the risk tolerance of the investor.

#### Allocation Plans

The following Allocation Plans are offered:

1. Alfalah GHP Islamic Balance Allocation Plan
2. Alfalah GHP Islamic Active Allocation Plan

#### Investment Objectives of Allocation Plans

- a) The “Alfalah GHP Islamic Balanced Allocation Plan” is an Allocation Plan under the “Alfalah GHP Islamic Prosperity Planning Fund” and primarily aims to provide stable returns. This Allocation Plan is suitable for investors that have a relatively low risk tolerance and / or wish to save for the short to medium term.
- b) The “Alfalah GHP Islamic Active Allocation Plan” is an Allocation Plan under the “Alfalah GHP Islamic Prosperity Planning Fund” with the objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s) based on the Fund Manager’s outlook on the asset classes.

Fund Name	Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF)	
Fund Type	Open End	
Nature of Fund	Shariah Compliant Fund of Funds Scheme	
Date of Launching	June 09, 2016	
Par Value	Rs.100/-	
Fund Size as at August 31, 2016	Alfalah GHP Islamic Balanced Allocation Plan	Rs. 1,849.7 m
	Alfalah GHP Islamic Active Allocation Plan	Rs. 1,629.1 m
NAV per unit on August 31, 2016	Alfalah GHP Islamic Balanced Allocation Plan	Rs. 101.0974
	Alfalah GHP Islamic Active Allocation Plan	Rs. 100.6819
Trustee	CDC Pakistan Limited	
Auditor	Ernst & Young, Ford Rhodes Sidat Hyder Chartered Accountants	
Risk Profile	Plan Specific	

Listing	Pakistan Stock Exchange
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**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) –Balanced Allocation Plan

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	0.10%	Rs. 0.0696/-	-

\* Fund launch on 09 June 2016

## 5.5. Role of the Fund Manager of Alfalah GHP Islamic Pension Fund (AGIPF)

The Pension Fund Manager shall designate a Fund Manager for Alfalah GHP Islamic Pension Fund (AGIPF), 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 of the asset classes within the plans 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 asset classes available (i.e. equity, debt and money market). In case of a change in the economic circumstances, the Fund Manager will re-allocate the relative weights of the asset classes within the Schemes with an appropriate increase or reduction in exposure in those asset classes that are expected to be most impacted. However, such changes shall be made within the limits set out in the Approved Allocation Policy specified by the Commission.

## 5.6. Responsibilities, Obligations and Restrictions of the Pension Fund Manager

### 5.6.1 Obligations of the Pension Fund Manager

- a) 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 and the Rules, in good faith, to the best of its ability, and without gaining any undue advantage for itself or any Connected Persons or its officers.
- b) 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.
- c) 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.
- d) The Pension Fund Manager shall maintain at its principal office, proper accounts and records of the Pension Fund and each Sub-Fund and each Individual Pension Account to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Pension Fund and the Sub-Funds, all transactions for the account of the Pension Fund and Contributions received by the Pension Fund and withdrawals by the Participants including detail of the Front-end Fee deducted from the Contributions, tax penalties and the withholding tax deducted at source, transfer or receipt of balances in the Individual Pension Accounts of the Participants to or from other pension fund managers.
- e) 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 Pension Fund and each Sub-Fund within four months of closing of the Accounting Period to the Commission, Trustee and the Participants, and the balance sheet and income and expenditure account shall comply with requirements as set out in Schedule I to the Rules.

- f) The Pension Fund Manager shall within one month of the close of the first and third quarter of each Accounting Period, and within two months of the close of second quarter, prepare and transmit to the Participants, Trustee and the Commission a balance sheet as at the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the Pension Fund, and the balance sheet and income and expenditure account shall comply with the requirements as set out in Schedule I of the Rules; provided that the Pension Fund Manager may, with the prior approval of the Commission, post the said quarterly accounts on its website instead of mailing them to the Participants.
- g) The Pension Fund Manager shall maintain the Register of Participants of Alfalah GHP Islamic Pension Fund and inform the Commission of the address where the Register is kept. For this purpose it may appoint a Registrar, who shall maintain Participants' records, issue statements of account and receipts for Contributions, process withdrawals and carry out all other related activities.
- h) The Pension Fund Manager will appoint, from the list of auditors prescribed by the Commission from time to time, with the consent of the Trustee, at the establishment of the Pension Fund and upon any vacancy, an Auditor independent of the auditor of the Pension Fund Manager and the Trustee and such Auditor shall not be appointed for more than three consecutive years.
- i) 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 Participants, (iii) total value of all Individual Pension Accounts, (iv) total Contributions for the previous Accounting Period (if any), and (v) such other information that may be prescribed by the Commission from time to time.
- j) The Pension Fund Manager/Registrar shall send an Account Statement as at the 30th June and the 31st December each year, within thirty (30) days thereafter to each Participant, confirming the transactions for the six (6) month period before that date in the Participant's Individual Pension Account, including the amount and type(s) of Contributions received (that is, whether from an employer or the Participant); incoming transfers from other pension fund manager(s) or incoming transfers from any provident fund or transfer from a deceased person's Individual Pension Account or other types of benefit disbursements; retirement or pre-retirement payments along with the taxes withheld; death benefit payment or transfer to heirs; outgoing transfer to purchase an Approved Annuity Plan from a Life Takaful Company; outgoing transfer to other pension fund manager(s); withdrawals; premium deducted out of the Contributions on account of any supplementary schemes opted by the Participant; or any other transaction. The statements shall include details of the number of Units allocated and held, the current valuation of the Units and such other information as may be specified by the Commission. Such Account statement shall be provided to each Participant free of charge. The Pension Fund Manager shall also send an account statement each time when there is an activity in his/her account. Additionally, each Participant shall be entitled to receive any statement in respect of his Individual Pension Account at any time on written application. Such information may also be posted on the website or emailed and furnished electronically, subject to prior approval of the Commission.
- k) The Pension Fund Manager shall, after intimating the Commission and the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Pension Fund Manager.

- l) The Pension Fund Manager shall send any other statement or certificate to the Participants which may be necessary under the Rules.
- m) The Pension Fund Manager shall furnish to the Commission a copy of its annual report and half yearly report, together with copies of the balance sheet, profit and loss account, directors' report, auditors' report and Shariah Advisor's 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.
- n) The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under the Rules and the Trust Deed nor shall the Pension Fund Manager (save as herein otherwise provided) be liable for any act or omission of the Trustee or for anything except its own negligence, reckless or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed, the Pension Fund Manager shall not be under any liability therefor 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.
- o) The Pension Fund Manager shall provide and replicate all recorded information relating to the Pension Fund to the Trustee on periodic basis.
- p) The Pension Fund Manager is responsible to deduct haram portion of income from dividend received on equity investments and any other source.
- q) The Pension Fund Manager/Registrar shall send a certificate as at 30th June each year for claiming the tax credit to the Participants confirming the total Contribution made into their Individual Pension Accounts during the current Tax Year. The Pension Fund Manager shall send the certificate by 31st July each year.

### **5.6.2 Restrictions on the Pension Fund Manager**

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

- 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 and with prior approval of the Commission;
- c) accept deposits from another pension fund;
- d) make a loan or advance money to any person except in connection with the normal business of the Pension Fund;
- e) participate in a joint account with others in any transaction;
- f) apply any part of its assets to real estate; provided that the Pension Fund Manager may purchase real estate for its own use out of its own shareholders' fund;
- g) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund;
- h) 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 ten per cent (10%) or more of the

brokerage or commission paid by the Pension Fund in any one Accounting Period; provided that the Commission may, in each case on merits, permit the ten percent (10%) limit to be exceeded if the broker who is a Connected Person offers advantages to the Pension Fund not available elsewhere; and

- i) enter into a short sale transaction in any security, whether listed or unlisted.

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

- a) The Pension Fund Manager may, by giving at least 90 days' prior written notice in writing to the Participants with the prior written approval of the Commission, retire from management of the Pension Fund.
- b) Where the Pension Fund Manager has given notice in accordance with Clause 5.6.3(a), its retirement shall be effective on the date being not less than 90 days after the date of such notice on which, with the approval in writing of the Commission, it appoints a new pension fund manager to manage the Pension Fund in accordance with this Trust Deed and the Rules.
- c) The Trustee may, by giving notice in writing to the Pension Fund Manager with the prior approval of the Commission, remove the Pension Fund Manager if any of the following events have occurred:
  - i. the Pension Fund Manager has contravened the provisions of this 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;
  - ii. 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
  - iii. a receiver is appointed over any of the assets of the Pension Fund Manager.
- d) The removal of the Pension Fund Manager from management of the Pension Fund by the Trustee under Clause 5.6.3 (c) shall be effective on the date on which, with the approval in writing of the Commission, the Trustee appoints a new pension fund manager to manage the Pension Fund in accordance with this Trust Deed and the Rules.
- e) 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 after seeking approval from existing unit holders in accordance with this Trust Deed and the Rules.
- f) 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.
- g) If the Commission has cancelled the registration of the Pension Fund Manager as provided in Clause 5.6.3 (f), the Commission shall appoint another pension fund manager to manage the Pension Fund in accordance with this Deed and the Rules.



- h) 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.
- i) 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.
- j) If so directed by the Commission, the Pension Fund Manager shall not receive any Contributions from any of the Participants or make any other transaction on account of the Pension Fund as from the date of issue of the notice as referred to in Clause 6.17 or as from the date of issue of the Commission's order in writing under Rule 6 of the Rules.

## **5.7. Responsibilities and Obligations of the Trustee**

The Trustee of the Pension Fund is:

### **Central Depository Company of Pakistan Limited**

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

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

### **5.7.1 Obligations of the Trustee**

- a) The Trustee shall comply with the provisions of this Deed and the Rules, for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Pension Fund Manager. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust 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 any of its directors, officers, nominees or agents.
- b) The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Participants. 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 this Deed or the Rules. Whenever pursuant to any provision of this 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.
- c) The Trustee shall;
  - i. take into its custody or under its control all the Trust property, including proprieties of the Sub-Funds of the Pension Fund and hold it in trust for the Participants in accordance with the applicable law, the Rules and the provisions of the Constitutive Documents; and the cash and register able assets shall be registered in the name of, or to the order of, the Trustee;

- ii. be liable for any loss caused due to its willful act or omission or that of its agent or delegate in relation to custody of assets or any investment forming part of the property of the pension fund;;
- iii. 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 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;
- iv. ensure that the issue, redemption and cancellation of Units are carried out in accordance with the provisions of the Rules and the Constitutive Documents of the Pension Fund;
- v. ensure that the methods adopted by the Pension Fund Manager in calculating the values of the Units of each Sub- Fund of the Pension Fund are adequate and that the Net Asset Value is calculated in accordance with the provisions of the Constitutive Documents or as specified by the Commission;
- vi. carry out the instructions of the Pension Fund Manager in respect of Investment Policy, unless they are in conflict with the provisions of the Constitutive Documents;
- vii. ensure that the investment policy prescribed by the Commission from time to time and the financing limitations set out in the Trust Deed, the Rules and other conditions under which the Alfalah GHP Islamic Pension Fund was authorized are complied with;
- viii. issue a report to be included in the annual report to be sent to Participants whether, in the Trustee's opinion, the Pension Fund Manager has in all material respects managed the Pension Fund in accordance with the provisions of the Constitutive Documents, and if the Pension Fund Manager has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof;
- ix. ensure that Units are not allocated until Contributions have been received.
- x. ensure that the Pension Fund Manager has specified a criteria in writing to provide for a diverse panel of brokers at the time of offering of a pension fund or for any subsequent change;
- xi. ensure that the Pension Fund Manager has been diligent in appointing brokers and shall not enter, on behalf of a pension fund, into transactions with any broker that exceed Fifteen per cent of the commission payable by a pension fund in any one accounting year:
- xii. Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities.
- xiii. Immediately inform the Commission if any action of the Pension Fund Manager contravenes any provision of the Ordinance, these rules, constitutive document, offering document, guidelines, codes, circulars, directives or any other applicable laws; and
- xiv. comply with the directions of the Commission given in the interest of the participants.
  - d) The Trustee shall, from time to time appoint, remove or replace one or more Custodian(s) as an agent for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Pension Fund Manager;
  - e) 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 Trust.

- f) The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the Report required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible in a manner so as to enable the Pension Fund Manager to meet obligation for finalization of financial statements of the Sub- Funds within the required time period.
- g) 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.
- h) The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Participants, or in the interest of the capital market and public, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information.
- i) 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 Participants, 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 reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that, no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules.
- j) None of the Trustee, the Custodian (if Trustee has appointed another person as Custodian), the Pension Fund Manager or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment with the Pension Fund save in the capacity of an intermediary.

### **5.7.2 Retirement or Change of Trustee**

- a) The Trustee shall not be entitled to retire voluntarily or otherwise except with the prior approval of the Commission and on appointment of a new trustee and such retirement shall take effect at the same time as the new trustee is appointed.
- b) In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission, within a period of three months of the Trustee giving notice of its intention to retire to the Pension Fund Manager shall by a Supplementary Trust Deed 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 Supplementary Trust Deed, reflecting this appointment is executed.
- c) 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 Trust under the provisions of the Rules, the Pension Fund Manager shall with prior approval of the Commission by instrument in writing remove the Trustee from its appointment under this 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 this Deed as the new trustee.

- d) 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 this 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 Participants 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.
- e) 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 Participants 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 Participants 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 will become effective with the Commission's approval, once the newly appointed trustee takes charge of all duties and responsibilities and appoint another trustee; provided that such notice shall not per se be regarded an admission of contravention on part of the Trustee who shall have the right to defend such notice or action.
- f) 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 to the new trustee and make payments to the new trustee of all sum due from the Trustee.
- g) 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.
- h) Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit under the terms of this 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 this Deed and/ or the Rules.

### **5.8. Registrar of the Units of the Pension Fund**

By an agreement, the Pension Fund Manager has appointed IT Minds Limited (having its registered office at 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan, as the Transfer Agents of Alfalah GHP Pension Fund.

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

**ITMINDS Limited**

**99-B, Block 'B', S.M.C.H.S.,**

**Main Shahrah-e-Faisal,**

**Karachi, Pakistan**

## **5.9. Distributor/Investment Facilitator**

The main Distributors of the Fund shall be:

Alfalah GHP Investment Management Limited and AGIML Branches.

The Pension Fund Manager may from time to time appoint or remove Distributors, Investment Facilitators and Sales Agents for the Fund under intimation to the Commission and the Trustee.

## **5.10. Auditor**

**5.10.1** The Auditors of the Alfalah GHP Islamic Pension Fund shall be

**A.F. FERGUSON & CO.**

**Chartered Accountants**

State Life Building No 1-C, I.I Chundrigar Road, P.O.Box 4716, Karachi-74000, Pakistan

**5.10.2** the Pension Fund Manager will appoint from the list of auditors prescribed by the Commission from time to time with the consent of the Trustee at the establishment of the Pension Fund and upon vacancy, an Auditor independent of auditor of the Pension Fund Manager and the trustee and such auditor shall not be appointed for more than three consecutive years.

The following persons shall not qualify to be the Auditors of the Pension Fund:

- a) A person who is or at any time during the preceding three years was a director, officer or employee of the Pension Fund Manager or the Trustee;
- b) A person who is a partner of, or in employment of, a Director, Officer, Employee, or Connected Person of the Pension Fund Manager or Trustee;
- c) The spouse, brothers, sisters or lineal ascendants or descendants of a director, officer or an employee of the Pension Fund Manager or Trustee;
- d) A person who is indebted to the Pension Fund Manager or Trustee; and
- e) A body corporate.
- f) A person who is not qualified to be appointed as auditor of a public company under the terms of Section 254 of the Ordinance shall not be appointed as the Auditor.
- g) A person who is not qualified to be appointed as auditor under the terms of Sections 254(3) and 254(4) of the Ordinance shall not be appointed as the Auditors. For the purposes of this Clause 5.10.2 (h) references to “company” in those Sections shall be construed as references to the Pension Fund Manager and the Trustee. Section 254(5) of the Ordinance will apply to the Auditor mutatis mutandis.
- h) Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm from time to time.

**5.10.3** 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, Registrar, or elsewhere and shall be entitled to require from the Pension Fund Manager, the Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.

**5.10.4** The Auditors shall prepare an auditor’s report as required under the Rules, applicable laws and Regulations, to be transmitted to the Commission and the Participants.

**5.10.5** The contents of the Auditors report shall be as required in the Rules. In case the Rules or any other applicable laws relating to appointment of Auditors of the Pension Funds are amended or substituted, the amended Rules or other applicable laws, as the case may be, shall be deemed to become

part of this Deed without the need to execute a Supplemental Trust Deed.

**5.10.6** 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.

## **5.11. Legal advisor**

**5.11.1** The legal advisor of the Alfalah GHP Islamic Pension Fund shall be:

**Ahmed & Qazi**  
Advocates & Legal Consultants

**5.11.2** The Pension Fund Manager may, in consultation with the Trustee, replace the legal advisor or appoint a new legal advisor to a vacancy created by the resignation or removal of the legal advisor. The particulars of the new legal advisor shall be deemed to become part of the Trust Deed and the Offering Document without the need to execute a Supplementary Trust Deed or Offering Document.

## **5.12. Bankers**

**5.12.1** Bank Alfalah Limited Islamic Banking

**5.12.2** The Pension Fund Manager may from time to time, remove or appoint additional Islamic bank and Islamic window/Branch of Conventional Bank as and when it deems appropriate.

## **5.13. Shariah Advisors**

**5.13.1** The Pension Fund Manager has appointed Shariah Board Members of BankIslami Pakistan Limited as Shariah Advisor to the Pension Fund. At present the Shariah Supervisory Board of BankIslami Pakistan Limited Consist of:

- a) Mufti Irshad Ahmad Aijaz
- b) Mufti Muhammad Hussain and
- c) Mufti Javed Ahmad

The profile of the Shariah Advisor (s) is annexed as Annexure ‘G’ in the Offering Document.

**5.13.2** All activities of the Pension Fund shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by the Shariah Advisor.

**5.13.3** The Shariah Advisor shall provide the list of Shariah compliant scripts for Investments made / to be made by the Pension Fund.



5.13.4 The Shariah Advisor shall also determine Shariah non-compliant (Haram) income that may have been earned by the Pension Fund during any period of review. This income would be given out in Charity to purify the remaining income of the Pension Fund. List of approved charities to which the Pension Fund Manager will pay the Haram Income will be decided in consultation with the Shariah Advisor. The Shariah Advisor shall also advise on the procedure of disbursement of this charity income in line with the Guidelines issued by the commission from time to time.

5.13.5 The Shariah Advisor shall advise the Pension Fund Manager 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 Pension Fund Manager, the Participant and other parties related with the matter.

5.13.6 The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Pension Fund Manager to mould the Unit Trust into a Shariah Compliant Investment.

5.13.7 At the end of first Accounting Period and thereafter for every annual accounting period, the Shariah Advisor shall issue a certificate to be included in the financial reports in respect of the Shariah compliance of the preceding year's operations of the Fund. Remuneration of the Shariah Advisor should be borne by the Pension Fund Manager.

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

### **6.1. Eligibility**

6.1.1. All individuals fulfilling the eligibility criteria prescribed by the Commission from time to time under the Rules or any directive/circular shall be eligible to contribute to the Pension Fund authorized under the Rules, directly as well as through employers.

6.1.2. A per clause 6.1.1 above, "all Pakistani nationals who have a valid National Tax Number (NTN) or Computerized National Identity Card (CNIC) and National Identity Card for Overseas Pakistanis (NICOP), issued by the National Database and Registration Authority (NADRA) shall be eligible to contribute to the Pension Fund.

6.1.3 Employers of such Eligible Person.

6.1.4. The Income Tax Ordinance, Each Eligible Person who opens an Individual Pension Account with the Pension Fund Manager may make Contributions to the Pension Fund, directly as well as through Participants having pension policies approved by the Commission under Section 63 of 2001 (XLIX of 2001) and issued by Life Insurance Companies before 30 June, 2005 are eligible to redeem their units and transfer the balance to their Individual Pension Account, subject to the Rules.

6.1.5. Accumulated balance from Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e. approved gratuity fund or recognized provident fund) can be transferred to the Pension Fund.

6.1.6. The eligibility criteria may be reviewed by the Commission from time to time.

### **6.2. Structure of Pension Fund**

The Pension Fund shall be in the form of a trust being made up of an equity Sub -Fund, a debt Sub-Fund and a money market Sub-Fund and such other Sub-Funds as may be allowed by the

Commission. The Pension Fund shall have different Allocation Schemes that may be specified by the Commission from time to time. Details of Allocation Schemes currently being offered by the Pension Fund Manager is given in this Offering Document. When the Additional Allocation Schemes or Sub-Funds are launched, the Pension Fund Manager shall announce the same by Supplementary Offering Document and Trust Deed.

The Pension Fund established is perpetual in life and shall not be wound-up or terminated by way of liquidation.

### **6.3. Application Procedures**

The procedure herein below is designed for paper based transactions. The Pension Fund Manager may at a later date introduce electronic/ Internet based options for the transactions.

- a) Participation in the Pension Fund shall be offered through Authorized Branches/Offices of Distributors and Investment Facilitators/Sales Agents.
- b) Before contributing, either himself or through the employer, to the Pension Fund, eligible person must open an account with the Pension Fund Manager, to be known as Individual Pension Account (the "IPA"), using the Prescribed Application Form.
- c) Details of documents required to be submitted along with the Forms would be as per the Offering Document and as per the Rules, Regulations and Guidelines issued by the Commission from time to time.
- d) The Pension Fund Manager shall make arrangements that all Forms shall be available and can be obtained in hard copy or electronic form from the offices of Pension Fund Manager, Investment Facilitators/Sales Agents, any authorize branches / offices of Distributor of the Pension Fund Manager or downloaded from the Pension Fund Manager's website or requested from the Pension Fund Manager by courier or through electronic means.
- e) The Pension Fund Manager or the Distributor shall verify the particulars given in the Prescribed Application Form. The Investment facilitators / sales agents and distributors shall ensure that only those forms are received and forwarded to the Registrar for further processing which are complete in every respect.
- f) The Participant shall have the option to select any one of the Allocation Schemes offered by the Pension Fund Manager. In the event of no choice made by the Participant, the Pension Fund Manager will have the right to allocate the Contributions to a default Allocation Scheme in light of the Prescribed Allocation Policy, as may be considered in the interest of the participants.
- g) After opening an account or at the time of opening of account a Participant may by using the Form, make Contribution towards Pension Fund. Allocation of Contributions among Sub-Funds will be made as per the Allocation Scheme selected by the Participant and the Allocation Scheme once selected can be changed as per the Rules, Regulations and Circulars issued from time to time. Initially the Allocation Scheme is intimated to the Pension Fund Manager through a Prescribed Application Form.
- h) Application for Contribution shall be made by completing the Form and submitting it physically or electronically via designated website to the Authorized Branches of the Distributor or to the Pension Fund Manager together with the payment by cheque, bank

draft, pay order, or online transfer (except cash transfer) as the case may be in favor of “CDC - Trustee Alfalah GHP Islamic Pension Fund” and crossed “Account Payee only”.

- i) If subsequent to receipt of the application by the Distributor or Pension Fund Manager, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the meanwhile the application will be held in abeyance up to fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded out of collection account without any profit or mark-up.
- j) If the cheque has been returned unpaid, the application for Contribution will be rejected.
- k) The Applicant must obtain a copy of the application or the receipt signed and stamped by an authorized officer of the Distributor, Investment Facilitators/Sales Agents acknowledging its receipt. However, in case of online Contributions, if any offered by the Pension Fund Manager and with consent of trustee and approval by the Commission the online acknowledgement will be sufficient for the purpose of this clause.
- l) If an application received pursuant to this Clause 6.3 is found by the Pension Fund Manager, Registrar or the Distributor to be complete and correct in all material respects, the Pension Fund Manager, Registrar or the Distributor shall advise the applicant in writing of the opening of the applicant’s Individual Pension Account with the Pension Fund Manager and shall also advise the applicant the number of such account.
- m) The Pension Fund Manager may make arrangements to accept applications for opening Individual Pension account through electronic means upon satisfaction of the Trustee, subject to the conditions of Customer Due Diligence (CDD) / Know Your Customer Policy (KYC), specified by the Commission through notifications / circulars / Rules / Regulations , etc.
- n) Subject to the State Bank of Pakistan’s regulations, offshore country regulators or any other authority, the Pension Fund Manager will make arrangements, from time to time, for receiving the Forms and payments from outside Pakistan from Non Resident Pakistanis (NRPs), having valid CNIC or NICOP who meet with the eligibility criteria and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- o) The prescribed Forms can be lodged with any Distributor or Investment facilitators / sales agents. Sales Agent or authorized representatives of the Distributor can collect these Forms for onward submission to the Distributor or Pension Fund Manager.
- p) If an employer decides to contribute on behalf of a Participant, the employer must register with the Pension Fund Manager by filing and submitting the required form entitled ‘Employer and 3rd Party Contributor Form’ as attached in Annexure “F” hereto.
- q) The application procedure described in Clauses 6.3. may be altered by the Pension Fund Manager from time to time with the approval of the Commission and the Trustee. Such alterations shall be announced through Supplementary Offering Documents issued by the Pension Fund Manager from time to time and shall be deemed to correspondingly alter the provisions of Clause 6.3. without the need to execute a Supplementary Trust Deed.

**6.4. Allocation/ Issue of Units**

- a) The Prescribed Application Form, complete in all respects including payment (on realized basis), received by the Pension Fund Manager or Distributor at its/their Authorized Branches during Business Hours on any Dealing Day from any Participant shall be immediately credited to the Individual Pension Account of the Participant after deducting the Front-end Fees or Takaful contributions if any. Such amount in the Individual Pension Account shall be used to purchase the Units of Sub-Funds of the Pension Fund as per the Allocation Scheme selected by the Participant, at the Net Asset Value notified by the Pension Fund Manager at the close of that Dealing Day for each Sub-Fund. Any Form received after Business Hours will be transferred to the next Dealing Day.
- b) The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds as per Rules and Offering Document to ensure that the allocation of Units of all the Participants are according to the Allocation Schemes selected by the Participants or where no selection has been made, according to the Default Allocation Scheme.

**6.5. Contribution Procedures and Minimum Contribution**

- a) Contributions from Eligible persons and/ or from their employers can be paid lump sum or in installments during any Tax Year. Detailed procedures are mentioned in clause 6.3 above.
- b) The Pension Fund Manager shall send an account statement as an acknowledgement of receipt of the Contribution, to the Participant or the employer, as the case may be, within 7 Business Days of the receipt of Prescribed Application Form complete in all respects along with realization of payment. Such account statement shall provide all the information as per Guidelines issued by the Commission in this regard.
- c) Dispatch of the account statement as an acknowledgment through registered post / courier shall be sufficient to meet the needs of the above obligation. However, for contributions routed through the employers only the acknowledgement receipt of documents provided to the employers shall suffice for the above obligation.
- d) The Fund may be marketed in conjunction with group life or other Takaful schemes or any other scheme subject to approval of the Commission. Such supplementary schemes would not be compulsory for all the Participants to join and the Trustee shall on the instruction of Pension Fund Manager deduct the premiums only from the Contributions of those Participants who have opted to join such schemes. The Trustee would be making payment of deducted premium to the relevant Takaful Company on the instruction of the Pension Fund Manager. Only the net amount of Contributions after deduction front end load, any bank charges and Takaful Contribution shall form part of the Trust Property.
- e) Contribution procedure enunciated in clauses 6.5 (a) to 6.5 (e) shall be subject to alterations due to amendments to or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and/or the Income Tax Rules. Such alterations with prior approval of the Commission shall be announced in Supplementary Offering Documents and shall be deemed to correspondingly alter the above provisions in this Deed without the need to execute a Supplementary Trust Deed.

The Pension Fund Manager may make arrangements to accept contributions through electronic means upon satisfaction of the Trustee.

### **6.5.1 Minimum Investment Amounts**

- a. The minimum amount of Contribution to open an Account is Rs.1,000/- and the minimum amount for contribution to an existing account is Rs.500/- per transaction. There will be no penalties on delayed payments. The Pension Fund Manager may from time to time change such minimum amount through announcement on its website or through Supplementary Offering Document with the prior approval of the Commission.
- b. There is no maximum limit of Contributions to the Pension Fund. Participants can contribute any amount in one lump sum or in installments. However, tax credits will be available to the Participants up to a maximum allowable amount of contribution within any financial year according to the Income Tax Ordinance, 2001 (XLIX of 2001).

### **6.6. Options and Procedures in case of Cessation, Temporary or Permanent, of Contributions by the Participants**

The Pension Fund Manager shall allow the Participants or their employers, if any, to pay the desired contribution into the Pension Fund in one lump sum or in installments during any fiscal year.

There will be no penalties on delayed payments or temporary or permanent cessation of Contributions, Participants may continue to make the payments at any time till their retirement.

### **6.7. Sub-Funds of Alfalah GHP Islamic Pension Fund**

Initially the Alfalah GHP Islamic Pension Fund shall consist of the following three Sub-Funds:

- a) AGIPF Equity Sub-Fund: The objective of the Fund is to achieve long term capital growth. The Fund shall invest primarily in Shariah compliant equity securities, with a minimum investment of 90% of its net asset value in listed shares during the year based on quarterly average investment calculated on daily basis.
- b) AGIPF Debt Sub-Fund: The objective of the Fund is to provide competitive return. The Fund shall invest primarily in Shariah Compliant tradable debt securities with the weighted average time to maturity of the investment portfolio of the Sub-Fund not exceeding five years.
- c) AGIPF Money Market Sub-Fund: The objective of the Fund is to provide regular income along with capital preservation. The Fund shall invest primarily in short term Shariah Compliant money market securities with the weighted average time to maturity of the fund not exceeding upto one year.

The Alfalah GHP Islamic Pension Fund, after successfully managing the Equity, Debt and Money Market Sub-Funds, may with the approval of the Commission launch other Sub-Funds through a Supplemental Trust Deed and a Supplementary Offering Document to incorporate information for investments in other classes of assets including securitized investment in real estate or in assets outside Pakistan.

## 6.8. Allocation Scheme

6.8.1. The Pension Fund Manager shall offer different Allocation Schemes to the Participants to choose from, allowing the Participants to adopt a focused investment strategy, according to their risk/return requirements, through Sub-Funds of the Alfalah GHP Islamic Pension Fund, 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) AGIPF Equity Sub-Fund
- b) AGIPF Debt Sub-Fund
- c) AGIPF Money Market Sub-Fund

6.8.2. The Contributions received from any Participant shall be allocated amongst the Sub-Funds in accordance with the Allocation Scheme selected by the Participant.

6.8.3. The Participant has the option to select any one from the Allocation Schemes or products being offered by the Pension Fund Manager at the date of opening his/her Individual Pension Account. The Participant may change the Allocation Scheme not more than twice a year thereafter. Notice for the change in Allocation Scheme must be sent by the Participant in writing or in such other form as may be acceptable to the Pension Fund Manager.

6.8.4. In the event no choice is made by the Participant, a PFM, keeping in view the profile and age of the Participant, shall allocate the contributions preferably to an approved Lifecycle Allocation Scheme specified, and if such a scheme has not been offered, then allocate contributions to Low Volatility Scheme.

6.8.5. The Pension Fund Manager is offering the following four Allocation Schemes to allocate the Contributions received from the Participants in the Sub-Funds:

### i. High Volatility Allocation Scheme

This scheme shall allocate a major portion of the Contribution to the Equity Sub-Fund; the remaining portion will go to the Debt Sub-Fund, while there will be no allocation to the Money Market Sub-Fund.

The scheme is therefore suitable for investors with a high risk tolerance and preference for equity exposure.

Allocation Scheme	Equity Sub- Fund	Debt Sub- Fund	Money Market Sub-Fund
High Volatility	Min 65%	Min 20%	Nil

### ii. Medium Volatility Allocation Scheme

This scheme shall seek to allocate a major portion of the Contributions to the Equity Sub-Fund and Debt Sub-Fund and the remaining portion will be allocated to the Money Market Fund.

This schemes aims to strike a balance between investments in equities and debt, thereby suiting Participants who have moderate risk tolerance.



Allocation Scheme	Equity Sub- Fund	Debt Sub- Fund	Money Market Sub- Fund
Medium Volatility	Min 35%	Min 40%	Min 10%

### iii. Low Volatility Allocation Scheme

This scheme shall allocate a major portion of the Contribution to the Debt Sub Fund and the remaining portion will be allocated between the Equity Sub-Fund and Money Market Sub-Fund.

By placing a major portion of the funds in the Debt Sub-Fund, this scheme offers a low risk and less volatile avenue to Participants. It is therefore appropriate for individuals who are relatively risk averse in nature and prefer safer investments.

Allocation Scheme	Equity Sub- Fund	Debt Sub- Fund	Money Market Sub- Fund
Low Volatility	Min 10%	Min 60%	Min 15%

### iv. Lower Volatility Allocation Scheme

This scheme shall not allocate any portion of the Contribution to the Equity Sub-Fund. The entire contribution will be allocated between the Debt Sub-Fund and the Money Market Sub-Fund. This scheme takes no exposure to equities, which are considered risky securities. By investing only in debt and money market instruments, this scheme is the least risky amongst the approved four schemes, prescribed by the Commission.

Allocation Scheme	Equity Sub- Fund	Debt Sub- Fund	Money Market Sub- Fund
Lower Volatility	Nil	Min 40%	Min 40%

### v. Customized Allocation Scheme

Customized Allocation Scheme offers a personalized investment allocation between the equity and fixed income instruments through investments in Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund, Participants can choose varying allocations between the Sub-Funds in line with their own risk/return profile.

Allocation Scheme	Equity Sub- Fund	Debt Sub- Fund	Money Market Sub- Fund
Customized	0-100%	0-100%	0-100%

Alfalah GHP Islamic Pension Fund may provide additional allocation schemes or products subject to approval of the Commission. Up to two additional Allocation Schemes may be approved in the first 5 years.

In the event of no choice made by the Participant, the Pension Fund Manager shall allocate the Contribution to Low Volatility Asset Allocation or as prescribed by the Commission.

6.8.6. The Pension Fund Manager may add more Allocation Schemes in the existing or additional Sub-Funds, after five years of operations, with the prior approval of the Commission.

6.8.7. The percentage allocations of each Allocation Scheme will be changed at least once in a given

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

<b>Allocation Scheme</b>	<b>Equity Sub- Fund</b>	<b>Debt Sub- Fund</b>	<b>Money Market Sub- Fund</b>
<b>High Volatility</b>	Min 65%	Min 20%	Nil
<b>Medium Volatility</b>	Min 35%	Min 40%	Min 10%
<b>Low Volatility</b>	Min 10%	Min 60%	Min 15%
<b>Lower Volatility</b>	Nil	Min 40%	Min 40%

6.8.8 The Participant shall have the option to change his selected Allocation Scheme to another Allocation Scheme being offered by the Pension Fund Manager not more than twice in a financial year. The notice for the change in Allocation Scheme shall be provided to the Pension Fund Manager by the Participant before the relevant date, in writing through submission of the Change of Allocation Scheme Form or in such form as may be acceptable to the Pension Fund Manager. On the relevant date, the Units shall be reallocated in accordance with the new Allocation Scheme and any subsequent allocations and reallocations shall be made according the new selected Allocation Scheme.

6.8.9. As a part of the Prescribed Application Form, each Participant shall provide an undertaking that he/she has no objection to the investment / allocation policy determined by the Commission and offered by the Pension Fund Manager and he/she is fully aware of the risks associated with his/her selection of Allocation Scheme.

## **6.9. Allocation among the Sub-Funds**

6.9.1. Each Participant of the Pension Fund will in turn be the holder of Units of the Sub-Funds in proportions determined in accordance with the Allocation Scheme selected by the Participant as per Clause 6.8.5 or, In the event no choice is made by the Participant, a PFM, keeping in view the profile and age of the Participant, shall allocate the contributions preferably to an approved Lifecycle Allocation Scheme specified, and if such a scheme has not been offered, then allocate contributions to Low Volatility Scheme.

6.9.2. 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.

6.9.3. The Pension Fund Manager will make reallocation of the Sub-Fund Units between the Sub-Funds at least once a year to ensure that the allocations of Sub-Fund Units of all the Participants are according to the selected allocation scheme of the Participants.

6.9.4. All Participants of the Pension Fund will, in turn, be holders of Units of the Sub-Funds in various proportions or, in certain conditions, of cash held in an appropriate bank account in the name of the Trustee.

**6.10. Allocation Policy**

6.10.1. A Participant has the option to select any Allocation Scheme in relation to his/her Contributions and shall make such selection at the date of opening his Individual Pension Account. A Participant may change any Allocation Scheme selected by him/her in relation to his Contributions to a different Allocation Scheme selected by him/her not more than twice a financial year.

6.10.2. The number of Units of any Sub-Fund purchased out of Contributions made by any Participant shall be determined in accordance with the Allocation Scheme selected by the Participant.

6.10.3. The Pension Fund Manager may assist a Participant 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 Participant.

6.10.4. The Pension Fund Manager or the Registrar 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.

6.10.5. If any Participant fails to select an Allocation Scheme at the date of opening his Individual Pension Account, the Pension Fund Manager shall allocate Contributions of the Participant to the Default Allocation Scheme, which shall be Low Volatility Allocation Scheme, specified in Clause 6.8.5(iii).

6.10.6. The Default Allocation Scheme mentioned in sub-clause 6.8.5 above, shall then be deemed to be a Participant's selected Allocation Scheme in the event that the Participant fails to select an Allocation Scheme at the date of opening his Individual Pension Account.

6.10.7. The Pension Fund Manager shall make re-allocation of the Sub-Fund Units between the Sub-Funds at least once a year to ensure that allocations of Sub-Fund Units of all the Participants are according to the Allocation Schemes selected or deemed to be selected by the Participants.

6.10.8. An Individual Pension Account shall not be subject to any lien, pledge, encumbrance or 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 no sum shall pass to any trustee or person acting on behalf of a Participant's creditors in the event of his bankruptcy.

6.10.9. Each Participant 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.

6.10.10. The criteria of allocations may be subject to changes and modifications from time to time in accordance with the changes in the Investment Policy and the Prescribed Allocation Policy. All such changes shall be announced through Supplementary Offering Documents.

**6.11. Individual Pension Account**

6.11.1 The Pension Fund Manager shall assign a unique Customer ID to the Individual Pension Account of each Participant. Such unique Individual Pension Account number shall be issued in line

with the criteria prescribed by the Commission.

6.11.2 The Contribution received from any participant on any Business Day by the Trustee shall immediately be credited to the Individual Pension Account of the respective Participant. The amount in the Individual Pension Account shall be used for the purchase of the Units of different Sub-Funds in accordance with the Allocation Scheme selected by the Participant. In the event no choice is made by the Participant, a PFM, keeping in view the profile and age of the Participant, shall allocate the contributions preferably to an approved Lifecycle Allocation Scheme specified, and if such a scheme has not been offered, then allocate contributions to Low Volatility Allocation Scheme.

6.11.3 Contributions shall not be treated as having been received from or on behalf of any Participant unless they are received by the Trustee in cleared funds and only the amount received in cleared funds shall be treated as the Contribution received.

6.11.4 If any Contribution is received from or on behalf of any Participant by in cleared funds on a day which is not a Business Day, it will be treated as having been received on the first following Business Day.

6.11.5 The Participant shall have a right to change his/her Allocation Scheme as per the Rules and Circulars issued from time to time.

6.11.6 The Pension Fund Manager shall make reallocation of the Units between the Sub- Funds as per Rules and Offering Document to ensure that the allocation of Units of all the Participants are according to the Allocation Scheme selected by the Participants or where no selection has been made, a PFM , keeping in view the profile and age of the Participant, shall allocate the contributions preferably to an approved Lifecycle Allocation Scheme specified, and if such a scheme has not been offered, then allocate contributions to Low Volatility Allocation Scheme.

6.11.7 Individual Pension Account and the Units shall not be subject to any lien, pledge or encumbrance, attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and on the bankruptcy of a Participant, no sum shall pass to any trustee or person acting on behalf of his/her creditors.

6.11.8 As part of the Form, each Participant shall provide an undertaking that he/she has no objection to the Prescribed Investment Policy and Prescribed Allocation Policy determined by the Commission and he/she is fully aware of the risks associated with his/her selection of Allocation Scheme.

6.11.9 In case of retirement of the Participant, the units available in the Individual Pension Account shall be en-cashed on the first Dealing Day falling on or immediately after the date of retirement and such cash shall be deposited in a bank account maintained with a Islamic Bank or Islamic Window of a conventional bank having minimum entity rating by a credit rating agency as specified in the Offering Document which shall earn profit at applicable market rates offered for deposits of such amount and duration from the date of retirement till the date at which retirement options are exercised.

6.11.10 In case of death before retirement, the units available in the Individual Pension Account shall be en-cashed on the Dealing Day on which intimation of the death of the Participant would be received in writing (along with the necessary documents as may be acceptable to the PFM and/or Trustee) and such cash shall be deposited in a bank account maintained with a Islamic Bank having minimum entity rating by a credit rating agency as specified by the in the Offering Document which shall earn profit at applicable market rates offered for deposits of such amount and duration from the date of intimation of death of the Participant till the date when the available options are exercised by the nominees/survivors.

6.11.11 The criteria of allocation may be subject to changes and modifications from time to time in accordance with the change in the Prescribed Investment Policy and Prescribed Allocation Policy. All such changes shall be announced by a Supplementary Offering Documents with the consent of the Trustee and shall be deemed to become part of this Trust Deed without the need to execute Supplementary Trust Deeds.

## **6.12. Frequency of Valuations and Dealings**

6.12.1 The valuation of the Sub-Fund Units will be carried out on each Business Day.

6.12.2 The valuation shall be conducted as at the close of a Business Day.

6.12.3 Contributions from Participants and requests for withdrawals and transfer to other pension fund manager will be received on all Business Days.

6.12.4 The Dealing Days shall be all Business Days from Mondays to Fridays every week when banks and stock exchanges both are open for normal business, or as notified otherwise by the Pension Fund Manager from time to time and made available on the website of the Pension Fund Manager. The business hours shall be from 9 am to 5 pm from Mondays to Fridays and Cut-off time shall be 4:00 pm, or as notified by the Pension Fund Manager, from time to time and made available on the website of the Pension Fund Manager.

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

## **6.13. The Mode of Announcement of Net Asset Value**

The Net Asset Value of Units determined by the Pension Fund Manager shall be made available to the public at office of the Pension Fund Manager. The Pension Fund Manager may arrange to publish the Net Asset Value in a leading newspaper(s) and shall also make it available on its website.

Any sum or Unit price computed under this Offering Document shall be rounded to the nearest four decimal places.

## **6.14. 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 Trust Deed.

## **6.15. Payment of Proceeds on Withdrawals and Transfers**

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

6.15.2 The Trustee shall, at any time during the life of the Pension Fund, authorize withdrawal from the Individual Pension Account through redemption of Units of Sub-Funds through the authorized Distribution Companies of the Fund.

6.15.3 The amount payable on withdrawal shall be paid to the Participant or, in accordance with the Trust Deed, to his nominated survivors, executors, administrators or successors by crossed cheque, pay order or transfer to their designated banker or Takaful Company, 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 Redemption Form" at any Authorized Branch as provided hereto in Annexure "E". The Pension Fund Manager shall ensure that adequate records in respect of the reason for any payment made are maintained. At the written request of the Participant, the Pension Fund Manager may at its discretion (but shall not be bound) advise the Trustee to pay proceeds through some other mode of payment (other than cash).

6.15.4 On receiving the Early Redemption Form mentioned in sub Clause 6.15.3 above, complete in all respects, the Pension Fund Manager will redeem 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.

6.15.5 In the event of notification to the Registrar of death, or retirement (through 30 days' notice), the Pension Fund Manager shall automatically redeem all the Units from the Sub-Funds of the respective Participant on the close of the Business Day at which the date of retirement falls or death of a Participant has been notified to the Registrar. The proceeds of Units redeemed will be credited to the Participant's Individual Pension Account. The Participants or their nominated survivors, executors, administrators, or successors, 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.

6.15.6 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 once in a financial year and the notice for the change of the Pension Fund Manager or pension fund, specifying the name of the new Pension Fund Manager or the pension fund shall be sent by the participant at least twenty one days before the effective date of the proposed change.

6.15.7 Participants may make transfer requests, by filling the "Change of Pension Fund Manager/Pension Fund Form" provided hereto as Annexure "F" and submitting the same with any authorized Distributor or designated offices of the Pension Fund Manager.

6.15.8 On receiving a transfer request application mentioned in Clause 6.15.7 above, complete in all respects, the Pension Fund Manager shall redeem all Units of the Sub-Funds in the Individual Pension Account of the respective Participant and shall transfer the requisite en-cashed/ redeemed amount to the requested pension fund/pension fund manager.

6.15.9 For the purposes of purchasing (issuance) and redeeming (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.

6.15.10 The Distribution Companies, Pension Fund Manager and Registrar shall verify the particulars given in the applications for withdrawals and transfers.



6.15.11 In the event that any withdrawal request or request to transfer the whole or any part of a Participant's Individual Pension Account is incomplete in any respect, the Pension Fund Manager or the Registrar shall inform the Participant of the discrepancies within one week of the receipt of the request. The payment shall not be made unless all discrepancies have been removed.

6.15.12 In the event requests for transfer or withdrawal from the Pension Fund would result in redemption 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 6.17 of this Offering Document.

6.15.13 The receipt of a Participant or, in accordance with the Trust Deed, of his nominated survivors, executors, administrators or successors, or banking documents showing transfer to the Participant or, in accordance with the Trust Deed, to his nominated survivors, executors, administrators or successors, or in accordance with their instructions to any designated banker, Takaful Company or another pension fund, as the case may be, or proof of issue of a cheque and its mail to the Participant's or, in accordance with the Trust Deed, to his nominated survivors', executors', administrators' or successors' address for or of any moneys payable in respect of the Participant's Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager in respect of such moneys.

6.15.14 The Pension Fund Manager will make arrangements, from time to time, for receiving withdrawal forms from outside Pakistan and payment of withdrawal amounts outside Pakistan, and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

6.15.15 The method for payment of proceeds given in 6.15.1 to 6.15.12 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 Trust Deed and the Offering Document without the need to execute any Supplementary Offering Document.

6.15.16 The Pension Fund Manager may avail financing from any Islamic Bank or Islamic Window of Commercial Bank, as per clause 8.3.3; 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.

## **6.16. Withholding Tax**

The Trustee on the advice of the Pension Fund Manager shall withhold any tax or tax penalty from payments to the Participants or, in accordance with the Trust Deed and the Offering Document, to their nominated survivors, executors, administrators or successors, as the case may be, applicable under the Income Tax Ordinance, 2001(Ordinance No.XLII of 2001) and shall deposit the same in the Government treasury.

## **6.17. Dealing, Suspension, and Deferral of Dealing**

### **6.17.1 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 the prior approval of the Commission, suspend the dealing of Units and for such periods it may so decide. Such suspension shall be immediately communicated to the Participant through publication in the

newspaper in which the daily NAV of the Sub-Funds are published.

**6.17.2 Suspension of Fresh Issue of Units**

The Pension Fund Manager may, with consent of the Trustee and under intimation to the Commission, at any time, subject to the Rules and under intimation to the Trustee, 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 Participants. The Pension Fund Manager shall immediately notify the Commission if dealing in Units as provided in this Clause 6.17 is suspended and shall also have that fact published, immediately following such decision, in the newspaper in which the Net Asset Values of the Units affected by any suspension of Contributions are normally published.

**6.17.3 Refusal to Accept the Contributions**

The Pension Fund Manager or the Distributor 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) In case the contribution is contrary to the Applicable Laws of the foreign jurisdiction that the Pension Fund or the Participant or prospective Participant may be subject to or if accepting the contribution may subject the Fund or the Pension Fund Manager to additional regulations under the foreign jurisdiction;
- d) If accepting the contribution would in any case be contrary to the interests of the Pension Fund Manager or the Pension Fund or the Participants; or
- e) If advised by the Commission to do so.

**6.17.4 Suspension of Redemption of Units/ Withdrawal of Funds**

- i. The Pension Fund Manager may with the consent of the Trustee and with the prior approval of the Commission 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 one or more Stock Exchanges 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 or the Distributors 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 Participants;
  - 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 Participants to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).
  - e) Execution of redemption of Units on any Business Day would result in more than ten percent (10%) of the issued Units of any Sub-Fund being redeemed; provided that any suspension or

deferral of redemption of Units shall not affect any Approved Income Payment Plans.

- ii. The Pension Fund Manager may announce, with the consent of the Trustee and with the prior approval of the Commission, a suspension or deferral of withdrawal and such a measure shall be taken to protect the interest of the Participants 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 approval of the Commission.
- iii. 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 Trust Deed 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 and the Trustee and publish the same in newspaper in which prices of Sub-Funds are normally published.

#### **6.18. Queue system**

- a) In the event before retirement withdrawal requests on any Business Day exceed ten (10) percent of the Units of any Sub-Funds in issue, the Pension Fund Manager may invoke a queue system hereby requests for withdrawal shall be processed on a first come first served basis for up to ten (10) percent of the Units of such Sub-Fund in issue. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.
- b) The Pension Fund Manager shall proceed to sell adequate assets of the pertinent Sub-Fund and/ or arrange financing as it deems fit in the best interest of the Participants and shall determine the NAV to be applied to the withdrawal requests based on such action.
- c) The requests in excess of the ten (10) percent shall be treated as withdrawal requests qualifying for being processed on the next Business Day at the NAV to be determined for such withdrawal requests.
- d) If the carried over requests and the fresh requests received on the next Business Day still exceed ten (10) percent of the Units in issue, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the NAV shall be repeated and such procedure shall continue till such time the outstanding withdrawal requests come down to a level below ten (10) percent of the Units of the pertinent Sub-Fund then in issue.

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

- a) The duration of the Pension Fund shall be perpetual and shall not be wound up by way of liquidation.
- b) If the Pension Fund Manager does not wish to maintain the authorization of the Pension Fund, it shall apply to the Commission to de-authorize the Pension Fund by giving at least three (03) months' notice in writing to the Participants, the Trustee and the Commission, subject to

conditions of the Rules.

- c) In the event the Pension Fund Manager is of the view that the quantum of redemption 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 Participants who are not redeeming, it may apply to the Commission to de-authorize the Pension Fund. In such an event, the queue system, if already invoked, shall cease to apply.
- d) The Pension Fund may also be de-authorized by the Commission on the grounds provided in the Rules.
- e) Upon the Pension Fund being de-authorized, the Pension Fund Manager shall suspend receiving contributions forthwith from any of the Participants from the date of issue of the notice under Clauses 6.17.1, 6.17.2, 6.17.3 & 6.17.4 of the Trust Deed and proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.
- f) The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new Pension Fund Manager are audited by the Auditors of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the Commission, the new pension fund manager and the trustee (in case of any new appointment). The Trustee with the prior approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission..
- g) 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.

## **6.20. Features of Group Takaful in the Pension Fund**

6.20.1 The Pension Fund may be marketed in conjunction with Group Takaful or any other Takaful scheme subject to approval of the Commission and the Trustee shall be authorized to deduct any Takaful contribution or Takaful premium only from the contributions of those participants who have opted to join and contribute to such schemes and if the contribution includes any amount of Takaful contribution or Takaful premium. However, it should be clearly understood that it is not mandatory for the Participants to opt for the Takaful scheme.

6.20.2 In the event the Subscriber opts for a Takaful cover with one of the Takaful companies, the Subscriber will send the amount of the applicable Takaful premium along with his contribution. The Trustee will pass on the Takaful contribution or Takaful premium to the Takaful Company concerned as a free service to the Subscriber.

6.20.3 The Pension Fund Manager may also offer free Takaful cover for accidental death, disability etc. Such free service may be terminated by the Pension Fund Manager at its discretion by giving a 30 day notice to the beneficiaries.

## **6.21. Nomination of the Heir/ Survivor**

The successors or nominated survivor(s) of the deceased Participant shall be the only persons

recognized by the Trustee as having any title or interest in the Units held by such Participant in their Individual Pension Account, provided that the Registrar or the Pension Fund Manager or the Trustee may at their discretion request the nominated survivors or successors to provide succession certificates or other such mandate from a court of lawful authority, if they consider the same to be necessary.

## **6.22. Withdrawal of Funds before Retirement**

6.22.1 On any Business Day and from time to time before the date of retirement a Participant may redeem the whole or any part of the Units held by him in his/her Individual Pension Account subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001). The withdrawals may be through single or multiple payments and 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.

6.22.2 Where the request is made by a Participant for partial withdrawal from the Individual Pension Account, the Units in the Sub-Funds shall be redeemed on pro rata basis in accordance with the Allocation Scheme last selected by the Participant at the Net Asset Value at the close of the Dealing Day on which the request, complete in all respects was received. Afterwards, the Pension Fund Manager shall forward the request to the Trustee to make payment.

6.22.3 Withholding tax and tax penalty, if any, applicable to all such withdrawals shall be deducted by the Trustee as determined by the Pension Fund Manager and the same shall be deposited in the Government treasury.

6.22.4 Where the request made by a Participant under Clause 6.22.1 is for partial withdrawal from his/her 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/her Individual Pension Account is in accordance with the Allocation Scheme last selected by the Participant.

6.22.5 If a Participant intends to withdraw funds from his/her Individual Pension Account before the date of his/her retirement, he/she must give written notice of his/her intention to the Pension Fund Manager in the form prescribed for such purpose by the Pension Fund Manager in the Offering Document, specifying therein whether the withdrawal is required of the whole or part of the Units held by him/her, and in the case of partial withdrawal, the percentage of Units to be withdrawn.

6.22.6 The Pension Fund Manager shall ensure that the form referred to in Clause 6.22.5 shall be available from Authorized Branches of Distributors and Pension Fund Manager and such form shall, if completed by the Participant and submitted to any Authorized Branch of Distributor or Pension Fund Manager, shall be taken to be the notice to the Pension Fund Manager referred to in that Clause.

6.22.7 On any Business Day being not later than the sixth (6th) Business Day after the Participant submitted the completed form to any Authorized Branch under Clause 6.22.5, the Pension Fund Manager shall, subject to Clause 6.22.4, redeem the relevant number of Units held by Participant in his/her Individual Pension Account at Net Asset Value notified at close of the day on which the Participant 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 Participant subject to Clause 6.22.1.

6.22.8 The provisions relating to withdrawal of funds before the date of retirement set out in Clauses

6.22.1 to 6.22.7 may change due to amendments in or substitutions of the Rules and/or the Income Tax Ordinance, 2001. Any such changes shall be deemed to become part of this Trust Deed without the need for executing supplemental trust deeds.

### **6.23. Benefits on Disability before Retirement**

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

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

6.23.2 An assessment certificate from the medical board approved by the Commission and appointed by the Pension Fund Manager or any other assessment procedure that the Commission may approve from time to time shall be required to confirm any disability as specified in Clause 6.23.1.

6.23.3 If any of the above conditions as mentioned in Clause 6.23.1 existed, and the Participant selects the date of disability as the date of retirement, the Participants shall then have the following options, namely:

- a) to withdraw up to fifty per cent or such percentage of the amount from his/her individual pension account as cash which is permissible under the Income Tax Ordinance, 2001(XLIX of 2001) and subject to payment of tax as required.
- b) either to use the remaining amount to avail an Approved Annuity Plan from a Takaful Company of his/her choice; or
- c) enter into an agreement with the Pension Fund Manager to transfer his/her balance to an Approved Income Payment Plan offered by the Pension Fund Manager or another pension fund manager and withdraw from it, monthly installments for up to 15 years following the date of retirement.

6.23.4 The Participant, electing to be treated as having reached the Retirement Age at the date of disability will apply for withdrawal of the amount available in his/her Individual Pension Account by completing the Form attached hereto as Annexure "F" and submitting it at the Authorized Branch or office of the Distribution Companies.

6.23.5 On receiving a "Retirement Option Form" as specified in Clause 6.23.4 above, complete in all respects and Disability Confirmation Certificate from the medical board in accordance with Clause 6.23.2, the Pension Fund Manager will redeem the entire Units of the Sub- Funds at the Net Asset Value prevailing on close of the Business Day on which the required formalities were completed. Proceeds from the redemption of units will be transferred to the individual Pension Account of the respective Participant. Participant will then have the options given in Clause 6.23.3.



**6.24. Benefits on Death before Retirement**

6.24.1 In case of death of a Participant before the retirement age, all the Units of the Sub Funds to his/her credit shall be redeemed at the Net Asset Value notified at close of the day of intimation of the Participant's death given in writing to the Pension Fund Manager by any nominee, executor, administrator or successor of the deceased Participant, complete in all respects and acceptable to the Pension Fund Manager and/or the Trustee provided that such day is a Dealing / Business Day and otherwise on the next following Dealing / Business Day, the amount due shall be credited to his/her Individual Pension Account, which shall earn the applicable market rate of profit offered by Islamic Bank for deposits of such amount and duration from the date of receipt of death certificate till the date when available options are exercised by the survivors. Death certificate issued by the issuing authority having jurisdiction over the matter and received by the Distributor on Dealing Day shall be considered as intimation of death to the Pension Fund Manager. Detailed procedure for intimation and allocation thereafter shall be provided in the Offering Document and as per laws enforced from time to time.

6.24.2 The total amount in the Individual Pension Account of the deceased Participant shall be divided among the nominated survivors according to the percentages specified in the Nomination Deed executed by the Participant and delivered to the Pension Fund Manager or as may be ordered by the court and each of the nominated survivor shall then have the following options, namely:-

- a) Withdraw his/her share of the amount subject to the conditions laid down in the Income Tax Ordinance 2001 (XLIX of 2001);
- b) Transfer his/her share of the amount into his/her existing or new Individual Pension Account or Income Payment Plan Account to be opened with a Pension Fund Manager, according to the Rules;
- c) Use his/her share of the amount to avail an Approved Annuity Plan on his/he life from a Life Takaful Company, only if the age of the survivor is fifty- five years or more; or
- d) Use his/her share of the amount to avail a deferred Approved Annuity Plan on his/her life from a Life Takaful Company to commence at age fifty- five years or later.

6.24.3 Such payment mentioned in clause (c) and (d) above will be made directly by the Trustee of the Fund to the Life Takaful Company without tax deduction on the instruction of the Pension Fund Manager. In the absence of Nomination Deed the Succession Certificate will prevail.

6.24.4 Death benefits paid to the survivor(s) nominated by a Participant under any group life cover taken out by the Participant as part of the Pension Fund shall be additional benefits payable to the nominated survivor(s).

6.24.5 The nominated survivors (if nominated by the Participant during his/her life time) and the executors or administrators of the deceased shall be the only persons recognized by the Registrar, Trustee and the Pension Fund Manager as having title to the Units of the Sub-Funds. Provided however, neither the Trustee, nor the Pension Fund Manager or the Registrar shall be liable or be involved in any manner whatsoever in any disputes among the nominated survivors and/or the rest of the legal heirs or legal representatives of the deceased Participant and shall have the discretion to require the abstention of succession certificate or any other mandate from a court of appropriate jurisdiction or lawful authority. Detailed procedure for intimation and allocation thereafter shall be provided in the Offering Document and as per laws enforced from time to time.

**INSTRUCTIONS FROM PARTICIPANTS**

All the instructions from a Participant or his/her nominated survivors, executors or administrators etc. as the case may be with regard to Alfalah GHP Islamic Pension Fund shall be in writing and duly signed by them.

**6.25. The Method of Determining Net Assets of 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, Cash collection and disbursement account constituting the Pension Fund 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.

**6.26. Retirement Age**

The Participant may choose his/her Retirement Age which would be between sixty and seventy years or twenty-five years since the age of first contribution to a pension fund whichever is earlier. Participant shall send a notice to the Pension Fund Manager at least thirty days before the chosen date of Retirement.

If a Participant suffers from any of the following disabilities, which render him unable to generate any income he/she may, if he/she so elects, be treated as having reached the Retirement Age at the date of such disability and all relevant provisions shall apply accordingly, namely:

- a) loss of two or more limbs or loss of a hand and a foot;
- b) loss of eyesight;
- c) deafness in both ears;
- d) severe facial disfigurement;
- e) loss of speech;
- f) paraplegia or hemiplegia;
- g) lunacy;
- h) advance case of incurable disease; or
- i) wounds, injuries or any other diseases etc., resulting in a disability due to which the Participant is unable to continue any work.
- j) An assessment certificate from the medical board approved by the Commission and appointed by the Pension Fund Manager or any such procedure that the Commission has approved would be required to confirm any of the disability, specified above.

**6.27. Benefits on Retirement**

At the date of retirement of the Participant all the Units of the Sub- Funds to his/her credit shall be redeemed at the Net Asset Value notified at close of the day of retirement, if such day is a Dealing / Business Day and otherwise on the next following Dealing/ Business Day and the amount due shall be credited to his/her Individual Pension Account, which shall earn the applicable market rate of profit offered by Islamic Bank for deposits of such amount and duration. The Participant shall be given Forms listing their choices under the Rules and shall then have the following options, namely: -

- a) Withdraw up to fifty per cent or such percentage of the amount from his/her individual pension account as cash which is permissible under the Income Tax Ordinance, 2001(XLIX of 2001) and subject to payment of tax as required thereunder;

- b) Use the remaining amount to purchase an annuity from a Life /Takaful Company of his/her choice, such payment shall be made directly to the Life/ Takaful Company by the Trustee of the Fund on the instruction of the Pension Fund Manager; or
- c) Enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount, monthly installments for up to fifteen years following the date of retirement or as specified in the Rules, according to an Income Payment Plan, approved by the Commission.
- d) the transfer of an individual income payment plan account from one Pension Fund Manager to another Pension Fund Manager or from one income payment plan to another income payment plan shall only take place once in a financial year and notice for the change, specifying the name of new Pension Fund Manager and the income payment plan shall be sent by the participant at least twenty-one days before the effective date of the proposed change
- e) At the expiry of the Approved Income Payment Plan according to clause (c) above, the Participant shall have option to use the outstanding balance in his/her Individual Pension Account to purchase an Approved Annuity Plan from a Life / Takaful Company, of his/her choice or buy an Approved income payment plan for another term or to withdraw the amount from his/her account subject to the conditions laid down in the Income Tax Ordinance, 2001.
- f) According to the rules, the annuity purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, investment - linked and retail price index linked or with any additional features as may be offered by the Life /Takaful Companies.

## **7. FEES, CHARGES AND EXPENSES**

All the following fees and charges are subject to change with prior approval of Commission without any need to alter this Offering Document. The full disclosure of the fee and charges shall be provided in the Offering Document of the Pension Fund.

### **7.1. Front End Fee (as part of Wakalah Tul Istismar Fee) Out of the Contributions**

7.1.1 The Pension Fund Manager may charge Front-end Fee up to a maximum of 3% on Contributions to the Fund, unless such contributions are exempt from a Front-end Fee as provided in the Rules and this Trust Deed.

7.1.2 The following contributions are exempt from Front-end Fee:

- a) Incoming transfer of the Individual Pension Account from other pension fund manager to Alfalah GHP Islamic Pension Fund;
- b) Incoming transfer from pension policies approved by the Commission under section 63 of the Income Tax Ordinance, 2001 and issued by Life /Takaful Companies before 30th June 2005; or
- a) Such other contributions/transfers as may be declared by the Commission from time to time to be exempt from Front-end Fee.

7.1.3 The remuneration of Distributors and Investment Facilitator / Sales Agents shall be paid from any Front-end Fee received by the Trustee and/or may be paid by the Pension Fund Manager when the Trustee pays the Front-end Fee to the Pension Fund Manager for onward payments to Distributors or Investment Facilitator / Sales Agents. Alternatively, the Trustee may pay the same directly to the Distributors or Investment Facilitator / Sales Agents upon instructions of Pension Fund Manager, and no charges shall be made against the Fund Property in this respect. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitator / Sales Agents, the Pension Fund Manager shall pay the amount necessary to pay in full such remuneration.

7.1.4 Payments mentioned in Clause 7.1.3 above shall be made by the Trustee to the Distribution Companies, Investment Facilitators, Sales Agents and the Pension Fund Manager or, as the case may be, by the Pension Fund Manager to the Trustee, on monthly basis in arrears within thirty days following the end of the calendar month.

7.1.5 Any Distributor or Investment Facilitator/ Sales Agents, whether in Pakistan or overseas, shall not receive any amount of Contributions in his/her own account (so he/she will not be able to deduct any distribution fee on his/her own). Every cheque/demand draft /instrument shall be in the name of the Trustee and then the Trustee shall, either directly or through the Pension Fund Manager, remit the commission to the Distributor or Investment Facilitator / Sales Agents as the case may be.

7.1.6 The Pension Fund Manager, at its sole discretion, may choose to reduce or altogether waive the Front-end Fee to any Participant or employer. Once the Pension Fund Manager has made an exception to reduce or waive the Front-end Fee for a contribution, accepted that contribution without imposing a Front-end Fee, the Pension Fund Manager may not later recharge that Front-end Fee. However, the decision by a Pension Fund Manager to reduce or waive a Front-end Fee for one Participant or for one contribution of a single Participant does not obligate the Pension Fund Manager to reduce or waive the Front-end Fee for other Participants' contributions or for future contributions of the same Participant.

7.1.7 The front end Fee of 3% contribution may be subject to change due to any review by the commission and any change shall be deemed to become part of Trustee Deed and this Offering Document.

## **7.2. Remuneration of the Pension Fund Manager (as part of Wakalah Tul Istismar Fee)**

7.2.1 The Pension Fund Manager shall be entitled to remuneration for its services out of the Trust Property by way of an annual management fee not exceeding 1.5% of the Net Assets of each Sub-Funds (as Wakalah Fee) calculated during the year for determining the prices of the units of the Sub-Funds.

7.2.2 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, provided that the Pension Fund Manager may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable. Provided that such remuneration is in line with the requirements of Shariah.

7.2.3 Pension Fund Manager shall not make any charge against the Participants or against the Fund Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and the Trust Deed to be payable out of Fund Property. 7.2.4 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 Trust Deed. In the event that a Pension Fund Manager erroneously makes an incorrect charge, the Pension Fund Manager shall immediately notify the Trustee and the Commission and credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.

7.2.5 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 Rule 9(3)(b) of 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.

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

### **7.3. Remuneration of the Trustee**

7.3.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure "D"), which shall be applied to the average daily Net Assets of the Pension Fund during such calendar month.

7.3.2 Such remuneration shall be paid to the Trustee in arrears within fifteen Business Days after the end of each calendar month.

7.3.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, in accordance with the provisions of the Trust Deed.

7.3.4 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.

7.3.5 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 Participants 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 this Deed.

7.3.6 Any change in the remuneration of the Trustee agreed to by the Pension Fund Manager shall require the prior approval of the Commission.

### **7.4. Other Fees and Charges Payable out of the Property of the Fund**

7.4.1 Other fees and charges to be charged to the Fund shall include;

- a) Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
- b) Legal costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Participants. This may also include the cost incurred for registration of assets of the Pension Fund in the name of the Trustee Bank charges and financing /financial costs; provided that the charges payable to any Bank or Financial Institution against financing s on account of the Trust as permissible under the rules, shall not be higher than the normal prevailing bank charges or normal market rates.
- c) Auditors' Fees and expenses.
- d) Annual fee payable to the Commission under Rule 36 of the Rules (shall be charged to the pertinent Sub-Funds in proportion to their respective Net Assets) but not any fines, charges,

sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies;

- e) Preliminary expenses including Formation Costs (shall be divided equally among all the Sub-Funds) but excluding any costs relating to marketing, sales, promotion, education, communication or any form of advertisement costs shall be subject to a limit of PKR 750,000/- or 0.5% in total of the total Seed Capital, whichever is lower and shall be amortized over a period of three years.
- f) Taxes applicable to the Trust on its income, turnover, assets or otherwise if any; but not 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; and
- g) Custody charges including Central Depository Company of Pakistan charges, if any.

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

7.5.1 The Pension Fund Manager's management fee and the Trustee's remuneration shall be charged to each Sub-Fund in proportion to the Net Assets of each Sub-Fund.

7.5.2 Formation Cost shall be divided equally among all the Sub-Funds.

7.5.3 Brokerage and transaction costs in accordance with Clause 7.4 (a), bank charges and financial costs in accordance with Clause 7.4 (c), custody charges in accordance with Clause 7.4 (g) and Taxes in accordance with Clause 7.4 (f) shall be charged to the pertinent Sub-Funds.

7.5.4, Legal costs in accordance with Clause 7.4 (b), audit fees in accordance with Clause 7.4 (d) and annual fees payable to the Commission in accordance with Clause 7.4 (e) shall be charged to the pertinent Sub-Funds in proportion to their respective Net Assets.

## **8. INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER**

### **8.1. Objective**

The objective of introducing Alfalah GHP Islamic Pension Fund is to provide individuals with a portable, individualized, Shariah Compliant, funded (based on defined contribution) and flexible pension scheme which is managed by professional investment manager to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to decide how much to invest in their pensions, and how to invest it, as well as to continue investing in their pension accounts even if they change jobs.

### **8.2. Investment Policy**

8.2.1 The Alfalah GHP Islamic Pension Fund through its three Sub-Funds, AGIPF Equity Sub-Fund, AGIPF Debt Sub-Fund and AGIPF Money Market Sub-Fund, under its umbrella, will invest in Shariah compliant equities, bonds and money market instruments.

8.2.2 All investments made by the Sub-Funds of the Alfalah GHP Islamic Pension Fund in shares and equity and debt securities shall be made in a transparent, efficacious, prudent and sound manner.



8.2.3 The pension fund manager shall invest assets of Shariah compliant Pension Fund in those securities which are declared eligible by the Shariah Advisor of the Pension Fund.

8.2.4 The proportions of these securities, or asset allocation, for each Sub-Fund will be based on the expected returns and risks as evaluated by the Pension Fund Manager. The asset allocation of the Sub Fund(s) may change from time to time depending on the prevailing market conditions.

8.2.5 Prior to the Launch Date, the Trustee shall hold the Deposited Property of each of the Sub-Fund(s) on deposit in a separate account with a Islamic Bank having minimum "A" entity rating or as may be prescribed by the Commission from time to time. The Pension Fund Manager may open current account with conventional bank if it is in the interest of Pension Fund to do so. The Pension Fund Manager may also invest in such Authorized Investments in accordance with the investment policy as prescribed by the Commission from time to time.

8.2.6 After the Launch Date all Deposited Property, except in so far as such cash may in the opinion of the Pension Fund Manager be required for meeting withdrawal or transfer of funds requests, shall be invested by the Trustee from time to time in such Investments as mentioned in Para 8.2.10, 8.2.11 and 8.2.12 of this Offering Document, subject to the provisions of the Investment Policy prescribed by the Commission from time to time, at the sole discretion of the Pension Fund Manager.

8.2.7 Any Investment of any Sub-Fund(s) may at any time be realized at the discretion of the Pension Fund Manager either in order to invest the proceeds of sale in other Authorized Investments or to provide cash required for the purpose of any provision of the Trust Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with this clause:

8.2.8 The Pension Fund Manager may from time to time, for the account of any Sub-Funds enter into underwriting or sub-underwriting contracts in relation to the dealing or purchase of Authorized Investments upon such terms in all respects as the Pension Fund Manager shall think fit but subject always to the provisions of the Rules and the Offering Document and so that no such contract shall relate to an Authorized Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. All Authorized Investments acquired pursuant to any such contract shall form part of the Deposited Property of the pertinent Sub -Fund and any dealing or purchase moneys payable there under shall be paid out of the Deposited Property.

8.2.9 Subject to the Rules and any other applicable law, the Pension Fund Manager may, on behalf of the Sub-Funds, buy/sell Shariah compliant derivatives on any of the securities held in the portfolio, if there is a market for such derivative instruments and Shariah Advisor allows for such investment.

8.2.10 **Equity Sub-Fund:** Investments by the Equity Sub-Fund shall be made as follows, namely:-

8.2.10.1 The equity sub-fund shall have a minimum investment of ninety percent (90%) of net assets invested in listed equity securities or for the listing of which an application has been approved by a Stock Exchange, during the year based on quarterly average investment calculated on a daily basis.

8.2.10.2 Assets of an equity sub-fund shall primarily be invested in securities of those listed companies, which have minimum operational record of five (5) years subject to conditions stated in sub- Clause (8.2.10.3) below.

8.2.10.3 The pension fund manager of an equity sub-fund, for the reasons to be recorded by its Investment Committee in the minutes for the decision, may invest up to five per cent (5%) of the net

assets of the equity sub-fund in securities of listed companies having operational record of less than five (5) years and where the paid up capital of a company is less than equity but investment in securities of any one such company shall not exceed one percent (1%) of net assets of the equity sub-fund or the paid-up capital of that company; whichever is lower.

8.2.10.4 Investment in equity securities of any single company shall not exceed ten percent (10%) of net assets of an equity sub-fund or paid-up capital of that single company, whichever is lower.

8.2.10.5 Investment in securities issued by companies of any one sector (sector shall be same as classified by Pakistan Stock Exchange) shall not exceed thirty percent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of the net assets of an equity sub-fund.

8.2.10.6 The pension fund manager of the equity sub-fund may invest any surplus (un-invested) funds in Shariah Compliant government securities having less than one year time to maturity or keep as deposits with scheduled Islamic commercial banks which are rated not less than "A" or Islamic windows of commercial banks having rating not less than "AA" by a rating agency registered with the Commission.

8.2.10.7 The pension fund manager of the equity sub-fund shall not deposit more than ten per cent (10%) of net assets of the equity sub-fund in a single bank.

8.2.10.8 The limits mentioned in sub- Clause (8.2.10.7) above, shall not apply during the initial six (6) months of the launch of an equity sub-fund if the amount is deposited with a Islamic commercial bank owned by Federal Government or scheduled Islamic bank rated "A" or Islamic windows of commercial banks having not less than "AA" rating.

8.2.10.9 The pension fund manager shall adhere to the limits stipulated herein above; however, if the limits are breached merely due to corporate actions including take up of right or bonus issue(s) or due to change in net assets resulting from fluctuation in price of equity securities, the pension fund manager shall regularize the deviation within six (6) months of the breach unless, on a written application of pension fund manager, the said period of six (6) months has been extended by the Commission.

8.2.11 **Debt Sub-Fund:** Investments by the Debt Sub-Fund shall be made as follows, namely:-

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

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

8.2.11.3 At least twenty five per cent (25%) net assets of the debt sub fund shall be invested in Shariah compliant debt securities issued by the Federal Government and up to twenty five per cent (25%) may be deposited with scheduled Islamic banks having not less than "A PLUS" rating or Islamic windows of commercial banks having not less than "AA rating". In case securities issued by Federal Government are not available to comply with the above requirement, the assets of Shariah Compliant Debt Sub-Fund may be invested in Islamic bonds or sukuk issued by entities wholly owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government so that these investments shall make up a minimum fifty per cent (50%) of net assets of the debt sub-fund.

In case the Shariah compliant securities issued by Federal Government are not available to comply with

sub- Clause (8.2.11.3) above, the assets of a Shariah compliant debt sub-fund may be deposited in Islamic commercial banks, having not less than “A PLUS” rating or Islamic windows of commercial banks, having not less than “AA” rating, or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.

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

8.2.11.5 Deposits in a single bank shall not exceed Twenty per cent (20%) of net assets of the debt sub-fund.

8.2.11.6 Investment in all other securities, including those issued by government corporations, provincial or city governments, or by corporate entities would be subject to the following conditions, namely:-

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

8.2.11.7 Provided that overall investment in securities rated A minus (-) to A+ (Plus) shall not exceed 25% of net assets of debt sub-fund and out of that, investment in securities rated A minus (-) shall not exceed 10% of net assets of debt sub-fund.

8.2.11.8 The aforesaid limit in sub- Clause (8.2.11.5) above shall not be applicable during the initial six (6) months of the launch of a pension fund if the amount is deposited in a scheduled Islamic window of commercial bank owned by the Federal Government or a scheduled Islamic bank having “A Plus” or

Islamic windows of commercial banks having minimum rating of “AA”.

**8.2.12 Money Market Sub-Fund:** Investments by the Money Market Sub-Fund shall be made as follows, namely:-

8.2.12.1 The weighted average time to maturity of assets of the money market sub-fund shall not exceed upto one year;

8.2.12.2 Time to maturity of any security in the portfolio of the money market sub-fund shall not exceed six (6) months except in case of Shariah Compliant Government Securities such as GoP Ijarah Sukuk may be up to three years;

8.2.12.3 The following limits on investment shall be followed by the money market sub- fund

<b>Entity/ Security</b>	<b>Investment</b>
Federal Government securities	No Limit
Deposits with Islamic Commercial Banks having “A Plus” or higher rating	No limits; provided that deposit with any one bank shall not exceed 20% of Net Assets of the Money Market Sub-fund.
Provincial or city governments or government corporations or corporate entities	Up to 20% of Net Assets of the sub-fund subject to the limits specified below for each category:-
i) Provincial government	Up to 10% of Net Assets of a Money Market Sub-fund or the issue, whichever is lower.
ii) City government	Up to 5% of Net Assets of a Money Market Sub-Fund or the issue, whichever is lower.
iii) Government corporations with “A” or higher rating of entity and the instrument.	Up to 5% of a) Net Assets of the Money Market Sub-Fund; or b) Size of the issue; c) Size of all issues of one issuer, whichever is lower
iv) Corporate entities with “A plus” or higher rating of entity and the instrument with less than six month remaining maturity	Up to 5% of a) Net Asset of the Money Market Sub-Fund; or b) Size of the issue; or c) Size of all issues of one issuer, whichever is lower.

8.2.12 The Pension Fund Manager, after successfully managing the Equity, Debt and Money Market Sub-Funds of the Pension Fund shall be authorized to apply to the Commission for establishment of additional Sub-Funds for investments in other classes of assets. The Pension Fund Manager may, at its discretion, proceed to establish such additional Sub-Funds on such terms and conditions as may be prescribed by the Commission.

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

### **8.3. Investment Restrictions**

8.3.1 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.

8.3.2 The Fund shall not at any time:

- a) Enter into a short sale transaction in any security, whether listed or unlisted;
- b) Purchase from or sell any security to any Connected Person;
- c) Enter into transactions with any single broker who is a Connected Person that account for ten per cent or more of the Fund's brokerage commission in any one Accounting Year of the Fund.
- d) Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. However, Investment in sale and repurchase transactions involving Islamic Government Securities or such Shariah compliant listed securities which are regulated by the Stock Exchanges shall not be attracted by this rule under the risk management parameters given in above;
- e) Invest in any security of a company if any director or officer of the Pension Fund Manager or their lineal ascendant or descendants owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors and officers of the Pension Fund Manager own more than ten per cent of those securities;
- f) Except where it is necessary to protect its Investment, seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest, which would give it primary responsibility for management.

**8.3.3 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.**

#### **8.3.3-A FINANCING RESTRICTIONS**

- a) Subject to any statutory requirements 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 concur with the Pension Fund Manager in making and varying arrangements with Banks or Financial Institutions for Shariah compliant 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 the limits provided in the Rules at the time of financing. However, 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, the Trustee or Pension Fund Manager will not be under any obligation to reduce such financing unless the expiry of financing facility. Such financing shall be settled within a period of ninety days.
- c) The charges payable to any Bank or Financial Institution against shariah compliant financing 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 financing s 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 a Participant 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.

All financing s shall be done under Shariah compliant structures after approval from the Shariah advisor.

#### **8.4. Participants Rights in terms of Investment Choice**

The Participant has a right to allocate his/her Contributions between the three Sub Funds in a manner to allow them to adopt a focused investment strategy, according to their risk/return requirements. Each Allocation Scheme being offered shall have a different percentage allocation in sub-Funds based on which their risk/return may be assessed. Please refer to Para 6.6 for further details.

#### **8.5. Risk Disclosure**

Investors must realize that all investments in mutual funds and securities are subject to market risks. Our target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of Alfalah GHP Islamic Pension 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:

8.5.1 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.

For smaller companies, start-ups, resource companies and companies in emerging sectors, the risk and potential rewards are usually greater.

8.5.2 Credit Risk: Credit risk is comprised of default risk, credit spread risk and downgrade risk. Each can have a negative impact on the value of fixed income instruments.

- a) Default risk is the risk that the issuer will not be able to meet the obligation, either on time or at all.
- b) Credit spread risk is the risk that there will be an increase in the difference between the



expected rate of return of an issuer's security and the rate of return of a risk free security. Credit spreads are based on macroeconomic scenario in the domestic and/or global perspective.

- c) Downgrade risk is the risk that a credit rating agency, such as PACRA or JCR-VIS or any other reputed international credit rating agency, may reduce the credit rating of an issuer's securities.

8.5.3 Currency Risk: The Fund may be affected favorably or unfavorably by changes in currencies and exchange control regulations. Therefore, the income earned by AGIPF may also be affected by fluctuations in foreign exchange rates.

8.5.4 Pricing Risk: The market values of the investments of the Fund may rise or fall due to market factors.

8.5.5 Government Regulation Risk: Government policies or regulations are more prevalent in some sectors than in others. Funds that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and/or the cash flows and/or any governmental or court orders restraining payment of capital, principal or income.

8.5.6 Voluminous Purchase/Redemption of Fund Units Risk: Any significant transaction made by any investor could significantly impact the Fund's cash flow. If a third party buys large amounts of Units of the Fund, the Fund could temporarily have a high cash balance. Conversely, if a third party redeems large amounts of Units of the Fund, the Fund may be required to finance the redemption by selling securities at an inopportune time. Such unexpected sales or redemptions may have a negative impact on the performance of the Fund.

8.5.7 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) Break down 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.

8.5.8 Under exceptional (extraordinary) circumstances, the Pension Fund Manager may suspend redemptions, invoke a queue system or announce winding-up of the Fund. In such events, the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request was lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.

8.5.9 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 investors.

8.5.10 Investment in the Fund is suitable for investors 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.

8.5.11 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. Investors 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 Assets Management Company (AMC) and can be obtained by calling / writing to the AMC.

8.5.12 There may be times that one or more investments made by the fund may cease to be, either temporarily or permanently, compliant with the requirements of Shariah. In this case, such investments will immediately be brought in the knowledge of the Shariah Advisor and steps will be taken to dispose off or otherwise make the portfolio compliant with the requirements of Shariah as per the guidance of the Shariah Advisor.

## **8.6. Disclaimer**

8.6.1 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.

8.6.2 Investment Risks and Tax Implication: All investments in the Pension Fund are subject to market risks. The value of such investments vary subject to market fluctuations and risks inherent in all such investments. Investors 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.

8.6.3 Withdrawals from the Pension Fund before the retirement age are subject to tax under the provisions of the Income Tax Ordinance, 2001 and the Rules.

8.6.4 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.

8.6.5 It should be noted that the value/price of Units of the Sub-Funds can fall as well as rise.

8.6.6 It should be noted that under certain circumstances the withdrawal from the Pension Fund may be restricted or subject to tax penalties.

8.6.7 It should be noted that there will be no dividend distribution by the Sub-Funds.

## **9. CHANGE OF THE PENSION FUND MANAGER / PENSION FUND**

i. Participants shall be allowed to transfer the entire or part of his/her Individual Pension Account with the AGIPF to another pension fund manager/pension fund by completing the Forms. For this purpose the Units shall be en-cashed at the Net Asset Value of each Sub-Fund notified at the date of transfer if a

Dealing Day otherwise on the next Dealing Day.

ii. No charge whatsoever called shall be deducted for transfer of the Individual Pension Account from AGIPF to another pension fund manager/pension fund.

iii. 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 once in a financial year.

iv. The application for transfer of the account, specifying the name of the new pension fund manager/pension fund and Individual Pension Account number with the new pension fund manager must be sent by the Participant at least twenty-one days before the effective date of the proposed change. The procedure for transfer of Individual Pension Account from the Pension Fund Manager/pension fund to another pension fund manager/pension fund shall be specified in the Offering Document.

v. 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 Participants to pension funds managed by other pension fund managers as selected by the Participants or as directed by the Commission.

vi. Above procedures will be followed both in case of Transfer in and Transfer out of the Alfalah GHP Islamic Pension Fund. However, in case of transfer in AGIPF, units shall only be issued upon realization of amount

vii. Policyholders having pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 (XLIX of 2001) and issued by Takaful Companies before 30 June 2005 would also be eligible to redeem their Units and transfer the balance to an Individual Pension Account with the Alfalah GHP Islamic Pension Fund, subject to the Trust Deed and the Rules. This may be subject to change due to any changes in or substitutions of the Income Tax Ordinance, 2001 and shall be deemed to become part of this Deed without the need to execute any Supplementary Trust Deed.

viii. On receiving a transfer application mentioned in clause 9 iv above, complete in all respects, the Pension Fund Manager shall redeem the requested amount out of the balance available in Individual Pension Account of the Participant at the close of first Business Day that falls on or after the effective date of the proposed change and transfer the requisite amount to the requested pension fund.

## **10. 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 to the account of “CDC Trustee Alfalah GHP Islamic Pension Fund”. No contribution should be made in the form of cash or any bearer instrument.

## **11. 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.

## **12. TAXATION**

### **12.1. Tax Credit for Contributions to the Pension Fund**

An eligible person, as defined in sub-section (19A) of section 2 of 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 or premium paid in the year by the person to the Pension Fund under the VPS Rules, 2005.

The amount of a person’s Tax Credit allowed under Sub-section (1) for a Tax Year shall be computed according to the following formula, namely: -

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

Where:

A is the amount of tax assessed to the person for the Tax Year, before allowance of any Tax Credit under this Part;

B is the person’s taxable income for the tax year; and C is the lesser of -

- (i) the total contribution or premium referred to in sub-section (1) paid by the person in the year; or
- (ii) twenty per cent (20%) of the person’s taxable income for the relevant Tax Year Provided that a person joining the Pension Fund at the age of forty-one (41) years or above, during the first ten (10) years starting from July 1, 2006, shall be allowed additional contribution of two per cent (2%) per annum for each year of age exceeding forty years. Provided, further, that the total contribution allowed to such person shall not exceed fifty percent (50%) of the total taxable income of the preceding year;

### **12.2. Tax Exemptions**

Exemptions under Clause (57) sub Clause (3) (viii) of Part-I of the Second Schedule of the Income Tax Ordinance, 2001:

- (a) Total income of the Pension Fund approved by the SECP under the VPS Rules, 2005.
- (b) Profit or gain or benefit derived by the Pension Fund Manager from a pension fund approved under the VPS Rules, 2005 on redemption of the seed capital invested in the Pension Fund.

### **12.3. 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; 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 a takaful company for the purchase of an annuity plan;
- the balance is transferred to an 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.

#### **12.4. Zakat**

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

#### **Disclaimer**

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

### **13. REPORTS AND ACCOUNTS**

#### **13.1. Fund Accounts**

Pension Fund Manager shall prepare Financial Accounts and Reports required under Rules for Alfalah GHP Islamic Pension Fund including Sub-Funds as prescribed by the Commission from time to time. The Annual Financial Accounts will include Report from Shariah Advisor and Independent Assurance Report in respect of Fund's Compliance with the Shariah Principles.

#### **13.2. Annual Accounting Period**

The Annual Accounting Period shall commence on 1st July and shall end on 30th June of the

succeeding calendar year.

Accounting Date shall be the 30th 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.

### **13.3. Periodic Reports to be sent to Participants**

Annual report and quarterly reports will be prepared and sent to the Participants. For details please refer Obligations of Pension Fund Manager clause 5.6.1 (e) and (f).

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

### **13.4. Periodic Reports to be sent to Commission**

Annual report and quarterly reports along with Shariah compliance/audit report of the Shariah Advisor will be prepared and sent to the Commission. For details please refer Obligations of Pension Fund Manager clause 5.6.1 (e) and (f).

## **14. SERVICE TO PARTICIPANTS**

### **14.1. Availability of Forms**

All forms mentioned and/or included in this Offering Document will be available at all the Authorized Branches of the Distribution Companies, the Pension Fund Manager's web site and may also be requested via post. Sales Agents will also have limited stocks of such forms.

### **14.2. Register of Participants**

14.2.1 The Pension Fund Manager has the responsibility to maintain Participant's records and for this purpose it may, under intimation to the Trustee, appoint a Registrar, who would be responsible for maintaining Participants' records and providing related services. The Registrar shall perform the Registrar Functions and all other related activities. The Pension Fund Manager shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Rules.

14.2.2 The Pension Fund Manager or the Registrar as the case may be at their registered office shall maintain a Register of Participants and inform the Commission of the address where the register is kept. The Register shall also contain the information as prescribed by the Commission.

14.2.3 The Register shall be maintained in electronic form and be password protected. The Pension Fund Manager would grant access to all the Participants to view the account information. The record keeping system shall contain the computerized transaction log which shall record Participant Account changes, who made them and when they were made. The Registrar and the Pension Fund Manager shall make sufficient provision for back up of the Register and its storage at an off-site location.



14.2.4 The Pension Fund Manager shall ensure that the Registrar shall at all reasonable times during Business Hours give the Trustee and its 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..

14.2.5 The Registrar shall, within three Dealing Days of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of such Participant's account in the Register. Such service shall be provided free of charge to any Participant requesting so once in any financial year. The Pension Fund Manager may prescribe charges for servicing of any additional requests with the approval of the Commission. The details of charges if any shall be disclosed in the Offering Document.

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

- 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 (if applicable) and addresses of Participant;
- d) If Participant is registered through employer the Individual Pension Account Number will be linked to an Employer Account Number that will contain the following:
  - i. Employer name;
  - ii. Registered address;
  - iii. National Tax Number;
  - iv. Number of employees contributing in VPS; and
  - v. Telephone number and e-mail address.
- e) Date of birth and Sex of the Participant;
- f) Complete record of the amount and date of each Contributions paid by the Participant;
- g) Complete record of the amount and date of each Contribution paid by the Employer;
- h) Date and amount of incoming and outgoing transfers;
- i) The number of Sub-Fund Units allocated and standing in the name of the Participant in the Individual Pension Account or Approved Income Payment Plan balances;
- j) The date on which the name of every Participant was entered in respect of the Sub-Fund Units standing in his/her name;
- k) Tax/Zakat status of the Participants;
- l) Nominee(s);
- m) Record of specimen signatures of the Participant and Nominee(s);
- n) Information on retirement of Participant 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 or Pension Fund Manager may require.

14.2.7 The Register shall be conclusive evidence as to the Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances held by each Participant.

14.2.8 Any change of address or status of any Participant shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities shall update the Register accordingly.

14.2.9 The Participant or his/her nominee, as the case may be, shall be the only persons to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Pension Fund Manager and the Registrar may recognize the Participant as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction.

14.2.10 Upon being satisfied that the contribution to the Pension Fund has been received in full from the successful applicant, the Registrar shall issue, within seven business days of such contribution, an acknowledgement along with the account statement that will constitute evidence of the number of Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances registered in the name of the Participant and shall contain such other information as prescribed by the Commission from time to time. However, for contributions routed through the employers only the acknowledgement receipt of documents provided to the employers shall suffice as an acknowledgement

14.2.11 While making payment of the benefits, the Pension Fund Manager shall ensure that adequate description of reasons of payment i.e. retirement, disability, death benefit to the beneficiary (ies) is mentioned in the Register.

14.2.12 The accessibility of data shall extend three years past the last amount paid to the Participant, subsequent pension fund manager or to the heirs of the Participant by the Pension Fund Manager.

### **14.3. Statement of Accounts**

Upon being satisfied that the Contribution to the Fund has been received, in full, from the Participants, the Registrar will send directly to each Participant 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 Participant.

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 Participant within six (6) Business Days of each transaction.

## 14.4. Financial Information

### 14.4.1 Auditors certificate on Investment of Seed Capital



A.F. FERGUSON & CO.

The Chief Executive Officer  
Alfalah GHP Investment Management Limited  
12th Floor, Tower A, Saima Trade Towers  
I. I. Chundrigar Road  
Karachi

November 8, 2016

ASR 1005

Dear Madam

#### AUDITORS' CERTIFICATE FOR RECEIPT OF SUBSCRIPTION TOWARDS SEED CAPITAL

- ALFALAH GHP ISLAMIC PENSION FUND – Equity Sub Fund;
- ALFALAH GHP ISLAMIC PENSION FUND – Debt Sub Fund; and
- ALFALAH GHP ISLAMIC PENSION FUND – Money Market Sub Fund

As requested by you we have traced from the books and records of the Sub Funds that an amount of Rs 30,000,000 (Rupees Thirty Million only) each has been received on November 08, 2016 in the respective bank accounts of each Sub Fund maintained with Bank Alfalah Limited (Stock Exchange Branch Karachi) towards subscription of seed capital.

The seed capital has been received from and on behalf of the following investor:

S.No.	Sub – Fund	Core Investor	Amount in Rupees
1	Equity	Alfalah GHP Investment Management Limited	30,000,000
2	Debt	Alfalah GHP Investment Management Limited	30,000,000
3	Money Market	Alfalah GHP Investment Management Limited	30,000,000
<b>Total</b>			<b>90,000,000</b>

This certificate is being issued only for submission as part of Alfalah GHP Islamic Pension Fund's 'Offering Document'.

Yours truly

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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## **15. WARNINGS**

**INVESTMENT RISKS AND TAX IMPLICATION:** All investments in Alfalah GHP Islamic 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. Participants 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 the Pension Fund before the retirement age are subject to tax under the provisions of the Income Tax Ordinance, 2001.

## **16. COMPLAINTS**

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

### **16.1. Procedure for lodging a complaint with the Takaful Ombudsman**

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

a) A complaint shall be made in writing, addressed to the Takaful Ombudsman. The complaint shall set out the full particulars of the transaction complained of and the name and address of the Participant (complainant).

b) Prior to making a complaint, the Participant (complainant) shall intimate in writing to the Pension Fund Manager his intention of filing a complaint and if the Pension Fund Manager either fails to respond, or makes a reply which is unsatisfactory to the complainant, within a period of one month, the Participant (complainant) may file a complaint, at any time thereafter, within a further period of three (3) months:

Provided that the 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 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, the 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 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 his decision.

f) The Federal Government may further prescribe rules for the conduct of proceedings in relation to complaints brought before the 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 Takaful claims.

## **16.2. Contact Details of Office of Takaful Ombudsman**

The Present Takaful Ombudsman and his contact details are as follows:

**Mr. Raeesuddin Paracha**

**Federal Insurance Ombudsman Office 6th Floor, State Life Building No. 2, Wallace Road, off I.I Chundrigar Road, Karachi. Phone: 021-9211674; 021-9211698 Fax : 021-9213278-9**

## **17. 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 connect persons or purchase from or sell any security to any of the Connected Person.
- b) No single connected stockbroker shall account for ten per cent or more of the Pension Fund's brokerage or commission in any one financial year of the Pension Fund. Provided that the Commission may, in each case on merits, permit the ten per cent to be exceeded if the connected broker offers advantages to the Pension Fund not available elsewhere.
- c) 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.
- d) All cash forming part of the Alfalah GHP Islamic Pension Fund assets shall be deposited with the Trustee or the Custodian, which is a Islamic 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.

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

In the event of any disputes arising out of this Trust Deed 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 this Trust Deed, the Offering 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.

## **19. DISPUTES BETWEEN THE PARTICIPANTS AND THE PENSION FUND MANAGER**

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

## **20. GENERAL INFORMATION**

20.1 The Constitutive Documents of Alfalah GHP Islamic Pension Fund are:

- i. Trust Deed, dated October 6, 2016, executed between Pension Fund Manager and the Trustee constituting the Pension Fund;
- ii. Letter No. ASR 1005 dated November 8, 2016 from the Auditors confirming the subscription for the Units of Pension Fund by the core investors.
- iii. Consents of the auditors and trustee to their respective appointments and being named and described as such in this Offering Document.
- iv. Letter No. 10/SEC/PRDD/VPS/AIML/106 dated December 21, 2015 from the Commission, registering the Pension Fund Manager as a pension fund manager under the Rules,
- v. Letter No. SCD/PRDD/VPS/AIML/22/2016 dated September 2, 2016 from the Commission to the Pension Fund Manager, approving the Trustee to act as the trustee of the Pension Fund.
- i. Letter No. SECP/SCD/PRDD/VPS/AIML/57/2016 dated November 28, 2016 from the Commission, authorizing the Pension Fund.
- iii. Letter No. SECP/SCD/PRDD/VPS/AIML/65/2016 dated December 8, 2016 from the Commission, approving this Offering Document.
- vi. Shariah compliance certificate from the Shariah advisor

The Constitutive Documents concerning the Alfalah GHP Islamic Pension Fund may be inspected at the registered office of the Pension Fund Manager at Alfalah GHP Investment Management Limited, 8<sup>th</sup> B, 8<sup>th</sup> Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan or at any other address which may be notified by the Pension Fund Manager to the general public through newspapers.

20.2 Date of publication of this Offering Document.

The date of publication of this Offering Document is January 1, 2017.



## **21. STATEMENT OF RESPONSIBILITY**

ALFALAH GHP INVESTMENT MANAGEMENT LIMITED ACCEPTS RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION HEREIN CONTAINED AS OF THE DATE OF PUBLICATION.

## **22. TERMINATION OF THE PENSION FUND**

### **22.1 TERMINATION AND LIQUIDATION OF THE TRUST**

22.1.1 The Pension Fund Manager (PFM) subject to conditions of the Rules, the Trust Deed and approval of the Commission, may terminate the Pension Fund by giving at least three (03) months' notice, in writing, to the Participants, the Trustee and the Commission.

22.1.2 The Trust may also be terminated by the Commission on the grounds provided in the Rules.

22.1.3 The Trust Deed of the Pension Fund may be terminated in accordance with the conditions specified in the Rules if there is any breach of the provisions of the Trust Deed or any other agreement or arrangement entered into between the Trustee and the Pension Fund Manager regarding the Pension Fund. Both parties shall act in a manner that causes the least degree of inconvenience to the Participants and is the most cost efficient for the Pension Fund and the Pension Fund Manager.

22.1.4 Upon the Trust being terminated, The Pension Fund Manager will suspend the acceptance of registration, Contribution(s) and withdrawals, forthwith, and proceed to transfer all assets and liabilities and records of the Pension Fund and each Sub-Fund to another pension fund manager under a scheme of arrangement to be approved by the Commission.

22.1.5 The Pension Fund Manager shall ensure that accounts of the Pension Fund, till the day of the transfer to the new Pension Fund Manager, are audited by the Auditors of the Fund and the Audit and Trustee Report is submitted, within one month from the date of such appointment, to the Commission, the new pension fund manager and the Trustee. PFM, with the approval of the Commission, will decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.

22.1.6 The Trustee, subject to clauses 22.1.4 and 22.1.5, on the recommendation of PFM and approval of the Commission, shall transfer all the assets and liabilities and records of the Pension Fund and each Sub-Fund, including Individual Pension Accounts of Participants, to the other Pension Fund managed by the other Pension Fund Manager.

22.1.7 Thereafter, the Pension Fund Manager shall proceed to dissolve the Pension Fund under the relevant law and in the court of jurisdiction.

## **23. GENERAL**

23.1 Any notice required to be served upon a Participant shall be deemed to have been duly given if sent by post or courier service to or electronically submitted or left at his 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.

23.2 In case a general notice is required to be served upon all the Participants, the Trustee or the Pension Fund Manager shall advertise any such notice in any leading daily newspapers in Pakistan having primary circulation in Karachi, Lahore and Islamabad. The cost of issuing and publishing a general notice shall be charged to the Trust.

23.3 Service of a notice or document on any employer shall be deemed effective service on all the Participants registered through that employer unless the Participant has given notice to the Pension Fund Manager that he is no longer in the employment of that employer.

23.4 Any notice or document sent by post or courier service to or left at the registered address of a Participant shall notwithstanding that such Participant be then dead or bankrupt and whether or not the Trustee or the Pension Fund Manager have notice of his 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 Participant.

23.5 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.

## **24. 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:

24.1 “Accounting Date” means 30th 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;

24.2 “Accounting Period” means the period ending on and including an Accounting Date and commencing (in case of the first such period) from the date of receipt of entire of Seed Capital and (in any other case) from the end of the last Accounting Period, as the case may be;

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

24.4 “Allocation Schemes” means the allocation schemes offered by the Pension Fund Manager in light of the prescribed allocation policy issued by the Commission from time to time;

24.5 “Annuity” means a series of payments of set frequency. sold primarily by Life Insurance Companies, with a primary goal to supplement retirement savings..

24.6 “Anniversary Date” means the Business Day following the completion of one full year from the opening of the Individual Pension Account with the Pension Fund Manager and thereafter the Business Day following completion of subsequent one full year.

24.7 “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;

24.8 “Approval” means any consent, registration, filing, notarization, certificate, licence, 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 this Offering Document and performance of the transactions contemplated herein;

24.9 “Approved Annuity Plan” means an Annuity plan approved by the Commission under section 2(3A) of the Income Tax Ordinance, 2001;

24.10 “Approved Employment Pension or Annuity Scheme” means any employment related retirement scheme approved under the Income Tax Ordinance, 2001 which makes periodical payment to a beneficiary, i.e. pension or annuity such as approved superannuation fund, public sector pension scheme and Employees Old-Age Benefit Scheme.

24.11 “Approved Income Payment Plan” means an income payment plan approved by the Commission under Section 2(3B) of the Income Tax Ordinance, 2001;

24.12 “Auditor” means a person qualified under the provisions of section 254 of the Ordinance to act as an auditor of a company appointed by the Pension Fund Manager, with the consent of Trustee, as the auditor for the Pension Fund, who shall be independent of the auditor of the Pension Fund Manager and the auditor of the Trustee, as provided under the Rules. However, the Trustee and the Pension Fund Manager shall ensure that the auditors are selected from the list of auditors as prescribed by the Commission from time to time for this purpose.

24.13 “Authority” means any governmental or judicial or quasi-governmental or judicial authority empowered to administer, enforce, adjudicate or ensure compliance with Applicable Law;

24.14 “Authorized Branch or Branches” means those branches of the Distributors authorized by the Pension Fund Manager to perform Distribution Functions whose addresses shall be given in the Offering Document.

24.15 “Authorized Investments” means investments, whether listed or otherwise, transacted, issued or traded inside or outside Pakistan and as permissible under the Rules or under the Investment Policy prescribed by the Commission;

24.16 “Bank” means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.

24.17 “Bank Accounts” means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Participants;

24.18 “Business Day” means a day (such Business Hours thereof) when Banks and Stock Exchanges

are open for normal business in Pakistan and for which Pension Fund Manager is open for business.

24.19 “Business Hours” means period in a Business Day as determined by Pension Fund Manager from time to time.

24.20 “Charity” means the amount paid by the Pension Fund Manager out of the income of the Trust to an approved charitable/ welfare organization, in consultation with the Shariah Advisor, representing income, which is Haram.

24.21 “Commission” means Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997(XLII of 1997);

24.22 “Connected Person” shall have the same meaning as assigned in the Rules:

24.23 “Constitutive Document” means the principal document governing the formation of the Pension Fund, and includes the Trust Deed and any supplemental Trust Deed(s) of the Pension Fund and all material agreements;

24.24 “Contribution” means an amount as may be voluntarily determined by an individual payable at any frequency to one or more Pension Fund Managers and held in one or more Individual Pension Accounts of a Participant, subject to any specified minimum limit prescribed by the Pension Fund Manager;

24.25 “Contribution Date” has the meaning ascribed to it in Clause 7.2.5

24.26 “Core Units” means units issued to the Seed Capital Investors.

24.27 “Custodian” means a Bank, the Central Depository Company, or any other Depository for the time being appointed by the Trustee to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund;

24.28 “Dealing Day” means every Business Day on which dealing in the Pension Fund is conducted as disclosed in the Offering Document, provided that the Pension Fund Manager may with the prior written consent of the Trustee and upon giving not less than seven days’ notice in the newspapers declare any particular Business Day not to be a Dealing Day;

24.29 “Deed” or “Trust Deed” means the Trust Deed which is the principal document governing the formation, management or operation of the Fund.

24.30 “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 Participants who have not themselves selected any Allocation Scheme;

24.31 “Distributor” or “Distribution Company” means Company (ies), Firm(s), Sole Proprietorship Concerns, Individuals or Bank(s) appointed by the Pension Fund Manager under intimation to the Trustee for performing any or all of the Distribution Functions and shall include the Pension Fund Manager itself, if it performs the Distribution Functions.

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

- a) Receiving applications for contributing to the Pension Fund;
- b) Interfacing with and providing services to the Participants including receiving Withdrawal, Transfer applications, conversion notices and applications for change of address for immediate transmission to the Pension Fund Manager or the Registrar as appropriate;
- c) Acknowledging receipt by delivering customer copy in respect of (a) and (b) above; and
- d) Accounting to the Pension Fund Manager for (i) monies received from the applicants when the Contributions; (ii) payments made to the Participants on withdrawal from Individual Pension Account; and (iii) expenses incurred in relation to the Distribution Functions.

24.33 “Eligible Person” means any person who qualifies the eligibility criteria under the Rules in respect of persons who can make contributions to pension funds authorized under the Rule;

24.34 “Exposure” includes facility and subscription to or investment in equity securities, debt instruments or securities, unit or certificates or shares of a collective investment scheme, money-market placements, deposits, certificates of deposits, CFS, forward contracts, derivatives and credit cards but does not include;

- a) obligation under letters of credit and letters if guarantee to the extent of cash margin held by an NBFC;
- b) a facility provided to financial institutions through REPO transactions with underlying statutory liquidity requirement eligible securities
- c) letters of credit established for the import of plant and machinery; and
- d) deposits of less than ninety days;

24.35 “Facility” includes financing under a system which is based on participation in profit and loss, markup or mark-down in price, hire-purchase, lease, rent sharing, bills of exchange, promissory notes or other instruments with or without buy-back arrangement by a seller, participation term certificate, musharika or modaraba certificate, term finance certificate or any other mode, guarantees, indemnities, letters of guarantee, indemnity, letter of credit and any other obligation, whether fund based or non- fund based.

24.36 “Form” means a Form prescribed under the Rules to collect information from the Participants.

24.37 “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 to a maximum limit of PKR 750,000/ or 0.5% of the total Seed Capital, whichever is less.

24.38 “Front-end Fee” means the sales charge or commission, not exceeding three percent (3%) of the amount of Contributions from Participants (as part of the Wakalah Fee);

24.39 “Fund” means Alfalah GHP Islamic Pension Fund or, “Trust” or “Unit Trust” constituted by this Deed.

24.40 “Fund Property” means the aggregate proceeds of the sale of all Units at NAV after deducting

there from Front-end Fee, and any expenses chargeable to the Fund; and includes the Investment and all income, profits or mark-up, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable and other assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Participants pursuant to the Trust Deed and shall include the income.

24.41 “Guidelines” means various guidelines, including instructions and handouts issued by the Commission to be followed or implemented by the Pension Fund Manager, the Trustee and other persons connected with the Fund in relation to various matters under the Rules;

24.42 “Haram” means anything prohibited by the Islamic Shariah.

24.43 “Income Payment Plan” means a plan to enter into an agreement with the Pension Fund Manager after retirement enabling withdrawal of the remaining amount, in monthly installments, as per the rules;

24.44 “Individual Pension Account” means an individual account of a Participant maintained by the Pension Fund to record his/her investment and the Units of the Sub- Funds as issued there against, including appreciations thereof;

24.45 “Individual Pension Account Number” of a Participant means his/her Computerized National Identity Card (CNIC) number followed by a hyphen, a two digit suffix denoting the particular Pension Fund Manager and a serial number, if any

24.46 “Investment” means any Authorized Investment forming part of the Fund Property;

24.47 “Investment Policy” means the investment policy from time to time determined by the Commission under the Rules;

24.48 “Launch Date” means the date, as may be determined by the Pension Fund Manager, from which the Alfalah GHP Islamic Pension Fund shall be offered to the Participants for continual Contribution dealing.

24.49 “Life Insurance Company” means a company registered under the Insurance Ordinance, 2000 (XXXIX of 2000), to transact life insurance business, and includes the State Life Insurance Corporation of Pakistan;

24.50 “Lifecycle Allocation Scheme” means an Allocation Scheme approved by the Commission, where the percentage allocations to each Sub-Fund will automatically vary based on the age of the Participant;

24.51 “Net Assets” means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the Rules;

24.52 “Net Asset Value” or “NAV” means per Unit Value of the Sub-Funds arrived at by dividing the Net Assets by the number of Units outstanding. Net Assets being computed in the manner specified under the Rules or as may be specified by the Commission from time to time;



24.53 “Nomination Deed” is the deed issued by the Court specifying the nominees of the deceased Participant and their respective entitlement.

24.54 “Offering Document” means a document issued by the Pension Fund Manager with consent of the Trustee and after approval of the Commission and contains the contribution and investment policy and all other information in respect of the Fund, as required by the Rules/Guidelines and is circulated to invite offers by the public to invest in the Fund;

24.55 “Ordinance” means the Companies Ordinance, 1984;

24.56 "Par Value" means the face value of Rs.100/- for a Unit of the Fund

24.57 “Participant” means any eligible person 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;

24.58 “Pension Fund” means a fund made up of Sub-Funds created from the Contributions paid by the Participants 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.

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

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

24.61 “Prescribed Application Form” means a Form approved by the Commission to open an Individual Pension Account and collect other information from the Participants;

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

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

24.64 “Register” means the Register of the Participants kept pursuant to the Rules and the Trust Deed;

24.65 “Registrar” means an organization that the Pension Fund Manager may appoint for performing the Registrar Functions and may include a department of the Pension Fund Manager;

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

- a. maintaining the Register as per the rules, the Trust Deed or a may be prescribed by the commission from time to time.

- b. processing requests for contribution, withdrawal, change of pension fund manager, reallocation of units between the Sub-Funds and Transmission of balance in the Individual Pension Account and requests for recording of lien or for recording of changes in data with regard to the Participant(s);
  - i. Issuing account statements to the participants;
  - ii. Dispatching income distribution advice and/or bank transfer intimations;
  - iii. Other functions to be performed as per Registrar agreement; and
  - iv. Such other functions as may be required under the Guidelines on record keeping.

24.68 “Regulations” means regulations made by the commission under these rules

24.69 “Retirement Age” means any age between sixty and seventy years or twenty-five years since the age of first contribution to a pension fund whichever is earlier or such age as may be prescribed in the Rules from time to time, which the Participant selects for retirement, in accordance with the provisions of the Rules;

24.70 “Retirement Date” means the date on which the retirement of a Participant from the Pension Fund becomes effective;

24.71 “Rules” means the Voluntary Pension System Rules, 2005, as amended from time to time;

24.72 “Sales Agent” means an Individual, Firm, Corporate or other Entity appointed by the Pension Fund Manager, at its sole responsibility, to identify solicit and assist Participants in contributing in the Fund;

24.73 “Schedule” means the schedule of these rules.

24.74 “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

24.75 “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;

24.76 “Seed Capital Investors” means the investor of Seed Capital;

24.77 “Shariah” or “Islamic Shariah” means divine guidance as given by the Holy Quran and the Sunnah of Prophet Muhammad ﷺ and embodies all aspects of the Islamic Faith, beliefs, practices, rules and principles;

24.78 “Shariah Advisor” means an Islamic scholar or a body of Islamic scholars, having knowledge of Islamic finance and qualification as may be prescribed by the Commission from time to time, considered to be expert(s) in Islamic Shariah to be appointed and/or replaced in its place by the Pension Fund Manager from time to time for seeking advice regarding compliance with the principles of Islamic Shariah and for monitoring the operations, management and investments of the Fund;

24.79 “Shariah Compliant” shall mean any activity that is in accordance with Islamic Shariah;

24.80 “Stock Exchange” means a market in which equity securities are bought and sold. The Pakistan Stock Exchange (PSX) is stock exchange of Pakistan was established on 11 January 2016 after the merger of individual stock exchanges of Karachi, Lahore and Islamabad.

24.81 “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;

24.82 “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 public to invest in the Fund;

24.83 “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 Participant, as if he/she is party to it and so to be bound by its provisions;

24.84 “Tax” means all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of Pakistan or any other jurisdiction and any penalty, fine, surcharge, interest, charges or costs relating thereto;

24.85 “Tax Year” shall have the same meaning as ascribed under the Income Tax Ordinance, 2001;

24.86 "Transaction Costs" means the costs incurred or estimated by the Pension Fund Manager to cover the costs (such as, but not restricted to, Brokerage, Taxes or Levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units.

24.87 “Trust” means a trust established by a deed under the provisions of the Trusts Act, 1882.

24.88 “Trust Deed” means the Trust Deed described in Clause 1, as amended from time to time by any Supplementary Trust Deed;

24.89 “Trust Property” means the aggregate proceeds credited in the Pension Fund including the Contribution(s) received and Seed Capital received from Seed Investors of each Sub-Fund(s) after deducting there from or providing there out any applicable Front-end Fee and any other expenses chargeable to the Pension Fund including the Sub-Fund; and includes the Investments and all income, profit or mark-up and other benefits arising there from 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 Participant pursuant to this Deed;

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

24.91 “Trusts Act” means Trusts Act 1882 (II of 1882).

24.92 “Unit” means an undivided share in a Sub-Fund of the Pension Fund.

24.93 “Unlisted Security” means a security not listed or quoted on a stock exchange

24.94 “Wakalah tul Istismar/Wakalah Fee” means the amount charged by the Fund Manager as Wakeel from the fund in form of Front End Fee & Management Fee.

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

## **25. INTERPRETATION**

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

- i. 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;
- ii. the singular includes the plural and vice versa;
- iii. a reference to an individual or person includes a company, firm, trust, Authority or government and vice versa;
- iv. a reference to any gender includes all genders;
- v. a reference to a Recital, Clause or Annexure is to a Recital, Clause or Annexure of or to this Offering Document;
- vi. a Recital or Annexure forms part of this Offering Document;
- vii. 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;
- viii. 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;
- ix. where an expression is defined, another grammatical form or variation of that expression has a corresponding meaning;
- x. a reference to any “Account” or “account” includes any renewal, redenomination, redesignation or sub-account thereof;
- xi. “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

- xii. words “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

## **26. HEADINGS**

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

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

	<p align="center"><b>Securities and Exchange Commission of Pakistan Specialized Companies Division Policy, Regulation and Development Department</b></p>
<p><b>Licence No.</b> AMCW/03/AGIML/AMS/02/2014</p>	<p align="right">Islamabad, March 10, 2014</p>
<p align="center"><b>LICENCE TO CARRY OUT ASSET MANAGEMENT SERVICES AS NON-BANKING FINANCE COMPANY</b></p>	
<p>The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to carry out <b>Asset Management Services</b> submitted by <b>Alfalah GHP Investment Management Limited</b> under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(1) 2007, S.R.O. 271(I)/2010 and S.R.O 570(I)/2012 (the "Rules"), and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license of by <b>Alfalah GHP Investment Management Limited</b> to carry out <b>Asset Management Services</b> subject to the conditions stated herein below or as may be prescribed or imposed hereafter:</p>	
<ul style="list-style-type: none"> <li>(i) <b>Alfalah GHP Investment Management Limited</b> and the Collective Investment Schemes under its management shall comply with the Companies Ordinance, 1984, the Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (as amended or replaced) and any directives, circulars, codes, notifications and guidelines issued by the Commission;</li> <li>(ii) <b>Alfalah GHP Investment Management Limited</b> shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws; and</li> <li>(iii) This license is valid for a period of three years <b>w.e.f. March 09, 2014</b> and shall be renewable every three years as specified in the Rules.</li> </ul>	
<p align="right">   <b>(Imtiaz Haider)</b>          Commissioner (SCD)       </p>	



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

 **Securities and Exchange Commission of Pakistan  
Specialized Companies Division  
Policy, Regulation and Development Department**

Registration No. **10 / SEC/PRDD/VPS/AIML/106** Islamabad, the **21<sup>st</sup>** December, 2015

**CERTIFICATE OF REGISTRATION AS  
PENSION FUND MANAGER**

The Securities and Exchange Commission of Pakistan, having considered the application of the Alfalah GHP Investment Management Limited and being satisfied that Alfalah GHP Investment Management Limited is eligible for registration, in exercise of powers conferred by sub-rule (2) of rule 5 of Voluntary Pension System Rules, 2005 ("the VPS Rules"), hereby grants registration to the Alfalah GHP Investment Management Limited as Pension Fund Manager subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

1. Alfalah GHP Investment Management Limited shall strictly comply with all the relevant provisions of the Companies Ordinance, 1984, the VPS Rules, guidelines, circulars and directives issued from time to time under the VPS Rules and any other law applicable in this regard; and
2. Alfalah GHP Investment Management Limited shall not make any offer to any person to participate in any of its pension fund(s)/scheme(s) unless the Commission has authorized such pension fund(s)/scheme(s) under the VPS Rules.

The registration shall be suspended or cancelled if the license to carry on asset management services granted to Alfalah GHP Investment Management Limited under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, is suspended or cancelled.

  
**(Zafar Abdullah)**  
Commissioner SCD

**ANNEXURE 'B'**

**AUTHORIZATION OF PENSION FUND (B-1)**



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

No. SECP/SCD/PRDD/VPS/AIML/ 57/2016

November 28, 2016

Chief Executive Officer,  
Alfalah GHP Investment Management Limited  
8-B, 8<sup>th</sup> Floor, Executive Tower  
Dolmen City, Block-4  
Clifton, Karachi  
Pakistan.

Subject: **Application for Authorization of Alfalah GHP Islamic Pension Fund**

Dear Sir,

1. Please refer to your letter No. AGIML/COM/2016-17/033 dated November 8, 2016 on the captioned subject.
2. I am directed to inform you that the Securities and Exchange Commission of Pakistan (the "Commission") has authorized the Alfalah GHP Islamic Pension Fund (the "Fund") under rule 9 of the Voluntary Pension System Rules, 2005.
3. It may please be noted that the Fund can only be offered for participation to the general public after approval of the Offering Document of the Fund by the Commission.

Yours truly,

(Khawaja Ammad Masud)  
Deputy Director

CC: Mr. Atiq ur Rehman  
Head of Trustee & Custodial Operation  
CDC OF Pakistan Trustee of proposed **Alfalah GHP Islamic Pension Fund**  
CDC House 99-B, Block B, SMCHS, Shahr-e-Faisal  
Karachi, Pakistan

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4 Ext. 119, Fax. No.051- 9218590, E-mail: ammad.masud@secp.gov.pk

**APPROVAL OF OFFERING DOCUMENT (B-2)**



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

No. SECP/SCD/PRDD/VPS/AIML/ *61/2016*

December 5, 2016

Chief Executive Officer,  
Alfalah GHP Investment Management Limited  
8-B, 8<sup>th</sup> Floor, Executive Tower  
Dolmen City, Block-4  
Clifton, Karachi  
Pakistan.

**Subject: Offering Document of Alfalah GHP Pension Fund (AGPF)**

Dear Sir:

Please refer to your letter No. AGIML/COM/2016-17/032 dated October 19, 2016, seeking approval of Offering Document of Alfalah GHP Pension Fund (the "Fund"); and subsequent correspondence resting with your e-mail dated November 17, 2016.

In this regard, I am directed to inform that this office, under rule 22 of the Voluntary Pension System Rules, 2005 (the "Rules"), is pleased to approve the Offering Document of the Fund submitted with your above referred letter.

Alfalah GHP Investment Management Limited may proceed further in accordance with the provisions of the Rules, the Trust Deed and the Offering Document of the Fund.

Yours truly,

  
(Khawaja Amjad Masud)  
Deputy Director

Copy to:

1. **Central Depository Company of Pakistan Limited**  
Trustee of "Alfalah GHP Pension Fund"  
CDC House, 99-B, Block "B",  
S.M.C.H.S.  
Main Shakra-e-Faisal,  
Karachi, Pakistan.

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4 Ext. 119 Fax: No.051- 9218590, E-mail: [amjad.masud@secp.gov.pk](mailto:amjad.masud@secp.gov.pk)

**APPROVAL OF TRUST DEED (B-3)**



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

No. SECP/SCD/PRDD/VPS/AIML/2016/ **34**

September 26, 2016

**Chief Executive Officer,**  
Alfalsh GHP Investment Management Limited  
8-B, 8th Floor, Executive Tower  
Dolmen City, Block-4  
Clifton  
Karachi.

**Subject: Clearance of Draft Trust Deed of proposed "Alfalsh GHP Islamic Pension Fund and Alfalsh GHP Pension Fund"**

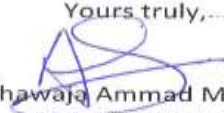
Dear Sir,

Kindly refer to letter dated September 22, 2016, from Head of Compliance & Risk Management concerning the subject matter.

2. I am directed to inform you that this office has no objection to the contents of the draft trust deed of the proposed **Alfalsh GHP Islamic Pension Fund and Alfalsh GHP Pension Fund** submitted *vide* aforementioned letter. The clearance of the draft trust deeds is, however, without prejudice to the consequences of verifying compliance to the conditions stipulated in the Certificate of Registration issued in favor of M/s. Alfalsh GHP Investment Management Limited and the requirements stipulated in the Voluntary Pension System Rules, 2005.

3. You are advised to submit copy of the duly registered trust deed in order to enable the Commission to proceed further in this matter.

Yours truly,....

  
(Khawaja Ammad Masud)  
Deputy Director

**CC:** Mr. Atiqur Rehman  
Head of Trustee & Custodial Operations  
Central Depository Company of Pakistan Limited  
Trustee of the proposed **Alfalsh GHP Islamic Pension Fund and Alfalsh GHP Pension Fund**  
CDC House, 99-B, Block "B",  
S.M.C.H.S. Main Shahr-e-Faisal,  
Karachi, Pakistan.

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4 Ext. 119 Fax, No, 9218590, E-mail: [ammad.masud@secp.gov.pk](mailto:ammad.masud@secp.gov.pk)



**ANNEXURE 'C'**

**APPROVAL OF TRUSTEE**



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

No. SECP/SCD/PRDD/VPS/AIML/22/2016

September 2, 2016

**Chief Executive Officer,**  
Alfalah GHP Investment Management Limited  
8-B, 8th Floor, Executive Tower  
Dolmen City, Block-4  
Clifton  
Karachi.

**Subject: Approval of the appointment of "Central Depository Company of Pakistan Limited" as Trustee of the proposed Alfalah GHP Islamic Pension Fund and Remuneration of the Trustee**

Dear Sir,

1. Please refer to your letter No. AGIML/COM/2016-17/017 dated August 16, 2016 regarding the subject matter.
2. I am directed to convey the approval of the Securities and Exchange Commission of Pakistan (the "Commission") to the appointment of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the proposed Alfalah GHP Islamic Pension Fund under rule 29 of the Voluntary Pension System Rules, 2005.
3. Furthermore, the Commission has approved remuneration of the Trustee, as per schedule of charges attached herewith, in terms of rule 34 of the Voluntary Pension System Rules, 2005.

Yours truly,

  
(Khawaja Ahammad Masud)  
Deputy Director

**Encl:** Trusteeship Tariff structure – CDC

**CC:** Central Depository Company of Pakistan Limited  
(w.r.t letter Ref: CDC/T&C-S II/DH/0390/2016 dated August 10, 2016)  
Trustee of the proposed Alfalah GHP Islamic Pension Fund  
CDC House, 99-B, Block "B",  
S.M.C.H.S. Main Shakra-e-Faisal,  
Karachi, Pakistan.

NIC Building, Jinnah Avenue, Blue Area, Islamabad.  
PABX: 9207091-4 Ext. 119 Fax. No. 9100473, E-mail: [hammad.masud@secp.gov.pk](mailto:hammad.masud@secp.gov.pk)

**ANNEXURE 'D'****MANAGEMENT FEE AND TRUSTEE FEE DETAILS**

<b>1-Management Fee</b>	<del>1.5 % p.a. on average Net Assets of each Sub-Fund.</del>
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1- Amendment approved through First (1<sup>st</sup>) Supplement Offering Document

<b>Management Fee</b>	1.25 % p.a. on average Net Assets of each Sub-Fund.
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**TRUSTEE TARIFF OF CHARGES**

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



**ANNEXURE 'E'****Alfalsh GHP Investment Management Limited**

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>	<b>Contact Number</b>
1.	Alfalsh Investments-Head Office	8-B, 8 <sup>th</sup> floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.	111-090-090 & (9221) 35306741 – 44
2.	Alfalsh Investments-Branch Office	Office # 606-D, 6th Floor, City Towers, Main Boulevard Gulberg II, Lahore.	042-35788574-6
3.	Alfalsh Investments-Branch Office	Ground floor Hameeda Markez, 106-C, Jami Commercial Street 11, Phase VII, D.H.A Karachi.	111-090-090

**List of Distributors**

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>	<b>Telephone Number</b>	<b>Registration Number</b>
1	Bank Alfalah Limited	73 Z-Block, DHA Phase III Lahore.	042 – 35896085	RSPC-060
2	IGI Investment Bank Limited	Suit # 701-713, 7th Floor, The Forum, G-20 Block 9, Clifton, Karachi.	021-111-234-234	RSPC-014
3	Metro Securities (Pvt.) Limited	Metro Securities (Pvt.) Ltd. 36-F, Block-6, P.E.C.H.S., Karachi	021-34300395 34530702-04	RSPC-017
4	BMA Capital Management Limited	Uni tower, Level 8, I.I. Chundrigar Road, Karachi	021- 111 262 111 Ext: 2156	RSPC-023
5	Vector Capital (Private) Limited	10th Floor, Tower B, Saima Trade Towers, Chundrigar Road, Karachi	021-32277350	RSPC-003
6	Ms. Rabia Fida (Fund Shop)	Fund Shop - Investment Solutions 1st Floor, 163, Street 4, Cavalry Ground, Lahore Cantt	042 - 3662 0563	RSPI-001
7	Mr. Aamir Noorani	9A-8th Central Street , DHA , Phase 2, Karachi	0307-2224500	RSPI-015
8	Ahmed Zaman	Suite 18, 2nd Floor, Al-Hafeez Tower, M.M. Alam Road, Lahore.	042-35785403	RSPI-034
9	Mr. Akbar Ali (Investo Mate)	Suite 802, Anum Empire, Baloch Colony, Shahrah-e-Faisal, Karachi	021-34169553, 0333-2229447	RSPI-037
10	Savings Lounge (Pvt.) Limited	80-C, 13th Commercial Street, Phase-2 Ext, DHA, Karachi	021-35391181-82	RSPC-067
11	4 Sight Investments	M-1, Plot No # C-25, Street 13th Commercial, D.H.A, Phase 2, Karachi	0346-8202104	RSPC-075
12	Market 786 (Pvt) Limited	Ground Floor, P & O Plaza, I.I Chundrigar Road, Karachi	021-32402046	RSPC-074

**ANNEXURE 'F'**

**FORMS**

**All Forms are also available on Management Company Website at [www.alfalahghp.com](http://www.alfalahghp.com)**

**Participant's Registration, Account Opening, Nomination & Investment Allocation Form (Form - VPS 01)**

**Employer's Application Form (Form VPS 02)**

**Participant Contribution Form (Form VPS 03)**

**Change of Pension Fund Manager Form (Form VPS 04)**

**Retirement Option Form (Form VPS 05)**

**Early Redemption Form (Form - VPS 06)**

**Change of Allocation Scheme Form (Form - VPS 07)**

**ANNEXURE ‘G’**

**Shariah Supervisory Board**

**Mufti Irshad Ahmad Aijaz**

Mufti Irshad Ahmad Aijaz is the full time Shariah Adviser to Bank Islamic Pakistan Limited and Chairman of its Shariah Supervisory Board. He graduated from Jamiatul Uloom Islamiyyah, Binnori Town, Karachi and obtained his Shadat-ul-Aalamia (Masters in Arabic and Islamic Studies) from there. Afterwards, he completed his Takhassus fi al-Iftaa (Specialization in Islamic Jurisprudence and Fatwa) from Jamia Darul Uloom, Karachi.

He has passed an Islamic economics course "Contemporary Business and Banking and its critical evaluation in the light of Shariah" from the Centre for Islamic Economics, Jamia Darul Uloom, Karachi. He has also completed his MBA program from Iqra University, Karachi.

He currently holds advisory position at a number of Institutions which include:

- Shariah Advisor of Fortune Islamic Financial Services.
- Shariah Advisor of Allied Rental Modaraba.
- Member, Shariah Committee of Barakah Group, Australia.
- Honorary Chairman, Shariah Supervisory Board of Wasil Foundation (Micro finance).

He regularly delivers lectures on Islamic Economics and Finance at different forums and educational institutions including National Institute of Banking and Finance (State Bank of Pakistan) and Centre of Islamic Economics (a division of Jamia Darul Uloom, Karachi).

**Mufti Muhammad Hussain**

Mufti Muhammad Hussain is a prominent scholar in the field of Islamic jurisprudence. He has been teaching Islamic studies including Fiqh and Fatwa for years. Mufti Muhammad Hussain has undertaken research work in various topics including economic thoughts in Islam, financial markets, modern economic & financial issues, and Islamic banking & finance. He is also a member of Shariah Supervisory Board of Halal Foundation, the first Shariah certification and research body in Pakistan. His research works include Ushr obligation, Takaful on the basis of Waqf, Shariah rules of wealth earned through impermissible sources and rulings on status juristic person in Islam. He has authored several articles and issued verdicts (Fatwas) on various issues. He is associated with Jamiat-ur-Rasheed, Karachi as a senior Mufti in Darul Iftaa and lecturer in department of Fiqhul Muaamlaat.

**Mufti Javed Ahmad**

Mufti Javed Ahmad is the Resident Shariah Board Member (RSBM) of BankIslami. He has completed his Shahadat-ul-Alamia (Masters in Arabic and Islamic Studies) from Jamia Dar-ul-Uloom, Karachi, and Takhassusfi Fiqh-el-Muamlat (Specialization in Islamic Jurisprudence of trade and finance) from Jamia tur Rashid Karachi. He is also a Certified Shariah Advisor and Auditor (CSAA) from AAOIFI, Bahrain and Chartered Islamic Finance Professional (CIFP) from INCEIF, Malaysia. He has completed M.A. Economics from Karachi University. He has undertaken research works on different contemporary *Fiqh* Issues including Islamic Finance. As RSBM Mufti Javed Ahmad oversee implementation of Shariah Board's directives and provides guidance on routine matters. As Islamic banking trainer, he also regularly conducts training sessions for Bank's staff and different other forums. Previously he was associated with Ernst & Young Ford Rhodes Sidat Hyder as "Senior Shariah Consultant" and has engaged in Shariah Advisory, Shariah review, Shariah Audit and Compliance activities for more than four years.