

2nd Supplementary Offering Document

of

ABL Islamic Pension Plan

(An Income Payment Plan offered under ABL Islamic Pension Fund)

Managed by

ABL Asset Management Company Limited

The investors are advised in their own interest to carefully read the contents of the Offering Document in particular the risk factors and disclaimers mentioned in Clause 14 before making any decision

1. INTRODUCTION

- 1.1. ABL Islamic Pension Plan (ABL-IPP) is an administrative plan offered by ABL Asset Management Company Limited (the “Pension Fund Manager”) to the participants of ABL Islamic Pension Fund (ABL-IPF) or other pension schemes managed by recognized Pension Fund Managers in Pakistan or any other approved pension/gratuity fund (if permissible), effective at the retirement of investors.
- 1.2. ABL-IPP intends to provide investors a monthly pension income through an annuity created from outstanding balance in his/her individual pension account or amount transferred from other Pension Fund Manager on retirement.
- 1.3. The outstanding balance in investor’s individual pension account on retirement will be the amount remaining after a lump-sum withdrawal (at the discretion of the investor) from his/her individual Islamic Pension Fund’s account, at the time of retirement. For further details, please refer to Clause 2 of this document.
- 1.4. The monthly pension income will commence from the participant’s chosen retirement date for up to 15 years following the date of retirement, or as allowed under the Voluntary Pension System Rules, 2005 (VPS Rules) from time to time. The monthly pension payment will comprise of part repayment of outstanding balance in the participant’s individual pension account and return earned on the outstanding balance.
- 1.5. At the expiry of the income payment plan, the participant shall have option to use the outstanding balance in his individual pension account to purchase an annuity from a Life Insurance Company of his choice or buy an income payment plan for another term or withdraw the amount from his account.
- 1.6. All transactions under this arrangement are governed by the Trust Deed and Offering Document of ABL-IPF and VPS Rules, as amended from time to time. Unless specifically altered by this document or in case of amendments in VPS Rules, all the terms and conditions of the Trust Deed and Offering Document (as amended from time to time) of ABL-IPF shall apply to the ABL IPP.
- 1.7. Words and expressions used but not defined in this document shall have the same meaning unless contrary to the context as assigned to them in the Trust Deed and Offering Document of ABL -IPF.

2. OPTIONS AT RETIREMENT

- 2.1. On choosing the ABL IPP on retirement, the participant has the following options, namely:
 - a) The participant can withdraw tax free amount up to fifty percent (50%) or such percentages of the total accumulated balance as allowed under VPS Rules and Income Tax Ordinance 2001 and use the remaining balance to subscribe to ABL IPP.
 - b) The participant can withdraw more than allowed percentages of the accumulated balance and use the remaining balance, if any, to subscribe to ABL IPP. However any withdrawal in excess of allowed percentages shall be subject to withholding tax as per Income Tax Ordinance, 2001. (Details regarding taxation are provided under Clause 13 on “Taxation”).

3. ELIGIBILITY

- 3.1. ABL-IPP is offered to the participants of the ABL IPF on reaching their retirement age, as provided in the application form.
- 3.2. ABL-IPP is also offered to the participants of other approved pension schemes, on reaching their retirement age.

4. PROCEDURE TO JOIN ABL ISLAMIC PENSION PLAN

- 4.1. In case of existing participants of ABL-IPF, an investor wishing to subscribe to ABL-IPP will be required to sign up for it by filling out a form and submitting the required documents stated on the form. The investor will then request for transfer of balance from his/her Individual Pension Account to Individual Income Payment Account.
- 4.2. In case of participants of other approved pension schemes, the investor will be required to fill the ABL IPP Application Form, giving details of his/her approved Islamic Pension Fund and submitting the required documents stated on the form. Afterwards, the investor will be required to transfer funds from his/her Islamic Pension Fund into ABL-IPP. .
- 4.3. The investor shall submit the completed ABL IPP Application Form to any of the authorized branches of the Distribution Companies or send directly to ABL Asset Management Company Limited. Only the Pension Fund Manager and authorized branches of Distribution Companies are authorized to collect Application Forms for ABL IPP.

5. FEATURES OF ABL ISLAMIC PENSION PLAN

- 5.1. Under the ABL IPP, investor shall be offered units of sub funds under ABL-IPF.
- 5.2. **Accumulation Units:** Upon entering the plan, 20% of the total outstanding balance (called Accumulation Units) will be set aside with an objective to accumulate returns during the life of the Plan. At the end of the investor's tenor with ABL-IPP (in case of death or completion of plan tenor), these units shall be redeemed at the prevailing NAV at the time of expiry of the plan.
- 5.3. **Monthly Pension Units:** 80% of the initial investment in ABL-IPP shall be divided into the number of months for up to fifteen(15) years (or as allowed under the VPS Rules from time to time) with an objective of redeeming such number of monthly pension units every month to provide a regular monthly income. This exercise shall be undertaken at the end of each year. Pension Fund Manager may revise investor's monthly pension payments (based on number of units redeemed), in case of any partial withdrawals or any other related transactions affecting account balance.

5.4. Allocation:

- a) Monthly pension units, as specified in Clause 5.3, will be invested in ABL-IPF - Money Market Sub Fund
- b) Accumulation units, as specified in Clause 5.2, will be invested according to the prescribed allocation limits as specified below:

Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
25%	45%	30%

- c) Pension Fund Manager may issue additional allocation scheme(s) and features for the investors under the ABL IPP from time to time and may also give investors option to choose their asset allocation for Accumulation Units.
- 5.5. The investor may withdraw the entire balance or any amount from his/her account during the tenor or at the expiry of the ABL IPP, as allowed under the VPS Rules and subject to relevant tax laws under the Income Tax Ordinance, 2001.
- 5.6. **Payment of Pension:** The payment of pension under the ABL IPP will commence from the very next month on entering into the ABL IPP. The pension will be distributed to the investor by redeeming the Monthly Pension Units from ABL-IPF Money Market Sub Fund, at the prevailing closing NAV of the last Business Day of each month. Such pension payments shall be disbursed to investors within ten (10) business days of the following month, subject to Clause 5.8.
- 5.7. However, in case of any exceptional circumstances, which may arise due to major law and order situation, closure of one or more Stock Exchanges on which any of the securities invested in by the ABL-IPF are listed, closure of the banking system, strikes or other events that render the Pension Fund Manager or Trustee of ABL-IPF unable to function, or the existence of a state of affairs as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the investors, the Pension Fund Manager may redeem such units at the close of the next Business Day when the said circumstances have ceased to exist.
- 5.8. The pension amount shall be paid to the Participant by direct transfer to the Participant's designated bank account or a crossed cheque/ draft for the amount will be dispatched to the registered address of the Participant, within ten (10) Business Days from the date of last day of every subsequent month until the end of ABL IPP.
- 5.9. **Term of the Plan:** The ABL IPP can be joined at or after retirement between the age of 60 to 70 years or 25 years since the age of first contribution to a pension fund whichever is earlier and the investor may continue to receive pension under the plan for up to fifteen years following the date of retirement, or as allowed under the VPS Rules from time to time.
- 5.10. **Transfer of Funds:** The ABL IPP allows investors the option of transferring their balance to any other Income Payment Plan offered by any Pension Fund Manager or approved annuity plan offered by a Life Insurance Company/Takaful Company. Conversely, the investors can also transfer their balance from any other Income Payment Plan to the ABL IPP.

6. INVESTMENT POLICY

- 6.1. The investment in sub-funds of ABL-IPF shall be subject to the Trust Deed, Supplementary Trust Deeds, Offering Document and Supplementary Offering Documents of ABL-IPF.

7. FEES AND CHARGES

- 7.1. No front end load shall be charged for transfer of accumulated balance from the Individual Pension Account of the investor to the ABL IPP. Front-end load shall also not be applicable on investor on

transferring their balance from any other approved Islamic Pension Fund or such other schemes/type of investors, as allowed in the VPS Rules. There will also be no back-end load/charges on the withdrawal/ payment of monthly pension.

- 7.2. The Pension Fund Manager shall not be entitled to an additional annual management fee from this plan.

8. DEATH OF AN INVESTOR

8.1. In the unfortunate event of the death of any investor, the nominees (as identified by the Nomination Form) shall be the only person recognized as having any entitlement to the remaining balance of the deceased investor. Provided however, the Registrar, Pension Fund Manager or the Trustee may at their discretion request the nominees to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary under the law or under the prevailing circumstances.

8.2. In case no nominations have been made, the executors, administrators or succession certificate holder of the deceased investor shall be the only person recognized as having entitlement to the outstanding balance.

8.3. Choosing a Nominee: At the time of the joining the ABL IPP, the investors must complete the Nomination details in the Application form containing the following information:

- a) Names of the nominees;
- b) CNIC numbers or B-Form number/or any other acceptable identification, in case of minors;
- c) Contact information of the nominees;
- d) Percentage of benefits allocated to each nominee (totaling to 100%).

8.4. The investor can request to change the nominees and their respective percentages of benefit allocation at any time during the duration of the plan by notification through a letter, or filling relevant section of the Application Form.

9. ROLE OF TRUSTEE OF ABL ISLAMIC PENSION FUND

9.1. The balance of the investors joining ABL IPP will be invested in the sub funds of ABL-IPF and all the assets of the sub funds will be under the custody of the Trustee of ABL-IPF.

9.2. The Trustee of ABL-IPF shall ensure that units of the subs funds of ABL-IPF allotted to the investors joining ABL IPP are allocated at the prevailing NAV of the respective sub funds at the day end on which the balance of the investor is credited into the bank account of ABL IPP. In case of existing participants of ABL-IPF joining ABL IPP, the units will be issued at the prevailing NAV of the sub funds of the ABL-IPF as of the close of the Business Day on which the participant opted for ABL IPP. Similarly, the Trustee of ABL-IPF shall also ensure that for the payment of monthly pension units are redeemed at the prevailing NAV of ABL-IPF Money Market Sub Fund at the close of the last Business Day of each month. However in case of exceptional circumstances the units will be redeemed at the prevailing NAV as of the close of the next Business Day when the exceptional circumstances have ceased to exist.

9.3. Since all the amounts of the investors joining ABL IPP will be invested in ABL-IPF, the role and duties of the Trustee of ABL-IPF, as mentioned under the relevant clause(s) of the Constitutive Documents of ABL-IPF and as defined under the VPS Rules shall also apply.

10. SERVICES TO THE INVESTORS:

10.1. Availability of Forms - All the forms relating to the ABL IPP will be available at all the Authorized Branches of all Distribution Companies as well as from the Pension Fund Manager and from its web site i.e. www.ablamc.com

10.2. Register of the Investors:

- a) 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 the Trust Deed and the relevant Rules.
- b) 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. 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. 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. 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.
- c) The investor shall be the only person to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to such Units held in his/her name in each sub-fund of the ABL-IPF, and the Trustee, the Pension Fund Manager and the Registrar may recognize the investor as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by competent authority or any court of competent jurisdiction.

10.3. 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.

11. DISCONTINUATION OF THE ABL ISLAMIC PENSION PLAN

11.1. In case of discontinuation of the ABL IPP, the investor shall have the option to redeem the Units standing to his/her credit in the sub funds of ABL-IPF (subject to relevant tax laws) or to transfer the outstanding balance in his/her ABL IPP to any other Approved Income Payment Plan offered by any other Pension Fund manager or an Approved Annuity Plan offered by Life Insurance Company or Takaful Company, or as allowed in the VPS Rules and by the Commission from time to time.

11.2. In case of winding up of the ABL-IPP, the units standing to the investor's credit in the sub funds of ABL-IPF under the ABL IPP shall be redeemed (subject to the relevant tax laws) or the balance can be transferred to any other Approved Income Payment Plan offered by any other Pension Fund manager or an Approved Annuity Plan offered by Life Insurance Company or Takaful Company.

12. VALIDITY OF THE TERMS OF THE ABL ISLAMIC PENSION PLAN

The terms and conditions of the ABL IPP may vary as per changes in the Income Tax Ordinance 2001, VPS Rules and/or due to any directives given by the Securities and Exchange Commission of Pakistan (SECP) from time to time.

13. TAXATION

- a) The taxability and tax rates are subject to change from time to time, as may be announced by the Government. The following statements do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to participate in the ABL IPP or to subscribe to the Units of the ABL-IPF and may not apply equally to all persons. It is recommended that the investors of ABL IPP should seek professional tax advice from an independent tax consultant regarding their own personal circumstances.
- b) The transfer of any accumulated balance in the investor's Individual Pension Account to ABL IPP offered by the Pension Fund Manager shall not be subject to withholding tax.
- c) On retirement, the participant can withdraw up to fifty percent (50%) of the accumulated amount in his/her pension account tax-free.
- d) Any lump sum withdrawals in excess of allowed amount (i.e. the amount exceeds 50% of the accumulated balance) at or after retirement shall be taxable at the last 3 years' average tax rate of the participant.
- e) The pension payment received from the ABL IPP is exempt from tax deductions provided that the investment is made for a minimum period of ten years.
- f) If the investor has reached the age of 60 or more on the first day of the tax year and his/her taxable income (other than income on which tax is final), including pension payment from ABL IPP does not exceed Rs.1,000,000, the tax liability of the investor shall be reduced by 50%, subject to Clause 13.1.

14. The investments under ABL IPP will be in the Sub-Fund(s) of the ABL-IPF. The sub funds of ABL-IPF will be investing in equity securities and also in fixed income securities including deposits with approved banks. Such investments are subject to varying degree of risks as mentioned in the Offering Document of ABL IPF.

- The return of the ABL IPP may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various markets related factors and trading volumes, settlement periods and transfer procedures.
- The liquidity of the ABL IPP investments is inherently restricted by the trading volumes in the securities in which the ABL-IPF invests.
- Investors of the Plan are not offered any guaranteed returns.
- The Fund is subject to being wound up under certain circumstances as explained in the Offering Document. In the event of the ABL-IPF being wound up, the ABL IPP shall be discontinued and the Units standing to the credit of the investor shall be redeemed subject to applicable taxes or may be transferred to another Income payment plan or annuity.
- The amount set aside at the start of the plan, if any, out of the investor's total invested amount to be paid as a bullet payment at the end of the plan, may deplete depending on the capital market conditions and level of interest rates.
- Disclaimer: All investments through ABL IPP are subject to market risks. The value of such investments may depreciate as well as appreciate, subject to market fluctuations and risks inherent in all such investments. Investors should read the Offering Document and there supplements thereof ABL-IPF carefully to understand the investment policies, risks and tax implication and should consult their legal, financial or tax adviser before making any investment decisions.
- The tax information given in this document is based on the Pension Fund Manager's interpretation of the law. However, you are advised to seek independent advice from your tax advisors to determine the tax related issues arising from your investment through ABL IPP.