

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 8.10 AND WARNINGS IN CLAUSE 15 BEFORE MAKING ANY INVESTMENT DECISION.

OFFERING DOCUMENT OF

**Lucky Islamic Pension Fund (LIPF)
A Voluntary Pension Scheme**

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

Between

**Lucky Investments Limited
(Pension Fund Manager)**

And

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

The Trustee

**Dully Vetted by
(Shariah Advisor Mufti Muhammad Hassan Kaleem)
(Reg # SECP/IFD/SA/002)**

**Key Fact Statement of
Lucky Islamic Pension Fund
Shariah Compliant Voluntary Pension Scheme
Managed by: Lucky Investments Limited**

DISCLAIMER

Before you invest, you are encouraged to review the detailed features of each sub funds in the Pension Fund's OD and/or monthly Fund Manager Report.

1. INVESTMENT OVERVIEW

Investment Objective	Equity-Sub Fund The Investment Objective of Equity Sub Fund of the Pension Fund is to earn returns from investments in Capital Markets.
	Debt-Sub Fund The investment objective of Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund.
	Money Market-Sub Fund The Investment Objective of Money Market Sub-Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub-fund.
	Gold-Sub Fund The Investment Objective of Gold Sub-Fund is to earn returns by taking exposure to the prices of Gold in a Shariah Compliant manner, by investing the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange.
Investment Policy	➤ The Pension Fund Manager shall invest assets of the Pension Fund in those securities which are declared eligible by the Shariah Advisor of the Pension Fund. ➤ The Pension Fund Manager shall make investment of the Pension Fund in a transparent, efficacious, prudent and sound manner. The Pension Fund will initially consist of four Sub Funds. ➤ Prior to the Contribution Date the Trustee shall hold the Trust Property in respect of each Sub-Fund in cash in a separate account for each Sub-Fund with Islamic Bank or Islamic window of Commercial Bank having at least the minimum rating by a credit rating agency as specified by the Commission or shall invest such cash in short term money market investments, as advised by the Pension Fund Manager. Any income from such investments shall accrue to the Sub Fund to which it pertains. After the Contribution Date all cash shall be invested by the Trustee strictly in compliance with the Investment Policy at the direction of the Pension Fund Manager, in Authorized Investments or in cash. ➤ All the investments of the Lucky Islamic Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Subject to prior approval of the Commission and Shariah Advisor, the Pension Fund may invest in foreign Shariah Compliant securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.
Allocation Policy	Equity-Sub Fund Invest primarily in Shariah Compliant Equity Securities
	Debt-Sub Fund Invest in Government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), Islamic TDRs, Islamic commercial paper, / Sukuk or any other Islamic mode of placement, deposits/placements with Microfinance Banks and any other approved debt/money

	market security issued from time to time.	
	Money Market-Sub Fund Invest in government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) or any other Islamic mode of placement, Islamic TDRs, Islamic commercial papers.	
	Gold-Sub Fund Invest in Shariah compliant deliverable gold contracts that are traded at the Pakistan Mercantile Exchange	
Performance Benchmark	Lucky Islamic Pension Fund - Equity Sub Fund	KMI-30 Index
	Lucky Islamic Pension Fund - Debt Sub Fund	75% Twelves (12) months PKISRV +25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.
	Lucky Islamic Pension Fund - Money Market Sub Fund	90% Three (3) months PKISRV rates +10% three (3) months average of the highest rate on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.
	Lucky Islamic Pension Fund- Gold Sub Fund	Combination of 70% of relevant commodity's future contract at PMEX and 30% average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic window of Conventional Banks as selected by MUFAP.
Shariah Compliance	Shariah Compliant as per Shariah Governance Regulations, 2023	
Launch Date	To be disclosed	
Minimum Contribution Amount	Rs. 1,000/-	
Management Fee	The Management fee calculated on per annum basis of average daily net assets of each sub funds will be charged within allowed management fee caps viz., for Equity sub-fund up to 2.5%; Money Market sub-fund up to 1.0%; Debt sub-fund up to 1.25%; and Gold sub-fund up to 1.5%.	
Subscription/ withdrawal days and timings	Transactions	Cut off Time
	Application for issuance of units and Withdrawal of Units	Monday to Thursday 9:00 am to 3:00 pm Friday 9:00 am to 4:00 pm

2. RISK PROFILE AND PRODUCT SUITABILITY

Who is this product suitable for? Return Objectives	Lucky Islamic Pension Fund is suitable for the participant according to their risk appetite. Following are our Sub Funds where participants can contribute as per their risk appetite. Equity Sub Fund: higher risk tolerance and a long-term investment horizon Debt Sub Fund: relatively stable returns via investment in debt instruments Money Market Sub Fund: Intended to provide capital preservation and steady returns with low volatility. Gold Sub Fund: High volatility due to the nature of the underlying commodity. Provides inflation protection and diversification.
Risk Profile of the Fund	Lucky Islamic Pension Fund risk profile is based on the allocation schemes. The Investor must select allocation scheme as per risk appetite 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 and Gold sub Fund (In case of Gold Sub Fund, maximum exposure will be 25%), while there will be no allocation to the Money Market Sub-Fund. 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 and Gold sub Fund (In case of Gold Sub Fund, maximum exposure will be 15%). 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 ,Money Market Sub-Fund and Gold sub Fund (In case of Gold Sub Fund, maximum exposure will be 5%). 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. Lower Volatility Allocation Scheme This scheme shall not allocate any portion of the Contribution to the Equity Sub-Fund and Gold Sub Fund. The entire contribution will be allocated between the Debt Sub-Fund and the Money Market Sub-Fund. By investing only in debt and money market instruments, this scheme is thereby suiting Participants who have least risk tolerance. Customized Allocation Scheme Customized Allocation Scheme offers a personalized investment allocation between the equity, Gold and fixed income instruments through investments in Equity Sub-Fund, Debt Sub-Fund Money Market Sub-Fund and Gold Sub Fund, Participants can choose varying allocations between the Sub-Funds in line with their own risk/return profile. Life Cycle Allocation Scheme This Allocation Scheme provides the Participants with an option to allocate their contributions in a pre-planned allocation strategy as per their age mentioned in approved Life Cycle Allocation Scheme. The younger the Participant the higher the allocation towards equity market due to his/ her risk-taking ability with reference to long term horizon.
Fund's Investment Risk	All investments in Lucky 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.
Other Key Information	Shariah Compliant Product which provides competitive returns on the basis of Risk Profile and investment decision of the Participant.
3. Withdrawals, drawdowns and benefits	
Minimum Retirement Age	A Participant may at any time before or after becoming a Participant choose or change his/her date of retirement which shall be any age between sixty and seventy years or twenty-five years since the age of first contribution to a Pension fund, whichever is earlier in accordance with the Rules.
Options available to Participants upon Retirement	At the date of retirement of the Participant, where no option is selected by the participant; all the units of the sub funds of participant account shall be redeemed at the net asset value notified at close of the day of retirement and the amount due shall be credited to participant individual pension account in the lower volatility scheme offered by the Pension Fund Manager. The Participant shall then have the following options, namely: (a) To withdraw any percentage of the amount from his individual Pension account as cash subject to payment of taxes under the Income Tax Ordinance, 2001; (b) To use the remaining amount to purchase an annuity from a Takaful Company or a Pension Fund Manager for his /her choice; or (c) to enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount, monthly installments following the date of retirement, according to an income payment plan, approved by the Commission. Details of the Approved Income Payment Plan are disclosed in the offering document; and

	(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 as per the discretion of the participant 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 seven working days before the effective date of the proposed change. At the expiry of the Approved Income Payment Plan, the Participant shall have option to use the outstanding balance in participant Individual Pension account to purchase an Approved annuity plan from a Takaful Company of his choice or buy an income payment plan for another term or withdraw the amount from his account subject to the conditions laid down in the Income Tax Ordinance, 2001.
Early withdrawals conditions and Tax implications	On any Dealing Day and from time to time before the date of retirement a Participant may redeem the whole or any part of the Units held in participant Individual Pension Account subject to the conditions laid down in the Income Tax Ordinance, 2001. The withdrawals may be through single or multiple payments and may be liable to withholding tax, and in case any such liability exists the amount of withholding tax shall be deducted by the Pension Fund Manager from the amount withdrawn and such deducted amount shall be paid in the Government Treasury.

4. BRIEF INFORMATION ON PRODUCT CHARGES

	Distribution Channel	Percentage
Front End Load	Direct Investment through PFM	Up to 3%
	Digital Platform of PFM/ Third party	Up to 3%
Price Adjustment Charges in case of Gold Sub Fund “Price Adjustment Charges means difference between the offer price and the bid price from the closing price of the Gold transactions (Contract) available at PMEX, which shall be added to and deducted from the NAV of the Gold sub fund to determine offer price and redemption price respectively. Such charges shall form part of Fund Property.”		Percentage
	On Investment	1% of NAV
	On Withdrawal	1% of NAV

Total Expense Ratio (TER)

Participant are advised to consult the Fund Manager Report (FMR) of the respective Pension Fund for the latest information pertaining to the updated TER.

Applicable Taxes

Disclaimer-

Taxes are applicable in case of withdrawal as specified in the Income Tax Ordinance 2001.

5. KEY STAKE HOLDERS

a) Pension Fund Manager:

Lucky Investments Limited
Ground Floor, Finance Trade Center (FTC), main Shahrah e Faisal, Karachi.
UAN: +92 111-582-591

b) Trustee:

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, SMCHS, Main Shahr-e-Faisal, Karachi.
UAN: +92 111-111-500

c) Shariah Advisor:

Mufti Muhammad Hassaan Kaleem
House No.1H 699, Falcon Housing Scheme, New Malir, Karachi.

CLAUSE	TABLE OF CONTENTS	PAGE NO.
1.	INTRODUCTION TO LUCKY ISLAMIC PENSION FUND.....	10
1.1.	Structure of Pension Fund.....	11
1.2.	Salient Features of the Pension Fund	11
2.	REGULATORY APPROVALS AND CONSENT	14
2.1.	Registration of the Pension Fund Manager.....	14
2.2.	Authorization of the Pension Fund.....	15
2.3.	Appointment of the Trustee	15
2.4.	Registration of the Trust Deed.....	15
2.5.	Approval of the Offering Document	15
3.	FILING OF THE OFFERING DOCUMENT	16
4.	CONSTITUTION OF THE PENSION FUND	17
4.1.	Constitution of Lucky Islamic Pension Fund (LIPF)	17
4.2.	Trust Deed (the “Deed”)	17
4.3.	Modification of the Constitutive Documents.....	17
4.4.	Seed Capital provided or arranged by the Pension Fund Manager	17
4.5.	Type / Feature of Units of the Sub-Funds	18
5.	OPERATORS AND PRINCIPALS	19
5.1.	The Pension Fund Manager	19
5.2.	Board of Directors of the Pension Fund Manager.....	21
5.3.	Existing Schemes under Management and their performance	26
5.4.	Role of the Fund Manager of Lucky Islamic Pension Fund (LIPF).....	28
5.5.	Obligations of the Pension Fund Manager.....	29
5.6.	Restrictions for Pension Fund Manager.....	31
5.7.	Retirement or Removal of the Pension Fund Manager.....	32
5.8.	Obligations of Trustee of Pension Fund.....	34
5.9.	Retirement or Change of Trustee.....	37
5.10.	Transfer Agent	38
5.11.	Auditors.....	38
5.12.	Legal advisor.....	40
5.13.	Bankers.....	40
5.14.	Bank Accounts	40
5.15.	SHARIAH GOVERNANCE/SHARIAH ADVISORY SERVICES	41
5.16.	Shariah Advisor	41
6.	CHARACTERISTICS OF THE PENSION FUND	42
6.1	Eligibility	42
6.2	Application Procedures	43
6.3	Allocation/ Issue of Units	45
6.4	Contribution Procedures and Minimum Contribution	45
6.5	Options and Procedures in case of Cessation, Temporary or Permanent, of Contributions by the Participants.....	46
6.6	Individual Pension Account	46
6.7	Change of the Pension Fund Manager/ Pension Fund	47
6.8	Retirement Age	49
6.9	Benefits on Retirement.....	49
6.10	Withdrawal of Funds before Retirement.....	50
6.11	Benefits on Death before Retirement.....	51
6.12	Instruction from the Participants	52
6.13	Allocation Scheme.....	52
6.14	Allocation among the Sub-Funds	56
6.15	Allocation Policy	57
6.16	The Method of Determining Net Assets value of the Pension Fund.....	58

6.17	Frequency of Valuations of the Net Assets value and Dealings etc.;	58
6.18	Unit Pricing and the Circumstances under which it can Change	58
6.19	The Mode of Announcement of Net Asset Value and unit price	59
6.20	Payment of Proceeds on Withdrawals and Transfers	59
6.21	Withholding Tax	61
6.22	Dealing, Suspension, and Deferral of Dealing	61
6.23	Queue system	62
6.24	De-authorization and winding up of the Pension Fund	63
6.25	Features of Group Takaful in the Pension Fund	64
7	FEES, CHARGES AND EXPENSES	64
7.1	Front-end fee (Sale Charges) Out of the Contributions	64
7.2	Remuneration of the Pension Fund Manager	65
7.3	Remuneration of the Trustee	66
7.4	Formation Cost	67
7.5	Other expenses	67
7.6	Fees, Charges, Costs, etc. To be charged to the Sub-Funds	67
8	INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER	67
8.1.	Objective of the Lucky Islamic Pension Fund	67
8.2.	Investment Policy of the Pension Fund	68
8.3.	Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Equity Sub Fund	68
8.4.	Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Debt Sub Fund	70
8.5.	Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Money Market Sub-Fund	71
8.6.	Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Gold Sub-Fund	72
8.7.	Investment Restrictions	72
8.8.	Financing Restriction	73
8.9.	Participants Rights in terms of Investment Choice	74
8.10.	Risk Disclosure	74
8.11.	Other Risks Involved:	76
8.12.	Disclaimer	77
9	SAFEGUARD OF MONEY	77
10	DISTRIBUTION RESTRICTION POLICY	77
11	TAXATION	77
11.1	Tax Credit for Contributions to the Pension Fund	77
11.2	Tax Exemptions	77
11.3	Withholding Tax	78
11.4	Zakat	78
11.5	Disclaimer	78
12	INCOME PAYMENT PLAN	79
12.1	Introduction	79
12.2	RETIREMENT	79
12.3	ELIGIBILITY TO SUBSCRIBE LIIPP	79
12.4	OPTIONS AVAILABLE WITH LIIPP:	80
12.5	PROCEDURE TO JOIN LUCKY ISLAMIC INCOME PAYMENT PLAN	82
12.6	INVESTMENT POLICY	82
12.7	FEES AND CHARGES	83
12.8	DEATH OF PARTICIPANT	83
12.9	ROLE OF TRUSTEE OF LUCKY ISLAMIC PENSION FUND	83
12.10	SERVICES TO THE PARTICIPANT	83
12.11	DISCONTINUATION OF THE LUCKY ISLAMIC INCOME PAYMENT PLAN	84
12.12	VALIDITY OF THE TERMS OF THE LUCKY ISLAMIC INCOME PAYMENT PLAN	85
12.13	TAXATION ON PARTICIPANTS OF INCOME PAYMENT PLAN	85
12.14	RISK FACTORS AND DISCLAIMER	85
13	REPORTS AND ACCOUNTS	86

13.1	Fund Accounts	86
13.2	Annual Accounting Period.....	86
13.3	Periodic Reports to be sent to Participants	86
13.4	Periodic Reports to be sent to Commission	87
14.	SERVICE TO PARTICIPANTS	87
14.1	Availability of Forms.....	87
14.2	Register of Participants	87
14.3	Statement of Accounts.....	89
15.	WARNINGS, INVESTMENT RISKS AND TAX IMPLICATION:	89
16.	COMPLAINTS.....	89
16.1	Procedure for lodging a complaint with the Federal Insurance Ombudsman.....	89
16.2	Contact Details of Office of Federal Insurance Ombudsman.....	90
17.	TRANSACTIONS WITH CONNECTED PERSONS	90
18.	ARBITRATION IN CASE OF DISPUTES BETWEEN THE PENSION FUND MANAGER AND THE TRUSTEE	90
19.	DISPUTES BETWEEN THE PARTICIPANTS AND THE PENSION FUND MANAGER	91
20.	GENERAL INFORMATION	91
21.	STATEMENT OF RESPONSIBILITY	91
22.	TERMINATION OF THE PENSION FUND	91
22.1	TERMINATION AND LIQUIDATION OF THE TRUST.....	91
23.	GENERAL	92
24.	Additional Disclosure by Shariah Compliant Scheme	92
25.	DEFINITIONS	93
26.	INTERPRETATION	101
27.	HEADINGS	102

OFFERING DOCUMENT OF

Lucky Islamic Pension Fund Wakalatul Istithmar based fund

A Voluntary Pension Scheme MANAGED BY Lucky Investments Limited (the “Pension Fund Manager”)

Lucky Investments Limited, the Pension Fund Manager, is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) to inter-alia, carry out Asset Management Services and Investment Advisory Services under the recently renewed licenses bearing numbers SECP/LRD/LD/16/AMCW/ILAM/2022 dated April 21, 2025 and License No. SECP/LRD/LD/16/AMCW/ILAM/2022 dated April 17, 2025 and has also been registered with the Commission as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 through Certificate of Registration No. SECP/LRD/LD/16/AMCW/ILAM/2025 dated June 16, 2025;

Date of Publication of Offering Document is October 22, 2025

The Shariah Advisor of the Lucky Islamic Pension Fund has reviewed this Offering Document and provided their consent that this Offering Document adheres to the principles of Shariah.

1. INTRODUCTION TO LUCKY ISLAMIC PENSION FUND

Lucky Islamic Pension Fund (LIPF) (**hereinafter referred as to the Fund, the Shariah Compliant Pension Fund, the Pension Fund or the trust**) is established in Pakistan as a Voluntary Pension Fund through a Trust Deed, dated 21 August, 2025 duly registered under Sindh Trust Act with Directorate of Industries and Commerce Department vide registration on the basis, entered in between Lucky Investments Limited (LIL) in its capacity as the Pension Fund Manager and Central Depository Company of Pakistan Limited in its capacity as the Trustee and LIPF is authorized under the Voluntary Pension System (VPS) Rules, 2005.

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

- I. Lucky Islamic Pension Fund - Equity Sub Fund (the Equity Sub Fund);**
- II. Lucky Islamic Pension Fund - Debt Sub Fund (the Debt Sub Fund);**
- III. Lucky Islamic Pension Fund - Money Market Sub Fund (the Money Market Sub Fund); and**
- IV. Lucky Islamic Pension Fund- Gold Sub Fund (the Gold Sub Fund)**

After successfully managing the above-mentioned Sub-Funds, the Pension Fund Manager (LIL) may, with the approval of the Commission, launch other Sub-Funds through a Supplementary Offering Document for investments in other asset classes (for avoidance of doubt, additional Sub-Funds may include combinations of new and existing classes of assets. Thereafter, any reference to the Sub-Funds in the Trust Deed or the Offering Document shall be construed to include any such new Sub-Fund(s) launched at a later date.

1.1. Structure of Pension Fund

The Pension Fund shall be in the form of a trust being made up of Equity Sub Fund, a Debt Sub-Fund, a Money Market Sub-Fund and a Gold 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. The Pension Fund established is perpetual in life.

1.2. Salient Features of the Pension Fund

Term Sheet

Fund Sheet

Fund Name	Lucky Islamic Pension Fund (LIPF)									
Fund Structure	Unit Trust Scheme consisting of Sub-Funds under the VPS Rules 2005 on the basis of Wakalah tul Istismar (Investment Agency Agreement)									
Sub-Funds	Lucky Islamic Pension Fund will initially consist of four Sub Funds, to be called: “Lucky Islamic Pension Fund - Equity Sub Fund” (the “Equity Sub Fund”), “Lucky Islamic Pension Fund - Debt Sub Fund” (the “Debt Sub-Fund”) “Lucky Islamic Pension Fund - Money Market Sub Fund” (the “Money Market Sub-Fund”), and “Lucky Islamic Pension Fund- Gold Sub Fund” (the “Gold Sub Fund”)									
Fund Objective	To provide a secure source of retirement savings and regular income after retirement to the Participants									
Benchmark	<table><tr><td>Lucky Islamic Pension Fund - Equity Sub Fund</td><td>KMI-30 Index</td></tr><tr><td>Lucky Islamic Pension Fund - Debt Sub Fund</td><td>75% Twelves (12) months PKISRV +25% six (6) months average of the highest rate on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.</td></tr><tr><td>Lucky Islamic Pension Fund - Money Market Sub Fund</td><td>90% Three (3) months PKISRV rates +10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.</td></tr><tr><td>Lucky Islamic Pension Fund- Gold Sub Fund</td><td>Combination of 70% of relevant commodity’s future contract at PMEX and 30% average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic window</td></tr></table>		Lucky Islamic Pension Fund - Equity Sub Fund	KMI-30 Index	Lucky Islamic Pension Fund - Debt Sub Fund	75% Twelves (12) months PKISRV +25% six (6) months average of the highest rate on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.	Lucky Islamic Pension Fund - Money Market Sub Fund	90% Three (3) months PKISRV rates +10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.	Lucky Islamic Pension Fund- Gold Sub Fund	Combination of 70% of relevant commodity’s future contract at PMEX and 30% average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic window
Lucky Islamic Pension Fund - Equity Sub Fund	KMI-30 Index									
Lucky Islamic Pension Fund - Debt Sub Fund	75% Twelves (12) months PKISRV +25% six (6) months average of the highest rate on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.									
Lucky Islamic Pension Fund - Money Market Sub Fund	90% Three (3) months PKISRV rates +10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic banks or Islamic window of conventional banks as selected by MUFAP.									
Lucky Islamic Pension Fund- Gold Sub Fund	Combination of 70% of relevant commodity’s future contract at PMEX and 30% average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic window									

		of Conventional Banks as selected by MUFAP.		
Eligibility	Every Pakistani national over the age of eighteen years who have a valid National Tax Number or a Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Pakistan Origin Card (POC) shall be eligible to contribute to the pension fund or such other identity as approved by the SECP.			
Minimum Contribution	The minimum amount of Contribution to open an account is Rs. 1,000/- and the minimum amount of contribution to an existing account is Rs.1,000/- per transaction. There is no maximum limit of contribution. However, Tax Credit will be available to the extent specified in the Income Tax Ordinance, 2001.			
Contribution Frequency	Annual, Semi-Annual, Quarterly or Monthly or as desired by the Participant.			
Contribution Mechanism	Cheque, demand draft, pay order (crossed account payee only), banker cheque or online transfer; titled “CDC-Trustee Lucky 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 shall not be made accepted.			
Investment Mechanism	Pension Fund Manager may offer free Takaful coverage to all Participants and if free Takaful coverage is not offered to Participant(s) then Takaful premium (for optional Takaful covers) is deducted from Contributions made by the Participant, followed by deduction 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 Lucky Islamic Pension Fund as per the Allocation Scheme selected by the Participant. Front-end Fee (Sale charges) and Takaful premium will be transmitted in the name of Pension Fund Manager and specified Takaful Company respectively.			
Allocation of Contributions & Allocation Schemes	Contributions shall be allocated among the Units of Sub-Funds at Net Asset Value, as per the selected Allocation Scheme, offered by the Pension Fund Manager from amongst the following Schemes:			
	Allocation Scheme	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	High Volatility	Minimum 65%	Minimum 20%	Nil
	Medium Volatility	Minimum 35%	Minimum 40%	Minimum 10%
	Low Volatility	Minimum 10%	Minimum 60%	Minimum 15%
	Lower Volatility	Nil	Minimum 40%	Minimum 40%
	Customized	0-100%	0-100%	0-100%
	Life Cycle Plan	Automatically adjusts allocation from high-risk assets towards lower risk with the increasing age		
For investors willing to seek exposure to Gold Sub-Fund, the following allocations shall apply;				

	Allocation Scheme	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund
	High Volatility	Minimum 40%	Minimum 20%	Nil	Max 25%
	Medium Volatility	Minimum 20%	Minimum 40%	Minimum 10%	Max 15%
	Low Volatility	Minimum 05%	Minimum 60%	Minimum 15%	Max 05%
	Lower Volatility	Nil	Minimum 40%	Minimum 40%	Nil
	Customized	0-100%	0-100%	0-100%	0-100%
	Life Cycle Plan	Automatically adjusts allocation from high-risk assets towards lower risk with the increasing age			
Investment Strategy	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 up to a maximum of six allocation schemes in the first five years as enlisted above to the Participants to choose from, allowing them to adopt an investment strategy, according to their risk / return requirements.				
Reallocation Policy	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 or where no selection has been made according to the specified allocation policy.				
Wakalah tul Istismar/ Wakalah Fee	The amount charged by the Fund Manager as Wakeel from the fund in form of Front-end fee (Sale Charges) & Management Fee.				
Management Fee	The Management fee calculated on per annum basis of average daily net assets of each sub funds will be charged within allowed management fee caps viz., for Equity sub-fund up to 2.5%; Money Market sub-fund up to 1.0%; Debt sub-fund up to 1.25%; and Gold sub-fund up to 1.5%.				
Front-end fee (Sales Charge)	Up to 3% on all Contributions				
Taxation	Tax Credit will be available to Participants on contributions during any Tax Year subject to the limits prescribed under Income Tax Ordinance 2001.				
Benefits / Withdrawal on Retirement	At the date of retirement, of the Participant, where no option is selected by the participant, all the units of the sub funds of participant account shall be redeemed at the net asset value notified at close of the day of retirement and the amount due shall be credited to participant individual pension account in the lower volatility scheme, offered by the Pension Fund Manager. The Participant shall then have the following options, namely:				

	(a) withdraw any percentage of the amount from his individual pension account; Tax on the subject withdrawal shall be deducted in accordance with the provisions of the Income Tax Ordinance, 2001 as amended from time to time; and (b) use the remaining amount to purchase an annuity from a Takaful Company or the pension fund manager of his/her choice; or (c) enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount, monthly installments following the date of retirement, according to the Approved Income Payment Plan by the Commission.
Withdrawal before Retirement	Participants at any time before retirement are entitled to withdraw the whole or any part of the Units held to their credit in their Individual Pension Account. Tax shall 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.
Transfers to and from Other Pension Funds	Participants shall be entitled to transfer part or whole of their Individual Pension Accounts from this Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund and this shall only take place as per the discretion of the participant by giving at least seven working days' notice before the effective date of the proposed change. The Pension Fund Managers shall record such transactions as transfer in the statement of account of the participant. There shall be no Tax or charges on such transfers. Similarly, Participants are allowed to transfer-in their funds from other approved Occupational Savings Schemes or approved superannuation funds to this Pension Fund without having to pay any charge including front-end fee (Sale Charges) to the Pension Fund Manager.
Pricing	Daily calculation and announcement of NAV or Offer price of each Sub fund. In case of LIPF- Gold sub fund, Price adjustment charges (PAC) will be applicable on NAV.
Distribution Restriction	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

Lucky Investments Limited, the Pension Fund Manager of Lucky Islamic Pension Fund, having its registered office at **Ground Floor Finance and Trade Center, Shahrah e Faisal, 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 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") to, inter-alia, carryout Asset Management Services under License No. SECP/LRD/LD/16/AMCW/ILAM/2022 dated April 21, 2025 and License No. SECP/LRD/LD/16/AMCW/ILAM/2022 dated April 17, 2025 (appended

hereto as **Annexure “A”**) to carry out Pension Fund Manager Services registered with the Commission under the Voluntary Pension System Rules, 2005 through Certificate of Registration No SECP/LRD/LD/16/AMCW/ILAM/2025 dated June 16, 2025 appended hereto as **Annexure “A-1”**.

2.2. Authorization of the Pension Fund

The Pension Fund Manager has been authorized by the Commission through its letter No. CS/SECP/PD/LIPF/2025/168/375-375 dated October 15, 2025 appended hereto as **Annexure “B-1”**, to constitute the Pension Fund under the name and title of **Lucky Islamic Pension Fund** and authorized the formation of a scheme, under the name, **“Lucky 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 appointed trustee of the Fund..

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”**.

The Assistant Director of Industries and Commerce Directorate of the Department has issued a certificate of registration bearing reference No. dated upon registration of the Trust under The Sindh Trust Act 2020 as amended from time to time.

2.5. Approval of the Offering Document

The Commission has, through its letter No. CS/SECP/PD/LIPF/2025/168/378 dated October 20, 2025 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.

This Offering Document sets out the arrangements covering the basic structure of **Lucky Islamic Pension Fund**. The provisions of the Trust Deed, the Voluntary Pension System Rules, 2005, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Shariah Governance Regulations 2023, the Non-Banking Finance Companies and Notified Entities Regulations 2008 and the guidelines provided by the Shariah Advisor and 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 **Lucky Islamic Pension Fund**, the VPS Rules 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 shall prevail. In case of any conflict with the requirements of Shariah, the matter may be referred to the Shariah Advisory Committee 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.

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

If the Participant has any doubt about the contents of this Offering Document, he/she should seek independent professional advice, from his/her 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 8.10 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 for approval with the Commission with prior consent of the Trustee and circulated to all Participants or may be notified by advertisements in the newspapers, or on the Pension Fund Manager's website, subject to the applicable provisions of the Trust Deed and the Rules.

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 issuance/redemption of Units may be restricted. All Investments of the Fund and of the Sub Funds shall be in adherence to the Shariah. Due to limited number of Shariah compliant securities, it is possible that adherence to the 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 Shariah.

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

3. FILING OF THE OFFERING DOCUMENT

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

- a) Trust Deed, dated 21 August, 2025, executed between Pension Fund Manager and the Trustee constituting the Pension Fund.
- b) Consents of the auditors, legal advisor and trustee to their respective appointments and being named and described as such in this Offering Document.
- c) Registration No. SECP/LRD/LD/16/AMCW/ILAM/2025 dated June 16, 2025 from the Commission, registering the Pension Fund Manager as a pension fund manager under the Rules.
- d) Letter No. CS/SECP/PD/LIPF/2025/168/375-375 dated October 15, 2025, 2025 from the Commission, authorizing the Pension Fund.

- e) Letter No. CS/SECP/PD/LIPF/2025/168/378 dated October 20, 2025 from the Commission, approving this Offering Document.

4. CONSTITUTION OF THE PENSION FUND

4.1. Constitution of Lucky Islamic Pension Fund (LIPF)

The Pension Fund has been established as a trust under the Sindh Trust Act, 2020 through a trust deed dated 21 August, 2025 executed between Lucky Investments Limited (LIL) (the Pension Fund Manager), as party of the one part,

AND

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

4.2. Trust Deed (the “Deed”)

The Trust Deed shall be subject to, and governed by the Voluntary Pension System Rules, 2005 (Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 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 and Regulations, the latter will supersede and prevail over the provisions contained in the Trust Deed unless specific exemption has granted by the Commission.

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

4.3. Modification of the Constitutive Documents

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

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

In case modification is required in the fundamental attributes of Pension Fund and / or amendments with respect to offering of units to Participant(s) shall be subject to 30 days prior notice to Participant(s) consent of the Trustee and prior approval of Commission subject to the provisions of the Rules and the Regulations and duly posted on official website of the Pension Fund Manager.

4.4. Seed Capital provided or arranged by the Pension Fund Manager

The seed capital of each sub-fund of Pension Fund shall be provided, invested or arranged by the Pension Fund Manager. The 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 per unit)	Amount (PKR in Millions)
Lucky Islamic Pension Fund - Equity Sub Fund	500,000	100	50
Lucky Islamic Pension Fund - Debt Sub Fund	500,000	100	50
Lucky Islamic Pension Fund - Money Market Sub Fund	500,000	100	50
Lucky Islamic Pension Fund - Gold Sub Fund	500,000	100	50

The Seed Capital Units subscribed by the Seed Investor shall be issued at a par value of Pakistan Rupees One Hundred per Unit (Rs. 100/-Unit) and shall not be redeemable/ transferable or tradable for a minimum period of three (3) years from the date of issue or such minimum period as may be specified by the Commission from time to time. 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.

4.5. Type / Feature of Units of the Sub-Funds

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

I. Lucky Islamic Pension Fund-Equity Sub Fund (the Equity Sub-Fund)

- ☐ The Equity Sub-Fund shall invest primarily in listed Shariah-compliant equity securities.
- ☐ The objective is to achieve long-term capital growth through investments in the Islamic equity market.
- ☐ Equity investments inherently carry **high volatility** and are suitable for participants with a higher risk tolerance and a long-term investment horizon.

II. Lucky Islamic Pension Fund-Debt Sub Fund (the Debt Sub-Fund)

- ☐ The Debt Sub-Fund shall invest in Shariah-compliant debt instruments as permitted by SECP in VPS Rules, Regulations, Directives and approved by the Shariah Advisor.
- ☐ The investment focus will be on longer-duration instruments to optimize returns in a Shariah-compliant manner.
- ☐ This Sub-Fund exhibits **low to moderate volatility**, making it suitable for investors seeking relatively stable returns.

III. Lucky Islamic Pension Fund-Money Market Sub Fund (the Money Market Sub-Fund) and

- ☐ The Money Market Sub-Fund shall invest in Shariah-compliant short-term instruments with high liquidity.

- It is intended to provide **capital preservation and steady returns** with **low volatility**, offering participants ready access to their invested capital

IV. Lucky Islamic Pension Fund- Gold Sub Fund (the Gold Sub Fund)

- The Gold Sub-Fund shall invest in **Shariah-compliant, deliverable gold based contracts** traded on the Pakistan Mercantile Exchange (PMEX).
 - The objective is to provide **long-term capital appreciation** and act as a **hedge against inflation** by gaining exposure to the gold asset class.
 - The Sub-Fund may exhibit **high volatility** due to the nature of the underlying commodity.
- (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 participant's 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 participant Individual Pension Account.
 - (b) All Units shall be issued in a non-certificated form, except the Seed Capital Units that may be issued in a certificated form, if required by the Seed Investor(s).
 - (c) The Units in the Sub-Funds issued to the 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/ withdrawal, 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 Lucky 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 and Regulations or as may be specified by the Commission from time to time, after deduction of Front-end fee (sale charges) and Takaful premium, if opted by the participant, from the Contribution amounts received. In case of Gold Sub Fund, PAC will be applicable on NAV.
 - (e) Units of the relevant Sub Fund shall be issued to each Participant as per the selected 'Allocation Scheme', identified in clause 6.13, for the contributions among the Sub-Funds.

5. OPERATORS AND PRINCIPALS

5.1. The Pension Fund Manager

Lucky Investments Limited ("LIL") is the Pension Fund Manager of **Lucky Islamic Pension Fund (LIPF)**, having its registered office as mentioned below:

Lucky Investments Limited

Ground Floor Finance and Trade Center,
Shahrah e Faisal, Karachi, Pakistan

URL: www.luckyinvestments.com.pk

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.

5.1.1 Organization

Lucky Investments Limited was incorporated on December 21, 2021, under the Companies Act, 2017 and is registered with the Securities and Exchange Commission of Pakistan (SECP). It is regulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Lucky Investments Limited is a subsidiary of YB Pakistan, marking the beginning of a full-fledged Islamic Asset Management Company (Waqeel) by a renowned business conglomerate in Pakistan. The move signals YB Group's strategic entry into the Islamic capital markets, aligning with the growing demand for Shariah compliant investment solutions.

LIL's corporate culture is defined by Islamic Core Values, which are the cornerstone and guide to our daily business decisions. LIL will uphold its fiduciary responsibility to all Stakeholders and Clients at all times.

LIL is successfully managing four shariah compliant mutual funds;
Lucky Islamic Money Market Fund,
Lucky Islamic Income Fund,
Lucky Islamic Stock Fund, and
Lucky Islamic Fixed Term Fund.

All these funds are adequately performing funds in their respective categories.

5.1.2 Rating of the Pension Fund Manager

LIL has been assigned Management Quality Rating of AM2 with positive outlook by PACRA which denotes Good Quality 'the Asset Manager meets industry standards and benchmark'.

5.1.3 Principal Shareholders

The following is the current shareholding structure of the company:

Share Holders	% Holding
M/s YB Pakistan Limited	70
Mr. Mohammad Shoaib, CFA	30
Total	100

Lucky Investments Limited is a subsidiary of YB Pakistan Limited, marking the beginning of a full-fledged Islamic Asset Management Company by a renowned business conglomerate in Pakistan.

The YB Group is one of largest business groups in Pakistan, with prominent presence in the cement, textile, automobile, healthcare and power generation industries. From starting as a trading house in 1962, it now boasts leadership position in several markets of Pakistan, along with highly profitable international operations.

Mr. Mohammad Shoaib, CFA, a veteran of Pakistan's Islamic asset management industry, is co-founder and CEO of Lucky Investments Limited. With over three decades of experience, Shoaib is renowned for his instrumental role in shaping Pakistan's capital markets and Islamic finance sector.

5.2. Board of Directors of the Pension Fund Manager

Name	Position	Other Directorships
Mr. Muhammad Ali Tabba	Chairman / Non-Executive Director	Lucky Cement Limited Lucky Textile Mills Limited Lucky Motors Corporation Lucky Energy (Pvt.) Limited Lucky Core Industries Limited Lucky Electric Power Limited Yunus Energy Limited Lucky Renewables Private Limited Gadoon Textile Mills Limited Yunus Textile Mills Limited Lucky Knits Private Limited Lucky Landmark Private Limited Yunus Brothers Pakistan
Mr. Jawed Yunus Tabba	Non- Executive Director	Lucky Textile Mills Limited Yunus Energy Limited Lucky Energy (Pvt.) Limited Lucky Motors Corporation Lucky Cement Limited Lucky Core Industries Limited Lucky Electric Power Limited Lucky Renewables Private Limited Gadoon Textile Mills Limited Yunus Textile Mills Limited Lucky Knits Private Limited Lucky Landmark Private Limited Yunus Brothers Pakistan
Mr. Ruhail Muhammad	Non- Executive Director	EFU Life Assurance Limited Lucky Electric Power Company Limited Lucky Renewables Private Limited Yunus Energy Limited Energas Terminal Private Limited Dawood Lawrencepur Limited Pakistan Stock Exchange Limited
Mr. Muhammad Arsalan	Non-Executive Director	
Ms. Zeeba Ansar	Independent Director	Gul Ahmed Textile Mills Limited Samba Bank Limited Cherat Cement Company Limited

Mr. Khurram Rahat	Independent Director	-
Mr. Mohammad Shoaib	Chief Executive Officer	-

5.2.1 Profile of Directors

Mr. Muhammad Ali Tabba - Chairman

Mr. Muhammad Ali Tabba joined Yunus Brothers Group (YBG) in 1991. YBG, a renowned conglomerate, excels in various sectors globally. Mr. Tabba assumed leadership roles at Lucky Cement Limited since 2005. Additionally, he chairs YB Holding Group, Lucky Motors Corporation, and serves as Vice Chairman of Lucky Core Industries Limited, enhancing company success with strategic acumen.

Mr. Mohammad Shoaib – Chief Executive Officer

Mr. Mohammad Shoaib, CFA is the CEO and Co-Founder of Lucky Investments Limited. He has to his credit being the Founder of Al Meezan Investment Management Limited as well as CFA Society Pakistan. He is a highly qualified and seasoned professional with 35 years' experience in capital markets. Mr. Shoaib holds an MBA degree from IBA besides being a Chartered Financial Analyst (CFA) charter holder. He is also a Harvard Business School alumnus.

As Chief Executive of Al Meezan Investment Management Ltd., he had played a key role in steering up the company to be the largest AMC in Pakistan with AUMs of about USD 2 billion, over 600 employees and 25 branches all over Pakistan.

He has to his credit many accolades and awards, the most significant of them being the “Most Influential CFA charter holder” and “Volunteer of the Year: Lifetime Achievement Award”, both awarded by CFA Institute, for his contribution to the mission of CFA Institute.

Mr. Jawed Yunus Tabba

Mr. Jawed Yunus Tabba, is CEO of Lucky Textile Mills Limited, and leads with extensive expertise in the textile industry. Under his guidance, Lucky Textile Mills ranks among Pakistan's top ten home textile exporters, experiencing rapid expansion. He shapes vision and strategies for Lucky Cement Limited, Gadoon Textile Mills, and renewable energy businesses, ensuring sustainable growth and success through his technical knowledge and business acumen.

Mr. Ruhail Muhammad

Mr. Ruhail Muhammad, career spans over 35 years and has held various C-suite positions in companies focusing on a diverse range of activities from Chemicals to Energy. He is currently CEO of Lucky Electric Power Company Limited, a 660MW IPP subsidiary of Lucky Cement. Prior to this, he was CEO of Hub Power Holdings Ltd, a subsidiary of HUBCO, Pakistan's largest IPP. He is a CFA Charter Holder and holds an MBA degree from the Institute of Business Administration, Pakistan.

Ms. Zeeba Ansar

Ms. Zeeba Ansar has over 28 years of private and corporate banking experience. In addition to Lucky Investments, she currently is also a member of the board of directors at Gul Ahmed Textile Mills Limited, Cherat Cement Company Limited and Samba Bank Limited. In her career as a banker, she has worked with Deutsche Bank AG, Faysal, UBL and NIB Bank. She earned her Bachelor's in economics and statistics from the University of Punjab and then completed her MBA in marketing and finance at the Institute of Business Administration.

Mr. Khurram Rahat

Mr. Khurram Rahat has over 33 years of experience in consulting, analytics, sales, project management, and senior management. He has been responsible for managing operations in multiple vertical market segments across many countries. He had done his MBA from the Institute of Business Administration in 1988. Mr. Khurram also serves as senior business consultant at Kredible Consulting.

Mr. Muhammad Arsalan

Mr. Muhammad Arsalan, currently serves as Co-Founder and CEO at Youniform. He is also a Director at Vidan.AI. He has extensive experience in management at various organizations. He is a CFA Charter Holder and holds a Bachelor degree in Commerce from McGill University.

5.2.2 Management Profile:**Mr. Mohammad Shoaib – Chief Executive Officer**

Mr. Mohammad Shoaib, CFA is the CEO and Co-Founder of Lucky Investments Limited. He has to his credit being the Founder of Al Meezan Investment Management Limited as well as CFA Society Pakistan. He is a highly qualified and seasoned professional with 35 years' experience in capital markets. Mr. Shoaib holds an MBA degree from IBA besides being a Chartered Financial Analyst (CFA) charter holder. He is also a Harvard Business School alumnus.

As Chief Executive of Al Meezan Investment Management Ltd., he had played a key role in steering up the company to be the largest AMC in Pakistan with AUMs of about USD 2 billion, over 600 employees and 25 branches all over Pakistan.

He has to his credit many accolades and awards, the most significant of them being the “Most Influential CFA charter holder” and “Volunteer of the Year: Lifetime Achievement Award”, both awarded by CFA Institute, for his contribution to the mission of CFA Institute.

Mr. Nabeel Malik – Chief Investment & Strategy Officer

Mr. Nabeel Malik is a seasoned financial markets professional with over 20 years of experience, specializing in strategic planning, leadership, and corporate governance. He joined Lucky Investment Limited as Chief Investment and Strategy Officer.

Prior to joining Lucky Investments, he was associated with Alfalah Investments, IGI Funds, Pak Oman Asset Management and others. Throughout his career, Mr. Malik has held key leadership roles, including Senior Fund Manager, Head of Investments, Chief Investment Officer, and Acting CEO, showcasing his versatility and depth of expertise in asset management and financial strategy.

With a proven track record in investment management, risk assessment, and capital allocation, Mr. Malik is a valuable asset to Lucky Investments, bringing strategic vision and executive acumen to drive sustainable growth and maximize stakeholder value.

Mr. Umair Ahmed – Chief Operating & Financial Officer

Mr. Umair Ahmed is a fellow member of Institute of Chartered Accountants of Pakistan and an associate member of Institute of Chartered Accountants of England & Wales. He joined Lucky Investments Limited as COO, CFO and Company Secretary.

Prior to joining Lucky Investments, he was associated with UBL Fund Managers limited and MCB Funds. He has an overall work experience of over 15 years in mutual fund industry in various senior Leadership roles.

Mr. Muhammad Waqas Durrani – Head of Marketing

Mr. Muhammad Waqas Durrani as Head of Marketing brings with him over 20 years of rich experience in the Islamic Banking & Finance industry of Pakistan at senior positions. He attained an MBA and BBA degree from the IBA in 2003.

Prior to joining Lucky Investments, he been associated with BankIslami Pakistan, Pak-Qatar Group, Dubai Islamic Bank, Standard Chartered SAADIQ, and Meezan Bank in various senior Marketing and Product Development leadership roles. He also serves as visiting faculty at various universities on Marketing and Islamic Finance courses.

Mr. Muhammad Saad Ali – Head of Research

Muhammad Saad Ali as Head of Research has over 13 years of work experience in the capital market of Pakistan. Saad has been an Energy sector research analyst (equities) throughout his career, and has been a Head of Research at leading brokerage firms since 2016. Prior to joining Lucky Investments, he was the Director Research at Intermarket Securities Limited.

He won the Best Analyst Runner-up award by CFA Society Pakistan in 2020. He graduated from the Institute of Business Administration (IBA) with a BBA degree, majoring in Finance, and is a CFA charter-holder.

Mr. Zohaib Saeed – Head of Fixed Income Funds

Mr. Zohaib Saeed serves as the Head of Fixed Income Funds at Lucky Investments and is an experienced investment professional with over 10 years of treasury management experience. He possesses in-depth knowledge of managing Shariah Compliant Fixed Income/Money Market funds and Voluntary Pension schemes.

Mr. Zohaib also worked at Al Meezan Investments, A.F Ferguson and Co. Chartered Accountants and International Rubber Company L.L.C in U.A.E. He is a Chartered Financial Analyst (CFA), an ACCA from the Association of Chartered Certified Accountants U.K. and was also awarded the United Arab Emirates Chartered Accountant certification from the Accountants and Auditors Association of U.A.E.

Ms. Honey Zaidi – Head of Information Technology

Ms. Honey Zaidi as Head of Information Technology (IT) has over 16 years of experience in IT with specialization in Strategic Management, Project management, Business Applications Development & Acquisition, IT Governance, Networks and Infrastructure.

Prior to joining Luck Investments, she has served in leadership roles in two AMCs, Lead Application Development at Al Habib Funds, and Head of Business Application at Al Meezan Investments. She was also associated with Pakistan Mercantile Exchange (PMEX) as Head of Business Applications and Sidat Hyder Morshed Associates in Financial Application Development.

She holds a Master's Degree in Business Administration and Bachelor's Degree in Software Engineering from Bahria University.

Ms. Khatija Ilyas Konchwala – Regional Head Institutional & HNW Sales - South

Ms. Khatija Ilyas Konchwala as Regional Head Institutional & HNW Sales for South has over 25 years of Islamic financial services experience. Previously Ms. Khatija served as an Area Manager at Meezan Bank Branches covering Corporate, Residential and Commercial Areas. She also served at Union Bank and CitiBank Pakistan in various sales and services related roles.

Ms. Konchwala holds Bachelor's Degree from Karachi University. She also has done her PGD in Islamic banking along with various, Islamic Finance Certifications in Banking, Capital Markets, Shariah Audit, and Takaful.

Mr. Muhammad Aafaq - Head of Compliance & Risk Management

Mr. Muhammad Aafaq, Head of Compliance and Risk Management, has over ten years of experience in Corporate Secretariat, Regulatory Compliance, Audit and Taxation. Prior to joining Lucky Investments Limited, he was affiliated with Faysal Asset Management Limited, Al Meezan Investment Management Limited, First Habib Modaraba and Muniff Ziauddin & Co. Chartered Accountant.

Mr. Aafaq is a Member of Association of Chartered Certified Accountants and has a Master's Degree in Economics.

5.2.3 Performance of Listed Associated Companies

Lucky Core Industries Ltd	<i>FY23-24</i>	<i>FY22-23</i>	<i>FY21-22</i>	<i>FY20-21</i>	<i>FY19-20</i>	<i>FY18-19</i>
<i>Paid-Up Capital</i>	924	924	924	924	924	924
<i>Equity</i>	49,458	43,954	33,291	25,399	22,524	21,393
<i>Total Assets</i>	92,375	90,236	75,130	49,742	48,385	49,441
<i>Net Profit After tax</i>	11,163	17,773	8,860	5,229	2,433	2,537
<i>Earnings per Share (Rs.)</i>	120.73	190.15	91.66	60.3	28.14	27.34
<i>Market Share Price (Rs.)</i>	930	605	745	855	695	525
<i>Break-up value per share (Rs.)</i>	535.5	475.9	360.4	275.0	243.9	231.6

Gadoon textile Mills Ltd	<i>FY23-24</i>	<i>FY22-23</i>	<i>FY21-22</i>	<i>FY20-21</i>	<i>FY19-20</i>	<i>FY18-19</i>
<i>Paid-Up Capital</i>	280	280	280	280	280	280
<i>Equity</i>	21,498	20,691	18,003	12,610	9,084	9,189
<i>Total Assets</i>	61,832	59,239	40,823	31,225	30,833	27,279
<i>Net Profit After tax</i>	1,166	45	3,534	5,714	3,292	795
<i>Earnings per Share (Rs.)</i>	41.61	1.62	126.08	203.84	117.44	28.35
<i>Market Share Price (Rs.)</i>	178.69	225.21	265	261	160	144.99
<i>Break-up value per share (Rs.)</i>	767.8	739.0	643.0	450.4	324.4	328.2

Lucky Cement Ltd	<i>FY23-24</i>	<i>FY22-23</i>	<i>FY21-22</i>	<i>FY20-21</i>	<i>FY19-20</i>	<i>FY18-19</i>
<i>Paid-Up Capital</i>	2,930	3,118	3,234	3,234	3,234	3,234
<i>Equity</i>	310,631	260,999	199,758	157,026	131,487	125,270
<i>Total Assets</i>	659,662	608,359	503,687	361,398	291,887	227,021
<i>Net Profit After tax</i>	72,337	59,537	36,423	28,229	7,317	12,347
<i>Earnings per Share (Rs.)</i>	43.26	30.36	18.24	14.14	3.79	7.01
<i>Market Share Price (Rs.)</i>	906	561.25	458	866	462.58	380
<i>Break-up value per share (Rs.)</i>	960.6	807.1	617.7	485.6	406.6	387.4

EFU Life insurance Ltd	<i>CY2024</i>	<i>CY20-23</i>	<i>CY20-22</i>	<i>CY20-21</i>	<i>CY20-20</i>	<i>CY20-19</i>
<i>Paid-Up Capital</i>	1,050	1,000	1,000	1,000	1,000	1,000
<i>Equity</i>	9,192	6,948	6,349	6,178	6,175	5,908
<i>Total Assets</i>	259,439	210,232	178,514	163,180	154,480	129,290
<i>Premium - net of reinsurance</i>	39,408	36,404	38,471	36,350	31,653	31,142
<i>Net Profit After tax</i>	2,990	2,065	1,692	1,508	1,784	1,549
<i>Earnings per Share (Rs.)</i>	29.07	20.65	16.92	15.08	17.84	15.49
<i>Market Share Price (Rs.) *</i>	169.98	199.01	191.01	204.01	208.5	227
<i>Break-up value per share (Rs.) *</i>	87.5	66.2	60.5	58.8	58.8	56.3

Dawood Lawrencepur Ltd	<i>FY23-24</i>	<i>FY22-23</i>	<i>FY21-22</i>	<i>FY20-21</i>	<i>FY19-20</i>	<i>FY18-19</i>
<i>Paid-Up Capital</i>	593	593	593	593	593	591
<i>Equity</i>	26,732	18,217	19,460	17,788	15,651	14,103
<i>Total Assets</i>	36,396	34,668	35,310	33,239	29,081	28,158
<i>Net Profit After tax</i>	9,166	-562	2,057	2,482	1,791	1,842
<i>Earnings per Share (Rs.)</i>	131.56	-7.84	28.06	36.22	25.49	26.61
<i>Market Share Price (Rs.) *</i>	259	219.49	210	197.99	230	213
<i>Break-up value per share (Rs.) *</i>	450.8	307.2	328.2	300.0	263.9	237.8

5.3. Existing Schemes under Management and their performance

Lucky Investments Limited are currently managing three open end mutual funds namely:

1. Lucky Islamic Income Fund;
2. Lucky Islamic Money Market Fund; and
3. Lucky Islamic Stock Fund.
4. Lucky Islamic Fixed Term Fund

Lucky Islamic Money Market Fund

The investment objective of the Fund is to generate regular and stable returns by investing primarily in Shariah Compliant Banks and Shariah Compliant windows of conventional Banks and any other Shariah compliant short-term securities and money market instruments.

Fund Name	Lucky Islamic Money Market Fund
Fund Type	Open End
Category	Shariah Compliant Money Market Scheme
Date of Launching	April 09, 2025
Par Value	100
Stability Rating	“AA+ (f)” by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F. Ferguson & Co., Chartered Accountant
Risk Profile	Low (Principal at low risk)

Distribution Details are as under:

Year Ended June 30	Net Assets (PKR in thousands)	NAV Per Unit	Annual Yield	Dividend Payout
2025	57,964,703	100.1708	10.67%	2.2521 per unit

Lucky Islamic Income Fund

The Objective of the Fund is to generate long-term and risk adjusted returns by investing in Shariah Compliant securities and Shariah Compliant debt instruments in accordance with Shariah Compliant Islamic Income Category.

Fund Name	Lucky Islamic Income Fund
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Fund Type	Open End
Category	Shariah Compliant Income Scheme
Date of Launching	April 25, 2025
Par Value	100
Stability Rating	“AA(f)” by PACRA
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F. Ferguson & Co., Chartered Accountant
Risk Profile	Medium (Principal at medium risk)

Distribution Details are as under:

Year ended June 30	Net Assets (PKR in thousands)	NAV Per Unit	Annual Yield	Dividend Payout
2025	1,185,699	100.1136	10.59%	1.8006 per unit

Lucky Islamic Stock Fund;

The objective of the Fund is to provide long-term capital growth through an actively managed portfolio of Shariah Compliant listed equity securities with prudent and professional management.

Fund Name	Lucky Islamic Stock Fund
Fund Type	Open End
Category	Shariah Compliant Equity Scheme
Date of Launching	April 25, 2025
Par Value	100
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F. Ferguson & Co., Chartered Accountant
Risk Profile	High (Principal at high risk)

Distribution Details are as under:

Year Ended June 30	Net Assets (PKR in millions)	NAV Per Unit	Annual Yield	Dividend Payout
2025	1,663,485	107.3552	7.36%	Nil

Lucky Islamic Fixed Term Fund;

The objective of the Fund is to offer multiple shariah compliant investment plans and each investment plan shall provide investors with an expected committed return at the maturity date as per the investment policy, investment objective and terms and conditions of the respective investment plans..

Fund Name	Lucky Islamic Fixed Term Fund
Fund Type	Open End
Category	Shariah Compliant Equity Scheme
Date of Launching	April 25, 2025
Par Value	100

Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F. Ferguson & Co., Chartered Accountant
Risk Profile	High (Principal at high risk)

Distribution Details are as under:

Year Ended June 30	Net Assets (PKR in millions)	NAV Per Unit	Annual Yield	Dividend Payout
2025	7,049,566	100.0288	10.56%	0.4921 per unit

5.4. Role of the Fund Manager of Lucky Islamic Pension Fund (LIPF)

The Pension Fund Manager shall designate a Fund Manager for Lucky Islamic Pension Fund (LIPF), 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 sub-funds offered under the Pension Fund, will be reviewed by the Investment Committee from time to time and based on the assessment of key economic indicators, the Fund Manager will, in conjunction with the Investment Committee of the Pension Fund, decide on the relative attractiveness and valuation of various asset classes available (i.e., equity, debt, money market and gold). 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.

5.4.1 Appointment of Distributors

The Pension Fund Manager, shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s) locally or internationally. The Pension Fund Manager may also itself act as a Distributor for carrying on Distribution Functions and updated list of distributors would be available on official website of the Pension Fund Manager.

The Pension Fund Manager shall ensure, where it delegates the Distribution Function, that:

- (a) The Distributors to whom it delegates, have acquired license / registration from SECP as registered service providers.
- (b) The written contract with the Distributors clearly states the terms and conditions for the avoidance of frauds and sales based upon misleading information.

The Pension Fund Manager and Distributor shall not:

- i. Involve either directly or indirectly in the mis-selling of Voluntary Pension Scheme; and
- ii. Sell units of Voluntary Pension Fund Scheme directly or indirectly by making a false and mis-leading statement, concealing or omitting material facts of the Scheme and concealing the risk factors associated with the Scheme;

- (c) The Pension Fund Manager or distributor shall take reasonable care to ensure the suitability of the scheme to the participant.
- (d) The Pension Fund Manager or distributor shall ensure that;
 - i. Any performance reporting/ presentation is accompanied by all explanations, qualifications, limitations and other statements that are necessary to prevent such information from misleading participants;
 - ii. Promotional materials do not contain untrue statements or omit to state facts that are necessary in order to prevent the statements from being misleading, false or deceptive; and
 - iii. Performance is measured and presented after taking into account the risk-tolerance, investment objectives, level of understanding and knowledge of the recipient.
 - iv. Approved version of the Key Fact Statement be provided before soliciting new investment.

5.4.1 Back Office Accounting

The Management Company has delegated its Back Office Accounting Function to IT Minds Limited located at CDC House main sharah-e- Faisal Karachi in line with SECP Circular No. 24/2013 dated December 06, 2013, as amended from time to time under intimation to Trustee or maintain itself such function.

5.4.1 Disclaimer

The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations and the Constitutive Documents, nor shall the Pension Fund Manager (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty and the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Pension Fund Manager shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder. The Pension Fund Manager shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure.

5.5. Obligations of the Pension Fund Manager

A Pension Fund Manager shall ensure compliance with the obligations as specified in the Rules, the Regulations and constitutive documents of the Pension fund. The obligations of the Pension Fund Manager shall;

- (a) be obliged to invest and manage the assets of the Pension fund in the interest of the participants in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties or its officers and according to the provisions of the Trust Deed, the Rules, the Regulations and the provisions contained in the offering documents;

- (b) be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as Pension Fund Manager, howsoever designated, as if they were its own acts and omission;
- (c) account to the trustee for any loss in value of the assets of the Pension fund where such loss has been caused by its gross negligence, reckless or willful act or omission;
- (d) maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of each of the sub-Funds, all transactions for the account of the Sub-Fund and contributions received by the Pension fund and withdrawals by the participants including detail of withholding tax deducted at source and transfer or receipt of balances in the individual Pension accounts of the participants to or from other Pension Fund Managers;
- (e) Prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditor's report of the Sub-Fund within four months of closing of the accounting period to the Commission and the participants, and the balance sheet and income and expenditure account shall comply with requirements of the Regulations:

Provided that the Pension Fund Manager may transmit or make available on its website annual report along with quarterly reports of the Pension fund for participants and it shall make the printed copy available to a participant free of cost as and when required;

- (f) within one month of the close of the first and third quarter of its year of account of the fund and within two months of the close of second quarter, prepare and transmit to the participants and the Commission a balance sheet as at the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the Pension fund and the balance sheet and income and expenditure account shall comply with requirements of the Regulations.
- (g) maintain a register of participants of the 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 Participant(s)' records, issue statements of account and receipts for Contributions, process withdrawals and carry out all other related activities.
- (h) appoint with the consent of the trustee, at the establishment of the Pension fund and upon any vacancy, of the auditor. Such auditor shall not be appointed for more than five consecutive years;
- (i) 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; and
 - iii. such other information that may be prescribed by the Commission from time to time.
- (j) furnish to the Commission a copy of its annual report together with copies of the balance sheet, profit and loss account, the directors' report and the auditors' report within one month of its annual general meeting and shall furnish its half yearly report to the Commission within two months of close of its half year;

- (k) send an account statement as at the 30th June and the 31st December each year, within thirty days after the end of each date, to individual participants, giving detail of the amounts received or withdrawn and tax deducted and the number of units allocated and held, the current valuation of the units and such other information as may be specified by the Commission, free of charge. The Pension Fund Manager shall also send an account statement each time when there is an activity in the participant's account within seven working days of such activity and the participant shall be entitled to receive any information, in respect of participant account, at any time, on written application either physically or online;
- (l) send any other statement or certificate to the participants which may be necessary under the Rules and Regulations;
- (m) send a notice to a participant at least thirty days before the chosen date of retirement informing him/her the options available to him/her on retirement. The notice should be sent physically on the mailing address as well as electronically on email or cellular phone number.
- (n) specify 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 and shall not enter, on behalf of a pension fund, into transactions with any broker that exceed twenty-five percent of the commission payable by a pension fund in any one accounting year:

Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities.

- (o) pay such sum from its remuneration without passing to participants, as per the mechanism specified by the Commission as Market Development Charges aimed at investor education, awareness and market development activities of pension funds;
- (p) obtain Shariah compliance certificate, as per the requirements of Companies Act, 2017 and the Shariah Governance Regulations, 2023 and comply with such requirements as may be specified by the Commission.
- (q) ensure ongoing Shariah Compliance and comply with the conditions of certification of Shariah compliance under the Shariah Governance Regulations, 2023.
- (r) engage an external Shariah Auditor for the Pension Fund. An annual report by Shariah Auditors as required under regulation 29(5) of the Shariah Governance Regulations, 2023 shall be submitted to the Board of Directors.

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

5.6. Restrictions for Pension Fund Manager

The Pension Fund Manager shall not:

- a) offer this Pension to any other person except the Eligible Persons.
- b) merge with, acquire or take over management of any other pension fund or pension fund

manager unless it has obtained the prior approval of the Commission in writing for such merger, acquisition or takeover;

- c) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund;
- d) Purchase from or sell any security to any connected person or employee except with the approval of its Board of Directors in writing and consent of the Trustee;
- e) participate in a joint account with others in any transaction; except for placement of orders under a single Universal Identification Number (UIN) subject to mechanism approved by the Commission;
- f) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund;
- g) employ as a broker, directly or indirectly, any of its directors, officers or employees or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any connected broker, which shall equal or exceed twenty-five per cent or more of the brokerage or commission paid by the Pension Fund in any one Accounting Period;
- h) Enter into a short sale transaction in any security; and
- i) Invest in any non-shariah compliant investment avenue.
- j) No Pension Fund Manager on behalf of the pension fund shall lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person:
Provided that investment in sale and repurchase transactions involving Government securities or such eligible listed securities which are regulated by stock exchanges shall not be attracted by this sub-rule subject to the condition that risk management parameters are disclosed in the constitutive document of the pension fund approved by the Commission.

5.7. Retirement or Removal of the Pension Fund Manager

- 5.7.1 The Pension Fund Manager may, by giving at least three (3) months prior written notice in writing to the Participants with the prior written approval of the Commission, retire from management of the Pension Fund.
- 5.7.2 Where the Pension Fund Manager has given notice in accordance with above Clause, its retirement shall be effective on the date being not less than three (3) months 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 the constitutive documents and the Rules.

- 5.7.3 If the Commission is of the opinion that the Pension Fund Manager has contravened any provision of the Rules, or has otherwise neglected or failed to comply with any order or direction of the Commission or with any requirement of the Rules or has failed or neglected to carry out its duties to the satisfaction of the Trustee, or the Commission, as the case may be, and considers that it would be in the interest of the Participants so to do, the Commission, on its own motion or on the report of the Trustee, by order in writing may immediately:-
- (a) cancel or suspend the registration of the Pension Fund Manager;
 - (b) remove the Pension Fund Manager managing the Pension Fund;
 - (c) issue, cease and desist orders to the company;
 - (d) order compensation to be paid to the Participants;
 - (e) ban defaulters to be employed within the security market temporarily or permanently;
 - (f) impose fine; or
 - (g) take any combination of the above mentioned actions.
- 5.7.4 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:
- (a) the Pension Fund Manager has contravened the provisions of the constitutive documents in any material respect and has failed to rectify the contravention within (i) 30 days from the date of notice in writing given by the Trustee to the Pension Fund Manager regarding the contravention, such notice to be given under intimation to the Commission, or (ii) such other period as may be specified by the Commission, in respect of the subject contravention; provided that such notice by itself shall not be considered as an admission of contravention on part of the Pension Fund Manager who shall have the right to defend such action;
 - (b) the Pension Fund Manager goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); or
 - (c) a receiver is appointed over any of the assets of the Pension Fund Manager.
- 5.7.5 The removal of the Pension Fund Manager from management of the Pension Fund by the Trustee shall be effective on the date on which, with the approval in writing of the Commission as per Rule 6 of the VPS Rules 2005, the Commission shall appoint a new Pension fund manager, to manage the Pension Fund whose registration has not cancelled is eligible as Pension Fund Manager in accordance with the constitutive documents and the Rules.
- 5.7.6 The Commission may, in exercise of its powers under the Rules and/ or the Regulations, remove the Pension Fund Manager from management of the Pension Fund and appoint in its place a new Pension fund manager to manage the Pension Fund in accordance with the constitutive documents and the Rules and/ or the Regulations.
- 5.7.7 The Commission may, in exercise of its powers under the Rules, cancel the registration of the Pension Fund Manager as a Pension fund manager, in which case the Pension Fund Manager, if not already removed from the management of the Pension Fund, shall stand removed from such management upon such cancellation.
- 5.7.8 If the Commission has cancelled the registration of the Pension Fund Manager, the Commission shall appoint another Pension Fund Manager to manage the Pension Fund in accordance with the Rules.

- 5.7.9 Upon a new Pension fund manager being appointed, the Pension Fund Manager shall take immediate steps to deliver all the documents and records pertaining to the Trust to the new Pension fund manager and shall pay all sums due to the Trustee.
- 5.7.10 Upon its appointment the new Pension fund manager shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Pension Fund Manager hereunder as fully as though such new Pension fund manager had originally been a party hereto.
- 5.7.11 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 or as from the date of issue of the Commission's order in writing under Rule 6 of the Rules.
- 5.7.12 The Trustee shall ensure that accounts of the Pension Fund till the day of the appointment of the new Pension Fund Manager are audited by the Auditors of the Pension Fund and the audit report is submitted, within one month from the date of such appointment, to the Commission, the Trustee and the new Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.
- 5.7.13 The Pension Fund Manager, upon termination/removal/retirement, shall continue to manage the Pension fund until the entire balance in all pension accounts of the Participants are not transferred in the pension accounts of the respective Participants with one or more other Pension Fund Managers. For this purpose, the Pension Fund Manager shall share the relevant data with the new Pension Fund Manager(s). Both parties shall make best efforts to complete the process for transfer of Pension Fund balances within the stipulated period.

5.8. Obligations of Trustee of Pension Fund

- 5.8.1 The Trustee shall ensure compliance with the obligations as specified in the provisions of the constitutive document and the Rules and /or the Regulations when performing any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Pension Fund Manager; provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Pension Fund for any loss in value of the Trust Property where such loss has been caused by negligence or any reckless or willful act and / or omission of the Trustee or of any of its directors, officers, nominees or agents.
- 5.8.2 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 the constitutive document or the Rules and /or the Regulations. Whenever pursuant to any provision of the constitutive document, any certificate, notice, direction, instruction or other communication is to be given by the Pension Fund Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Pension Fund Manager by any

person whose signature the Trustee is for the time being authorized in writing by the Pension Fund Manager to accept.

The Trustee shall;

- (a) 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, the Regulations and the provisions of the Constitutive Documents; and the cash and registerable assets shall be registered in the name of or to the order of the Trustee;
- (b) 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;
- (c) be liable for the act and omission of the Shariah Compliant Financier 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 Shariah Compliant Financier's name or in that of a nominee appointed by the Shariah Compliant Financier;
- (d) ensure that the issue, withdrawal and cancellation of units are carried out in accordance with the provisions of the Rules, Regulations and the Constitutive Documents of the Pension Fund;
- (e) 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;
- (f) 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, the Rules and the Regulations;
- (g) 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, Regulations and other conditions under which the Lucky Islamic Pension Fund was authorized are complied with;
- (h) issue a report to be included in the annual and half year report to be sent to participants whether, in the trustees' 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; provided that the trustee's report in the annual accounts shall include the trustee's opinion regarding the calculation of the management fee, Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework;
- (i) ensure that Units are not allocated until Contributions have been received.
- (j) The Trustee shall ensure that the methodology and procedures adopted by the Pension Fund Manager are adequate and the pricing, issuance and withdrawal are carried out in

accordance with the provisions of the Constitutive Documents and applicable regulatory requirement.

- (k) 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;
 - (l) 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 twenty-five per cent of the commission payable by a pension fund in any one accounting year;
 - (m) immediately inform the Commission if any action of the Pension Fund Manager contravenes any provision of the Ordinance, the Act, the rules, constitutive document, offering document, guidelines, codes, circulars, directives or any other applicable laws;
 - (n) Comply with the directions of the Commission given in the interest of the participants.
 - (o) The trustee shall arrange for its annual system audit by an auditor and provide the report of such audit to the Commission and the concerned Pension Fund Manager, within four months of the close of the financial year of the trustee.
 - (p) The Trustee shall not invest or withdrawals from Pension Funds for which it acts as trustee in the cases where there is a likelihood of a change in investment objective of the scheme or there is a likelihood of change in account policy or a significant change in the valuation of any asset or class of asset and the same has not been communicated to the investors.
 - (q) The Trustee shall obtain and maintain duplicate of all the records of register of the participants maintained by the Pension Fund Manager or the Registrar and shall update the record on a fortnightly basis.
- 5.8.3 The Trustee shall, from time to time appoint, remove or replace one or more Custodian(s) as an agent of the Trustee at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee;
- 5.8.4 The Trustee shall make available or ensure that there is made available to the Pension Fund Manager such information as the Pension Fund Manager may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Pension Fund.
- 5.8.5 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Pension Fund Manager and as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules and / or the Regulations. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.
- 5.8.6 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.
- 5.8.7 The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Participant(s), or in the interest of the capital market, public and Employees, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information.

- 5.8.8 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 Participant(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Pension Fund and the Trustee shall be indemnified against all such costs, charges and expenses, provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under the Trust Deed or the Rules.
- 5.8.9 The Trustee shall obtain and maintain replication of all the records of the Participant(s) maintained by the Pension Fund Manager or the Registrar, as the case may be, and shall keep the records updated on fortnightly basis.

5.9. Retirement or Change of Trustee

- 5.9.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed. In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission and within a period of three months of the Trustee giving notice of its intention to retire to the Pension Fund Manager shall by a deed supplemental hereto under the seal of the Pension Fund Manager and the Trustee appoint a new trustee under the provisions of the Rules and/ or Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. The retirement of the Trustee shall take effect at the same time as the new trustee is appointed and the supplemental trust deed reflecting this appointment is executed. The Trustee shall ensure that accounts of the Pension Fund till the day of the appointment of the new Trustee are audited by the Auditors and the audit report is submitted within one month time from the date of such appointment to the Commission, the newly appointed Trustee and the Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.
- 5.9.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Pension Fund Manager) or ceases to carry on business of trusteeship or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Pension Fund or its registration as a trustee has been suspended or cancelled by the Commission under the provisions of the Rules and/ or Regulations, the Pension Fund Manager shall forthwith intimate the Commission, and by instrument in writing remove the Trustee from its appointment under this Trust Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation duly approved by the Commission, according to the provisions of the Rules, the Regulations and this Trust Deed as the new trustee.
- 5.9.3 The Commission after giving thirty days' notice, may remove the Trustee by order in writing on grounds of any material default or non-compliance with the provisions of the Rules or the Regulations or this Trust Deed, negligence of its duties or incompetence in performing its duties or if the Commission is of the opinion that the Trustee has otherwise neglected or failed to

comply with any order or direction of the Commission and considers that it would be in the interest of the 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.

- 5.9.4 The Pension Fund Manager may also remove the Trustee with the prior approval of the Commission after giving thirty days' notice if the Pension Fund Manager feels that the Trustee is charging a remuneration that is not comparable to the market norm and it would be in the interest of the 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 shall become effective with the Commission's approval once the newly appointed trustee takes charge of all duties and responsibilities.
- 5.9.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Individual Pension Account held by or for the Trustee under any Approved Income Payment Plan to the new trustee and shall make payments to the new trustee of all sums due from the outgoing or retiring Trustee.
- 5.9.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto as trustee of the Pension Fund.
- 5.9.7 Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under this Trust Deed and the Rules and/ or the Regulations, the Trustee shall remain entitled to the benefit of the terms of this Trust Deed till the removal or resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Trust Deed and / or the Rules and/ or the Regulations.

5.10. Transfer Agent

The Pension Fund Manager has appointed IT Minds Limited having its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan, as the Transfer Agents of LIPF. The IT Minds Limited will be responsible for maintaining the Participants Register, preparing, and issuing account statements and providing related services to the Participants.

5.11. Auditors

The Auditors of the Fund are:

A.F. Ferguson & Co., Chartered Accountants
State Life Building, I.I. Chundrigar Road,
Karachi.

5.11.1 The Pension Fund Manager shall, with the consent of the Trustee, appoint an Auditor from the approved list of auditors circulated by the Commission. The Pension Fund Manager may at any time, with the concurrence of the Trustee, and shall, if required by the Commission, remove the Auditor and appoint another Auditor in its place. At all times the Pension Fund Manager shall ensure that the Auditor is appointed from the list of Auditors approved by SECP or any further Circular/Directive as amended from time to time for this purpose. The appointment of Auditor and contents of the Auditor's report shall be in accordance with provision of the Rules and Regulations. The Auditors shall have access to the records, books, papers, accounts and vouchers of the Trust, whether kept at the office of the Pension Fund Manager, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Pension Fund Manager, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit. The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.

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

In case the Rules or other Applicable Laws relating to appointment of auditors of 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 Constitutive Document without the need to execute a supplemental constitutive document.

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

5.11.4 The Commission shall monitor general financial condition of the Pension Fund, and, at its discretion, may order special audit and appoint an auditor who shall not be the external auditor of the Pension Fund, to carry out detailed scrutiny of the affairs of the Pension Fund, provided that the Commission may, during the course of the scrutiny, pass such interim orders and give directions as it may deem appropriate. On receipt of the special audit report, the Commission may direct the Pension Fund Manager to do or to abstain from doing certain acts and issue directives for immediate compliance which shall be complied forthwith or take such other action as the Commission may deem fit.

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

- 1) Conducting an independent and objective assessment of compliance of operations with the Shariah principles and rules and to comply with any further conditions imposed by the Commission from time to time.
- 2) The external Shariah auditor shall assess the compliance of the Shariah compliant security with financial arrangements, contracts, and transactions with the Shariah principles and rules.

- 3) The external Shariah auditor shall prepare a report on the format, to be prescribed by Commission, for the board of directors giving their opinion on:
- a) the status of Shariah compliance;
 - b) the risks associated with the Shariah non-compliance;
 - c) the capacity and quality of the internal controls to measure, manage and mitigate the Shariah non-compliance risks;
 - d) the adequacy and effectiveness of the Shariah governance framework;
 - e) the level of awareness and sensitivity of the management and the board of directors in addressing the Shariah risks; and
 - f) any other issues deemed significant by the external auditors with respect to Shariah compliance.

5.12. Legal advisor

The legal advisor of the Fund is:

Mandviwalla and Zafar – Advocates, Corporate & Legal, Consultants.
C-15, Block 2, Clifton, Karachi

5.13. Bankers

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

5.14. Bank Accounts

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

The Bank Accounts shall be opened by the Trustee at such branches of Banks/Islamic bank or Islamic windows of conventional banks and shariah compliant financial institutions approved by the Pension Fund Manager having entity rating awarded by a credit rating agency approved by the Commission and at such locations as determined by the Pension Fund Manager, subject to compliance with Applicable Laws and after obtaining all necessary Approvals as may be required from time to time.

Notwithstanding anything in the Constitutive Documents, the beneficial ownership of the balances in the Bank Accounts opened by the Trustee shall vest at all times in the Participants collectively.

Further on the request of the Pension Fund Manager, the Trustee shall open the bank accounts for Pension Fund and Sub-Funds under the following titles:

- 1- CDC- Trustee Lucky Islamic Pension Fund**
- 2- CDC- Trustee LIPF -Equity Sub Fund**
- 3- CDC- Trustee LIPF-Debt Sub Fund**
- 4- CDC- Trustee LIPF-Money Market Sub Fund**
- 5- CDC- Trustee LIPF- Gold Sub Fund**

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

5.15. SHARIAH GOVERNANCE/SHARIAH ADVISORY SERVICES

All activities of the Fund shall be undertaken in accordance with the guidelines prescribed or issued by the Shariah Advisors from time to time. Fund shall not invest in schemes that are related to activities that are non Shariah compliant or are unlawful in Shariah which may, among others, include:

- a. Activities related to the investment in interest-based transactions, conventional insurance transactions, intoxicants, gambling, pornography, Haram meat;
- b. Activities related to taking interest bearing deposits or raising interest-bearing loans; and
- c. Any other activities/investments declared restricted under Shariah by the Shariah Advisors.

5.16. Shariah Advisor

All activities of the Fund shall be undertaken in accordance with the Shariah Guidelines provided by the Shariah Advisor or Shariah Regulatory Provisions of SECP issued from time to time. The Pension Fund Manager is obligated to obtain written approval from the Shariah Advisor before implementing any amendments to the Constitutive Documents of this Fund

The Pension Fund Manager has appointed the Shariah Advisor, Mufti Muhammad Hassan Kaleem, who shall advise the Pension Fund Manager regarding Shariah compliance. The profile of the Shariah Advisor is annexed as **Annexure “D”** in the Offering Document.

The term of appointment or engagement of the Shariah advisor shall be for a period of three years that may be extended further with mutual consent and as disclosed in the Offering Document and may be re-appointed on completion of his term. The Management Company may terminate its agreement with the Shariah Advisor and appoint a new Shariah Advisor under intimation to the Trustee and SECP without the need to alter/amend this trust deed or issue a supplemental trust deed. Provided that till the appointment of new Shariah Adviser, the existing Shariah Advisor shall continue to perform his duties. Provided further that the Pension Fund Manager shall inform the Commission at least one month in advance for change in the Shariah Advisor.

5.16.1 Duties and Responsibilities of Shariah Advisor

The Shariah Advisor shall advise the Pension Fund Manager on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah and regulations issued by the Commission. 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 participants and other parties. In case of any dispute between the Shariah Advisor and the management, the matter may be referred to the Commission, which may refer it to any relevant forum including the Shariah Advisory Committee of the Commission for resolution.

The Shariah Advisor shall:

- (a) provide technical guidance and support on various aspects of Shariah so as to enable the Pension Fund Manager to operate the sub-funds under the Fund as a Shariah Compliant Pension Fund.
- (b) recommend general investment guidelines consistent with the Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter shall be final and acceptable to the Trustee, the Pension Fund Manager, the Unit Holders and other parties related with that matter.
- (c) at the end of Annual Accounting Period, issue a certificate, to be included in the Fund's financial reports, in respect of Shariah Compliance of the preceding year's operations of the Fund and the Shariah Advisor may conduct such audit or other investigation as may be necessary for the issuance of the certificate. The Management company shall bear the expenses of such audit or investigation if the shariah advisor finds it, with evidence, negligent or guilty of willful breach of duty.
- (d) co-ordinate with the Pension Fund Manager in drawing up of the Deed and other related material documents including Constitutive Documents for the formation of the Unit Trust and to further provide technical guidance and support on various aspects of Shariah, so as to enable the Pension Fund Manager to structure the Unit Trust into a Riba free/Halal avenue of investment.
- (e) do the research as appropriate for the purpose of screening of investments. The Shariah Advisor will then decide as to which criteria are relevant to be used in the context of Pakistani Markets and the instruments available therein, and which need to be modified/added/deleted.
- (f) certify that all the provisions of the Constitutive Documents of the Fund and proposed Investments to be made on account of the Fund are Shariah compliant with the established criteria.
- (g) evaluate and advise upon all new financial instruments as and when introduced for their Shariah permissibility.
- (h) determine the methodology for calculation of "Haram income" through percentage of income and cash flows included in the income and cash flows of the companies in which the Fund has invested from activities not in accordance with the principles of the Shariah, and recommend to the Pension Fund Manager the criteria for selecting the Charities registered under relevant Pakistani laws to whom such sums shall be donated after approval of the Shariah Advisor, subject to the condition that such charity organization is not related to the Shariah Advisor, Pension Fund Manager or any of their employees

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 All Pakistani nationals who have a valid Computerized National Identity Card (CNIC) and National Identity Card for Overseas Pakistanis (NICOP) or Pakistan Origin Card (POC), issued

by the National Database and Registration Authority (NADRA) shall be eligible to contribute to the Pension Fund.

- 6.1.3 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 employers of such Eligible Person.
- 6.1.4 Accumulated balance from Approved Employment Pension or Annuity Scheme or Approved Occupational Savings Scheme (i.e., approved gratuity fund or recognized provident fund) can be transferred to the Pension Fund.
- 6.1.5 The eligibility criteria may be reviewed by the Commission from time to time.

6.2 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, for which the Pension Fund Manager shall be responsible for obtaining all approvals under the applicable laws from time to time being in force.

- (a) Participation in the Pension Fund shall be offered through the Pension Fund Manager and its branches, Distributor and its authorized Branches and Sales Agents.
- (b) Before contribution, 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, 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 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, banker cheque or online transfer (except cash transfer) as the case may be in favor of **“CDC- Trustee Lucky 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 /Sales Agents acknowledging the receipt of the application, copies of other documents prescribed therein and the demand-draft, pay-order, cheque or deposit slip, as the case may be, submitted together with the application. Such receipt for applications and payment instruments (other than cash) shall only be validly issued by the Distributors. 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 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, outside 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 or POC 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 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 Third-Party Contributor Form'.
- (q) The application procedure described in this clause 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 this clause without the need to execute a Supplementary Constitutive document.

6.3 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 fee (sale charges) 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 or offer price, in case of LIPF- Gold sub fund PAC will be applicable on NAV, notified by the Pension Fund Manager at the close of that Dealing Day (forward pricing) 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 is according to the Allocation Schemes selected by the Participants or where no selection has been made, according to the Default Allocation Scheme.

6.4 Contribution Procedures and Minimum Contribution

- (a) A Participant or their employer, if any, may make Contributions in one lump sum or in installments during any Tax Year.
- (b) The Offering Document shall stipulate the minimum amount of initial and subsequent Contribution that is required to open an Individual Pension Account and the Pension Fund Manager reserve the right alter the minimum amount through announcement on its web-site or through Supplementary Offering Document with the prior consent of the Trustee and approval of the Commission. The Participant can make Contribution at any frequency into participant Individual Pension Account. Contribution made in Pension fund shall be subject to provision of the Rules and/ or the Regulations and/ or the Income Tax Ordinance, 2001.
- (c) The Pension Fund Manager shall directly or through the Registrar send an acknowledgment of receipt of each Contribution along with a statement of account to the Participant within 07 Business Days of the receipt of the 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.
- (d) Dispatch of the account statement as an acknowledgment through registered post / courier/email or any other electronic means, 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. Contribution or any other frequency as prescribed by the Commission from time to time.

- (e) The Pension Fund may be marketed in conjunction with group life or other Takaful schemes or any other scheme. The Pension Fund Manager may offer Takaful coverage free to all Participants and if free Takaful coverage is not offered to Participant(s) then such supplementary schemes shall not be compulsory for all the Participants to join, and the Trustee shall on the instruction of Pension Fund Manager deduct any premium payable in respect of such schemes from the Contributions of those Participants who have opted to join such schemes. The premium in respect of such schemes deducted by the Trustee from the Contributions of any Participant shall be paid by the Trustee on the instruction of Pension Fund Manager to the relevant companies issuing such schemes for account of the Participant and only the net amount of Contributions received after deduction of such premium and any bank charges shall form part of the Trust Property.
- (f) The Pension Fund Manager may make arrangements to accept contributions through electronic means upon satisfaction of the Trustee.
- (g) Any alterations to the contribution procedure enunciated in above Clauses arising out of amendments to or substitutions of the Rules/ the Regulations and/or the Income Tax Ordinance, 2001 and/or the Income Tax Rules shall be announced by the Pension Fund Manager from time to time on its website and such alterations shall be deemed to correspondingly alter the provisions in this deed without the need for executing a supplemental trust deed.

6.4.1 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.1,000/- 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, may require 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.

6.5 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.

6.6 Individual Pension Account

- (a) The Pension Fund Manager shall assign distinct number to Individual Pension Account held in the name of each participant.
- (b) The net Contribution received in the Individual Pension Account shall be used for the purchase of the Units by the Pension Fund Manager and to allocate such number of Units to the relevant Sub-Funds in accordance with the Allocation Policy selected by the Participant and the Units shall be allocated at Net Asset Value notified by the Pension Fund Manager at the close of that Business Day.
- (c) Contributions shall not be treated as having been received from or on behalf of any Participant unless realized in the bank account(s) of the fund by the Trustee and only such realized amount shall be treated as the Contribution received.
- (d) The Pension Fund Manager shall make reallocation of the Units between the Sub- Funds as per Rules, Regulations 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 Pension Fund Manager, 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 either Low or Lower Volatility Scheme
- (e) If any Contribution is received from or on behalf of any Participant, after cut off timing or on a day which is not a Dealing Day, it will be treated as having been received on the first following Dealing Day.
- (f) The Participant shall have a right to change Allocation Scheme as per the Rules, the Regulations and Circulars issued from time to time.
- (g) 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 participant creditors.

Provided that the individual pension account may be subject to be pledged, lien or encumbrance against the loan or advance given by the employer to the employee.

- (h) 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 the Trust Deed without the need to execute Supplementary Trust Deed.

6.7 Change of the Pension Fund Manager/ Pension Fund

- (a) Participant shall be allowed to transfer whole or any part of their individual pension account with a particular Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund. For this purpose, the units shall be encashed at the net asset value of each sub-fund notified on the working day prior to the date of transfer.

- (b) Subject to VPS Rule 15 sub-rules (2) and (3), and provisions of Income Tax Ordinance, 2001, a participant shall be allowed to transfer their accumulated sum from an approved occupational savings scheme or an approved superannuation fund to a pension fund.

No charge whatsoever called shall be deducted for transfer of the individual pension account from one Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund and from approved occupational savings scheme and approved superannuation fund to a pension fund.

- (c) The Pension Fund Manager shall use any cleared funds received for the account of a Participant's Individual Pension Account from a Pension fund managed by another Pension fund manager to purchase such number of Units of the relevant Sub-Funds as is determined in accordance with Constitutive Documents and the Units shall be purchased at Net Asset Value notified at the close of the Business Day on which such cleared funds are received by the Trustee.
- (d) The transfer of individual Pension account from one Pension Fund Manager to another Pension Fund Manager or from one Pension fund to another Pension fund shall only take place as per discretion of the participant 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 seven working days before the effective date of the proposed change and the Pension Fund Managers shall record such transactions as transfer in the statement of account of the participant.

The units will be encashed at the Net Asset Value or redemption price of each sub fund., in case of LIPF- Gold sub fund PAC will be applicable on NAV, at the date of transfer and proceeds without any deduction thereon will be transferred to the designated pension fund manager on the next working day of transfer.

- (e) The transferred amount shall be used to purchase the units of the sub-funds of the pension fund maintained by the new Pension Fund Manager at the net asset value notified at the close of the working day, of the receipt amount, on such percentage according to the specified allocation policy selected by the participant or default allocation policy as the case may be.
- (f) 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.
- (g) Policy Holders having approved Pension policies pursuant to Section 63 of the Income Tax Ordinance, 2001 and issued by Takaful Companies before 30 June 2005 would be eligible to redeem their units and transfer the balance to their Individual Pension Account, with a Pension Fund Manager subject to the Rules. No charge whatsoever shall be deducted from such withdrawal. 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 document without the need to execute any Supplementary Constitutive document.

6.8 Retirement Age

- 6.8.1. A Participant may at any time before or after becoming a Participant choose or change his/her date of retirement which shall be any age between sixty and seventy years or twenty-five years since the age of first contribution to a Pension fund, whichever is earlier in accordance with the Rules.
- 6.8.2. The Pension Fund Manager shall send a notice to an Employee at least thirty days before the chosen date of retirement informing him/her the options available to him/her on retirement. The notice should be sent physically on the mailing address as well as electronically on email or cellular phone number.
- 6.8.3. If a Participant suffers from any of the following disabilities, as mentioned in VPS Rules, 2005, which render the participant unable to continue any employment and the participant may, so elects, be treated as having reached the retirement age at the date of such disability and all the relevant provisions shall apply accordingly namely:
- a) loss of two or more limbs or loss of a hand and a foot;
 - b) loss of eyesight;
 - c) deafness in both ears;
 - d) severe facial disfigurement;
 - e) loss of speech;
 - f) paraplegia or hemiplegia;
 - g) lunacy;
 - h) advanced case of incurable disease; or
 - i) any injury, wounds or disease resulting in a disability due to which the Participant is unable to continue any work or generate any income.
- 6.8.4. A doctor's assessment certificate confirming the said disability shall be required for **sub-rule 2 of rule 17** of VPS Rules 2005.

6.9 Benefits on Retirement

At the date of retirement of the Participant, where no option is selected by the participant; all the units of the sub funds of participant account shall be redeemed at the net asset value notified at close of the day of retirement and the amount due shall be credited to participant individual pension account in the lower volatility scheme offered by the Pension Fund Manager. The Participant shall then have the following options, namely:

- (e) To withdraw any percentage of the amount from his individual Pension account as cash subject to payment of taxes under the Income Tax Ordinance, 2001;
- (f) To use the remaining amount to purchase an annuity from a Takaful Company or a Pension Fund Manager for his /her choice; or
- (g) to enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount, monthly installments following the date of retirement, according to an income payment plan, approved by the Commission. Details of the Approved Income Payment Plan are disclosed in the offering document; and
- (h) the transfer of an individual income payment plan account from one Pension Fund Man-

ager 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 seven working days before the effective date of the proposed change. At the expiry of the Approved Income Payment Plan, the Participant shall have option to use the outstanding balance in participant Individual Pension account to purchase an Approved annuity plan from a Takaful Company or a Pension Fund Manager of his/her choice or buy an Approved income payment plan for another term or to withdraw the amount from participant account subject to the conditions laid down in the Income Tax Ordinance, 2001.

According to the rules, the annuity purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, investment -linked and retail price index linked or with any additional features as may be offered by the Takaful Companies or the Pension Fund Managers.

6.10 Withdrawal of Funds before Retirement

- 6.10.1 On any Dealing Day and from time to time before the date of retirement a Participant may redeem the whole or any part of the Units held in participant Individual Pension Account subject to the conditions laid down in the Income Tax Ordinance, 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 in the Government Treasury.
- 6.10.2 Where the request made by a Participant is for partial withdrawal from his Individual Pension Account, the request shall be given effect to by withdrawal of Units of Sub-Funds at the Net Asset Value, Offer price and / or Redemption price (as the case may be), in case of LIPF- Gold sub fund PAC will be applicable on NAV, 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.
- 6.10.3 The Pension Fund Manager shall ensure that the withdrawal/redemption form shall be available from Authorized Branches of Pension Fund Manager and Distributors and on its official website and Employer Platform/Portal (if any). Such form shall, if completed by the Participant and submitted to any Authorized Branch of Pension Fund Manager or with the Distributors shall be taken to be the notice to the Pension Fund Manager.
- 6.10.4 On any Dealing Day being not later than the sixth (6th) Business Day after the Participant submitted the completed form to any Authorized Branch, the Pension Fund Manager shall, withdraw the relevant number of Units held by Participant in 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 Dealing Day, on the first Dealing Day following that day and the proceeds realized thereby shall be paid to the Participant subject to clause 6.10.1.
- 6.10.5 The provisions relating to withdrawal of funds before the date of retirement set out in above Clauses may change due to amendments in or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and/ or the Regulations. Any such changes shall be deemed to become part of

this Constitutive Documents without the need for executing supplemental Constitutive Documents.

6.11 Benefits on Death before Retirement

6.11.1 In case of death of a Participant before the date of retirement, all the Units of the Sub-Funds of the participant account shall be withdrawn at the Net Asset Value or redemption price, in case of LIPF- Gold sub fund PAC will be applicable on NAV, notified at close of the day on which information of the Participant's death is 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 Trustee. Provided that or, if such day is not a Dealing Day, the first Dealing Day following such day, and the proceeds realized thereby shall be transferred to participant Individual Pension Account in the lower volatility scheme offered by the Pension Fund Manager.

6.11.2 The total amount in the Individual Pension Account of the deceased Participant shall be divided among the successors/nominated survivors according to the succession certificate issued in accordance with law for the time being in force and each successor/nominated survivors 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
- (b) in accordance with rules transfer his/her share of the amount into his/her existing Individual Pension Account with the Pension Fund Manager or new individual Pension account or income payment plan account to be opened with a Pension Fund manager;
- (c) use his/her share of the amount to purchase an approved annuity plan on his/her life from Takaful Company or a Pension Fund Manager, only if the age of the survivor is fifty-five years or more; or
- (d) use his/her share of the amount to purchase a deferred annuity on his/her life from Takaful Company or a Pension Fund Manager to commence at age fifty-five years or later.

Such payment mentioned in clause (c) and (d) above will be made directly by the Trustee of the Fund to the Takaful Company or the Pension Fund Manager without tax deduction on the instruction of the Pension Fund Manager.

6.11.3 Death benefits paid to the successor(s) under any group life cover taken out by the Participant as part of the Pension Fund shall be additional benefits payable to them.

6.11.4 After a Participant's death the only persons recognized by the Registrar, Trustee and the Pension Fund Manager as having title to the Sub-Fund Units held in the deceased Participant's Individual Pension Account shall be the successor(s) nominated in the succession certificate issued in accordance with law for the time being in force.

6.11.5 Any person or persons becoming entitled pursuant to above clause to any Sub-Fund Units in consequence of the death of any Participant may, subject as hereinafter provided, upon producing such evidence as to participant title as the Registrar, Trustee and Pension Fund Manager shall think sufficient, exercise rights under clause 6.11.2;

6.11.6 The Pension Fund Manager or the Trustee shall not be liable or be involved in any manner whatsoever in any disputes among the nominated survivors and/or such executors, administrators or successors and/or the rest of the legal heirs or the legal representatives of the deceased Participant;

6.11.7 The limitations, restrictions and provisions of this Constitution Documents related to withdrawal of funds before retirement shall be applicable to withdrawals pursuant to this clause.

6.11.8 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 certificate issued in accordance with law for the time being in force if they consider the same to be necessary.

6.12 Instruction from the Participants

All the instructions received from a participant or his/her successor according to the succession certificate with regard to the Individual Income Payment Account shall be in writing, unless the Pension Fund Manager, with the approval of the Commission and satisfaction of the Trustee, has made other arrangements, as mentioned in this Offering Document or on its website from time to time.

6.13 Allocation Scheme

6.13.1 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 Lucky 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) Lucky Islamic Pension Fund-Equity Sub Fund;**
- (b) Lucky Islamic Pension Fund-Debt Sub Fund;**
- (c) Lucky Islamic Pension Fund -Money Market Sub Fund; and**
- (d) Lucky Islamic Pension Fund- Gold Sub Fund.**

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

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 of Individual Pension Account. The Participant may change the Allocation Scheme as and when required till retirement, subject to the Rules, the Regulations and Circulars etc. Form 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.

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

(a) 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 participants with a high-risk tolerance and preference for equity exposure.

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

For investors willing to seek exposure to Gold Sub-Fund, the following allocations shall apply

Allocation Scheme	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub Fund
High Volatility	Minimum 40%	Minimum 20%	Nil	Maximum 25%

(b) 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 Scheme 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	Minimum 35%	Minimum 40%	Minimum 10%

For investors willing to seek exposure to Gold Sub-Fund, the following allocations shall apply

Allocation Scheme	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub Fund
Medium Volatility	Minimum 20%	Minimum 40%	Minimum 10%	Maximum 15%

(c) 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	Minimum 10%	Minimum 60%	Minimum 15%

For investors willing to seek exposure to Gold Sub-Fund, the following allocations shall apply

Allocation Scheme	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub Fund
Low Volatility	Minimum 5%	Minimum 60%	Minimum 15%	Maximum 5%

(d) 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. By investing only in debt and money market instruments, this scheme is thereby suiting Participants who have least risk tolerance.

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

For investors willing to seek exposure to Gold Sub-Fund, the following allocations shall apply

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

(e) 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	Gold Sub Fund
Customized	0-100%	0-100%	0-100%	0-100%

Note: Volatility here means the downwards or upwards change in Principal amount invested owing to change in price of the securities in the portfolio of a sub-fund.

(f) Life Cycle Allocation Scheme

This Allocation Scheme provides the Participants with an option to allocate their contributions in a pre-planned allocation strategy as per their age. The younger the

Participant the higher the allocation towards equity market due to his/ her risk-taking ability with reference to long term horizon.

Note: The Participant has an option to invest up to 25% of the exposure of Equity Sub-Fund in Gold Sub- Fund or as allowed by the Commission from time to time.

Age	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
18 – 30 years	75%	20%	5%
31 – 40 years	70%	25%	5%
41 – 50 years	60%	30%	10%
51 – 60 years	50%	30%	20%
61 years and above	0%	50%	50%

The exact exposure to each Sub-Fund within the Allocation Scheme ‘a’ to ‘f’ would be decided by the Pension Fund Manager from time to time and informed through Pension Fund Manager’s website.

- 6.13.3 In the event no choice is made by the Participant, a Pension Fund Manager, keeping in view the profile and age of the participant, shall allocate the Contributions preferably to an approved Lifecycle Allocation Scheme above.
- 6.13.4 If Pension Fund Manager want to provide additional allocation schemes or products, it may do so subject to the approval of the Commission.
- 6.13.5 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 warrant such change and such change shall be intimated to the Participants in a manner that the Pension Fund Manager may deem appropriate. The range between which the percentage allocations of each Allocation Scheme may be changed, which are based on the guidelines and criteria as announced by the Commission from time to time, are as given below:

Allocation Scheme	Equity Sub- Fund	Debt Sub- Fund	Money Market Sub-Fund
High Volatility	Minimum 65%	Minimum 20%	Nil
Medium Volatility	Minimum 35%	Minimum 40%	Minimum 10%
Low Volatility	Minimum 10%	Minimum 60%	Minimum 15%
Lower Volatility	Nil	Minimum 40%	Minimum 40%
Customized	0-100%	0-100%	0-100%
Life Cycle Plan	Automatically adjusts allocation from high-risk assets towards lower risk with the increasing age		

For investors willing to seek exposure to Gold Sub-Fund, the following allocations shall apply;

Allocation Scheme	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund
High Volatility	Minimum 40%	Minimum 20%	Nil	Max 25%
Medium Volatility	Minimum 20%	Minimum 40%	Minimum 10%	Max 15%
Low Volatility	Minimum 5%	Minimum 60%	Minimum 15%	Max 5%
Lower Volatility	Nil	Minimum 40%	Minimum 40%	Nil
Customized	0-100%	0-100%	0-100%	0-100%
Life Cycle Plan	Automatically adjusts allocation from high-risk assets towards lower risk with the increasing age			

6.13.6 The Participant shall have the option to change selection of Allocation Scheme to another Allocation Scheme being offered by the Pension Fund Manager as and when required till retirement. The form 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 to the new selected Allocation Scheme.

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

6.14 Allocation among the Sub-Funds

6.14.1 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 or as per clause 6.13.2 of this Offering Document. In the event no choice is made by the Participant, a Pension Fund Manager, keeping in view the profile and age of the participant, shall allocate the Contributions preferably to an approved Lifecycle Allocation Scheme.

6.14.2 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.

6.14.3 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 percentages selected by the participants or where no selection has been made according to the prescribed allocation scheme.

- 6.14.4 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.

6.15 Allocation Policy

- 6.15.1 A Participant has the option to select any Allocation Scheme in relation to the Contributions and shall make such selection at the date of opening his/her Individual Pension Account. A Participant may change any Allocation Scheme selected in relation to his/her Contributions to a different Allocation Scheme selected by him by sending Form of the change to the Pension Fund Manager as per the Allocation Policy approved by the Commission.
- 6.15.2 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.
- 6.15.3 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.
- 6.15.4 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.
- 6.15.5 If any Participant fails to select an Allocation Scheme at the date of opening Individual Pension Account, the Pension Fund Manager shall allocate Contributions of the Participant as per Clause 6.13.2 of this Offering Document.
- 6.15.6 The Default Allocation Scheme mentioned in above sub-clause, 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 participant Individual Pension Account.
- 6.15.7 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.
- 6.15.8 Individual Pension account shall not be subject to any lien, pledge or encumbrance, attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and on the bankruptcy of a participant, no sum shall pass to

any trustee or person acting on behalf of participant creditors “Provided that the individual Pension account can be subject to be pledge, lien or encumbrance against the loan or advance given by the employer to the employee”.

6.15.9 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.

6.15.10 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.

6.16 The Method of Determining Net Assets value of the Pension Fund

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

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

NET ASSET VALUE OF SUB FUNDS: Net asset value in relation to a Sub-Fund means the excess of total value of assets over total value of liabilities of the Sub -Funds. The values of assets and liabilities will be computed in the manner specified in the Rules, the Regulations or as may be specified by the Commission from time to time.

The Pension Fund Manager shall adjust the NAV of the Gold Sub Fund by a Price Adjustment Charge (PAC). The current level of PAC is mentioned in annexure C 1 to the document.

6.17 Frequency of Valuations of the Net Assets value and Dealings etc.;

6.17.1 The valuation of the Sub-Fund Units will be carried out on each Business Day and any other day determined by the Pension Fund Manager.

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

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

6.17.4 The Dealing Days shall be all Business Days when banks and stock exchange 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 cut off timing is disclosed in Annexure – C-1

6.17.5 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 and/or the Regulations, from time to time. Such sum shall be rounded off to the nearest four decimal places.

6.18 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 and Regulations without any need to register the supplementary Constitutive Documents.

6.19 The Mode of Announcement of Net Asset Value and unit price

The Net Asset Value of Units determined by the Pension Fund Manager shall be made available to the public on every dealing day at office of the Pension Fund Manager. The Pension Fund Manager shall also make it available on its website and website of Mutual Fund Association of Pakistan (MUFAP). Given that the current trading hours at PMEX for dealing in Gold Contracts is till 2:00am.(to take in account international closing price of Gold for a given day), the Pension Fund Manager shall announce the NAV of each sub fund on same day except, LIPF-Gold Sub-Fund's NAV that will be announced by 10:30 am on the next Dealing Day and shall communicate the same to MUFAP.

6.20 Payment of Proceeds on Withdrawals and Transfers

- 6.20.1 Payment of proceeds on withdrawals and transfers shall be determined as per the Rules and the Income Tax Ordinance, 2001.
- 6.20.2 The Trustee shall, at any time during the life of the Pension Fund, authorize withdrawal from the Individual Pension Account through withdrawal of Units of Sub Funds through the authorized Distribution Companies of the Fund.
- 6.20.3 The amount payable on withdrawal shall be paid to the Participant or, in accordance with the constitutive documents, to participant nominated successor(s), executors or administrators by crossed cheque, pay order, banker cheque 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 withdrawal Form" at any Authorized Branch.
- 6.20.4 On receiving the Early Withdrawal Form mentioned in above sub clause, complete in all respects, the Pension Fund Manager will withdraw the required Units of the Sub-Funds equal to the requested withdrawal amount at the Net Asset Value prevailing on the close of the Business Day on which the request was received.
- 6.20.5 In the event of notification of death, or retirement (through notice), the Pension Fund Manager shall automatically withdraw all the Units from the Sub-Funds of the respective Participant on the close of the Business Day at which the date of retirement falls or death of a Participant has been notified. The proceeds of Units redeemed will be credited to the Participant's Individual Pension Account. The Participants or their nominated successor(s), executors or administrators, as the case may be, shall be entitled to withdraw amounts from the Pension Fund in accordance with the provisions of the Trust Deed, the Rules and any circulars and notices.
- 6.20.6 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 as per the discretion of the participant 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 seven working days before the effective date of the proposed change.

- 6.20.7 Participants may make transfer requests, by filling the “Change of Pension Fund Manager/Pension Fund Form and submitting the same with any authorized Distributor or designated offices of the Pension Fund Manager.
- 6.20.8 On receiving a transfer request application mentioned in above clause, complete in all respects, the Pension Fund Manager shall redeem all Units of the Sub-Funds in the Individual Pension Account of the respective Participant and shall transfer the requisite encashed/ with draw amount to the requested pension fund/pension fund manager.
- 6.20.9 For the purposes of purchasing (issuance) and withdrawing (encashment) of Units of the respective Sub Fund, the Pension Fund Manager shall announce the Net Asset Value of each Sub-Fund at the close of each Dealing Day.
- 6.20.10 The Distribution Companies, Pension Fund Manager and Registrar shall verify the particulars given in the applications for withdrawals and transfers.
- 6.20.11 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.
- 6.20.12 In the event requests for transfer or withdrawal from the Pension Fund would result in withdrawal of Units on any day in excess of ten per cent (10%) of the issued Units of any Sub-Fund, the transfer or withdrawal requests so in excess may be deferred in accordance with the procedure set out in clause 6.22.4 of this Offering Document.
- 6.20.13 The receipt of a Participant or, in accordance with the Constitutive Document, of the participant executors, administrators or successors, or banking documents showing transfer to the Participant or, in accordance with the Constitutive Document, to the participant 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 Constitutive Document, to the participant 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.
- 6.20.14 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.
- 6.20.15 The method for payment of proceeds shall be subject to change due to any changes prescribed by the Commission under the Rules and such changes shall be deemed to become part of the Constitutive Document without the need to execute any Supplementary Offering Document.
- 6.20.16 The Pension Fund Manager may avail financing from any Islamic Bank or Islamic Window of Commercial Bank, with the consent of the Trustee for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such financing shall not exceed limits provided in the Rules.

6.21 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 Constitutive Document, to their executors, administrators or successors, as the case may be, applicable under the Income Tax Ordinance, 2001 and shall deposit the same in the Government treasury.

6.22 Dealing, Suspension, and Deferral of Dealing

6.22.1 Temporary Change in the Method of Dealing ‘Or’ Suspension of Dealing

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

6.22.2 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, 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 Clause 6.22.1, is suspended and shall also have that fact published, immediately following such decision, on its website whereby the Net Asset Values of the Units affected by any suspension of Contributions are normally published. The Pension Fund Manager shall also inform the respective existing unitholders about the fact while communicating that such unitholders are still eligible to make their respective contributions.

6.22.3 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 or POC 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.

6.22.4 Suspension of withdrawal of Units/ Withdrawal of Funds

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

- (a) Extraordinary circumstances including war (declared or otherwise), natural disasters, a major breakdown in law and order, breakdown of the communication system, closure of Stock Exchange on which any of the Securities invested in by the Pension Fund are listed, closure of banking system or strikes or other events that render the Pension Fund Manager 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 withdraw Units at a price so determined in accordance with the Net Asset Value (NAV) or redemption price of each sub fund, in case of LIPF- Gold sub fund PAC will be applicable on NAV. and
- (e) Execution of withdrawal of Units on any Dealing Day would result in more than ten percent (10%) of the issued Units of any Sub-Fund being withdrawn; provided that any suspension or deferral of withdrawal of Units shall not affect any Approved Income Payment Plans.

The Pension Fund Manager may announce, with the consent of the Trustee and intimation to the Commission, 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.

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

6.23 Queue system

If the Pension Fund Manager suspends or defers the withdrawal of Units of any Sub Fund, the

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

6.24 De-authorization and winding up of the Pension Fund

- 6.24.1 The duration of the Pension Fund shall be perpetual and shall not be wound up by way of liquidation.
- 6.24.2 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 or such other notice as allowed by the Commission, in writing to the Participants, the Trustee and the Commission, subject to conditions of the Rules and / or the Regulations.
- 6.24.3 In the event the Pension Fund Manager is of the view that the quantum of withdrawal requests that have built up shall result in the Sub-Funds or the Pension Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Participants who are not withdrawing, 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.
- 6.24.4 The Pension Fund may also be de-authorized by the Commission on the grounds provided in the Rules and / or the Regulations.
- 6.24.5 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 this clause, proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.
- 6.24.6 The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new Pension Fund Manager are audited by the Auditor of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the 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.
- 6.24.7 Once the Pension Fund has been de-authorized by the Commission, the Pension Fund Manager may, after transferring all the records of Individual Pension Accounts and books of accounts of

the Pension Fund to the new pension fund manager, wind up the Pension Fund under the provisions of the Rules and / or the Regulations and/or in the court of competent jurisdiction.

- 6.24.8 In case the Pension Fund Manager is found guilty and the Commission decides it to be managed by another Pension Fund Manager, its cost of audit should be borne by the existing Pension Fund Manager rather than the participants.

6.25 Features of Group Takaful in the Pension Fund

- 6.25.1 The Pension Fund may be marketed in conjunction with Group Takaful or any other Takaful scheme may offer Takaful coverage free to all Participants and if free Takaful coverage is not offered to Participant(s) then such supplementary schemes shall not be compulsory for all the Participants to join and the Trustee shall on the instruction of Pension Fund Manager deduct any Takaful contribution or Takaful premium only from the contributions of those participants who have opted to join and contribute to such schemes. However, it should be clearly understood that it is not mandatory for the Participants to opt for the Takaful scheme.
- 6.25.2 In the event the Participant opts for a Takaful coverage with one of the Takaful companies, the Participant will send the amount of the applicable Takaful premium along with participant contribution. The Trustee will pass on the Takaful contribution or Takaful premium to the Takaful Company on the instruction of the Pension Fund Manager as a free service to the participant.
- 6.25.3 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.
- 6.25.4 Complete details of Takaful benefits will be shared on the website of the Pension Fund Manager.

7 FEES, CHARGES AND EXPENSES

All the following fees and charges are subject to changes in Rules, Regulations and direction of Commission without any need to alter this Offering Document.

7.1 Front-end fee (Sale Charges) Out of the Contributions

- 7.1.1 The Pension Fund Manager may charge front-end fee (Sale Charges) up to maximum limit prescribed by the commission from time to time. Currently the limit is of front-end fee (sale charges) is up to 3% on all the contribution received from any participant of the pension fund. Unless such contribution is exempted from front end fee as prescribed in the rule.
- 7.1.2 The following contributions are exempt from Front-end fee (Sale Charges):
- (a) Incoming transfer of the Individual Pension Account from another pension fund manager to Lucky Islamic Pension Fund;
 - (b) Incoming transfer from pension policies approved under section 63 of the Income Tax Ordinance, 2001 and issued by Life /Takaful Companies before 30th June 2005; or
 - (c) Such other contributions/transfers as may be declared by the Commission from time to time to be exempt from Front-end fee (sale charges).

- 7.1.3 The remuneration of Distributors and Investment Facilitator / Sales Agents shall be paid from any Front-end fee (Sale charges) received by the Trustee and/or may be paid by the Pension Fund Manager when the Trustee pays the Front-end fee (Sale charges) to the Pension Fund Manager for onward payments to Distributors or Sales Agents.
- 7.1.4 Payments mentioned in above Clause shall be made by the Trustee on the instruction of Pension Fund Manager to the Pension Fund Manager, on monthly basis in arrears within thirty days following the end of the calendar month.
- 7.1.5 Any Distributor or 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 Pension Fund and then the Trustee shall, on the instruction of the Pension Fund Manager, remit the commission to the Distributor/ 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 (sale charges) to any Participant. Once the Pension Fund Manager has made an exception to reduce or waive the Front-end fee (Sale Charges) for a contribution, accepted that contribution without imposing a Front-end fee (Sale Charges), the Pension Fund Manager may not later recharge that Front-end fee (Sale Charge). However, the decision by a Pension Fund Manager to reduce or waive a Front-end fee (Sale Charges) 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 (Sale Charges) for other Participants' contributions or for future contributions of the same Participant.
- 7.1.7 The Front-end fee (Sale Charge) of up to 3% contribution may be subject to change due to any review by the Commission and any change shall be deemed to become part of Constitutive document.
- 7.1.8 **Price Adjustment Charges**

Price Adjustment Charges (PAC) means difference between the offer price and the bid price from the closing price of the Gold transactions (Contract) available at PMEX, which shall be added to and deducted from the NAV of the Gold sub fund to determine offer price and redemption price respectively. Such charges shall form part of Fund Property.

The Pension Fund Manager shall adjust the NAV of the Gold Sub Fund by a Price Adjustment Charge (PAC). The current level of PAC is mentioned in annexure C 1 to the document.

7.2 Remuneration of the Pension Fund Manager

- 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. The Management fee will be charged within allowed management fee caps viz., for Equity sub-fund up to 2.5%; Money Market sub-fund up to 1.0%; Debt sub-fund up to 1.25%; and Gold sub-fund up to 1.5%, calculated on a per annum basis of the average daily net assets of each sub fund during the year for determining the prices of the units of the Sub-Funds.
- Any costs related to government levies on the charging of management fees shall be excluded when calculating the management fee for compliance with the prescribed regulatory caps. However, for Total Expense Ratio disclosure to unit holders, all costs, including taxes, shall be fully disclosed.

- 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.
- 7.2.3 The Pension Fund Manager shall be responsible for the payment of all expenses it incurs from time to time in connection with its responsibilities as Pension Fund Manager. Pension Fund Manager shall not make any charge against the Participants or against the Fund Property or against any individual pension account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules, the Regulations and the constitutive documents to be payable out of Fund Property. In consideration of the foregoing and save as aforesaid and as provided the Pension Fund Manager shall be responsible for the payment of all expenses incurred by the Pension Fund Manager from time to time in connection with its duties as Pension Fund Manager of the Trust. The Pension Fund Manager shall also bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provision of the constitutive documents. In the event that a Pension Fund Manager erroneously makes an incorrect charge, the Pension Fund Manager shall credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.
- 7.2.4 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.
- 7.3 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 "A-2"**), 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 Constitutive document.
- 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 the constitutive document.
- 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 Formation Cost

Formation Costs, not exceeding 1.5 % of the Seed Capital of each Sub-Fund, can be charged to the Pension Fund and shall be amortized over a period of five years and shall not include any marketing, sales, promotional or educational, communication or any form of advertisement cost. Formation Costs, including expenditure incurred in connection with the establishment, authorization and registration of the Pension Fund, shall be borne by the Pension Fund and amortized over a period of five years.

7.5 Other expenses

Other expenses that shall be chargeable to the Pension Fund in accordance with Clause 7 shall include:

- (a) remuneration of the Pension Fund Manager;
- (b) remuneration of trustee;
- (c) charges and levies of stock exchange/Pakistan Mercantile Exchange (PMEX), national clearing and settlement company and central depository company;
- (d) auditors' fees and out of pocket expenses as billed by them;
- (e) fees payable to the Commission;
- (f) formation cost shall not exceed 1.5 per cent of the seed capital of each Sub-Fund which shall be amortized over a period of five years;
- (g) brokerage and transaction costs related to investing and disinvesting of the assets of the Pension Funds;
- (h) expenses incurred by trustee in affecting registration of all registerable assets in the name of the trustee;
- (i) legal and related costs incurred in protecting the interests of the participants of Pension Funds;
- (j) bank charges, borrowing and financial costs;
- (k) taxes, fees, duties and other charges applicable to Pension Funds on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made overseas;
- (l) shariah advisory fee
- (m) Any amount, which the Shariah Advisor may declare to be Haram and to be paid to Approved Charity Institution
- (n) custody and Takaful costs relating to the safekeeping of the physical gold in the vault(s) for Commodity Funds; and
- (o) any other expense or charge as may be allowed by the Commission."

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

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

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

7.6.3 All other expenses shall be charged to Sub-Funds in proportion to their respective Net Assets and/ or on actual basis depending on the nature of the expense.

8 INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

8.1. Objective of the Lucky Islamic Pension Fund

The objective of Lucky Islamic Pension Fund is to provide individuals with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed

by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.

8.2. Investment Policy of the Pension Fund

- 8.2.1 The Pension Fund Manager shall invest assets of the Pension Fund in those securities which are declared eligible by the Shariah Advisor of the Pension Fund.
- 8.2.2 The Pension Fund Manager shall make investment of the Pension Fund in a transparent, efficacious, prudent and sound manner. The Pension Fund will initially consist of four Sub Funds.
- 8.2.3 Prior to the Contribution Date the Trustee shall hold the Trust Property in respect of each Sub-Fund in cash in a separate account for each Sub-Fund with a Commercial Bank having at least the minimum rating by a credit rating agency as specified by the Commission or shall invest such cash in short term money market investments, as advised by the Pension Fund Manager. Any income from such investments shall accrue to the Sub Fund to which it pertains. After the Contribution Date all cash shall be invested by the Trustee strictly in compliance with the Investment Policy at the direction of the Pension Fund Manager, in Authorized Investments or in cash.
- 8.2.4 All the investments of the Lucky Islamic Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Subject to prior approval of the Commission and Shariah Advisor, the Pension Fund may invest in foreign Shariah Compliant securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.

8.3. Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Equity Sub Fund

- 8.3.1 The Investment Objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Capital Markets.
- 8.3.2 The Investment limits of the Equity Sub Fund are determined by the Commission. The current Investment policy/limits for equity sub-fund as stated below:
 - (a) Assets of Equity Sub-fund shall be invested in Shariah Compliant equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a Stock Exchange and Equity sub-fund shall be eligible to invest in units of Shariah Compliant Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with;
 - (b) At least ninety percent (90%) of Net Assets of an Equity Sub-fund shall remain invested in listed Shariah Compliant equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis;
 - (c) Pension fund manager may make investment maximum up to 5% of net assets of Equity Sub-Fund in units of Shariah Compliant Private Equity and Venture Capital Funds registered under Private Funds Regulations 2015;

- (d) Pension fund manager may make investment maximum up to 10% of net asset; of Equity Sub-Fund in public offering and pre-initial public offering of Shariah Compliant equity securities;
- (e) Investment in Shariah Compliant equity securities of any single company shall not exceed fifteen percent (15%) of Net Assets for Equity Sub-Fund or paid-up capital of that single company, whichever is lower;
- (f) Pension fund manager may invest up to thirty five percent (35%) or the index weight, whichever is higher, subject to maximum of Forty percent (40%) of net assets of an Equity Sub-Fund in Shariah Compliant equity securities of companies belonging to a single sector as classified by Pakistan Stock Exchange;
- (g) Pension Fund Manager may invest any surplus (un-invested) funds in Shariah Compliant government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A"; and
- (h) Pension Fund Manager shall ensure that the investment in Shariah Compliant equity securities of the following, companies shall not exceed 10% of the net assets of the equity sub fund on monthly average basis:
 - a. Company is not traded on regular trading counter of the Pakistan Stock Exchange;
 - b. The minimum free float of the company is less than 15% of total outstanding shares;

Provided that this clause shall not be applicable on equity securities which are part of KMI-30 index at the time of investment. However, in case an equity security is subsequently excluded from KMI-30 index, the Pension Fund Manager shall re-balance the portfolio and ensure compliance within six months of such index re-composition.

 - c. The securities of the company are traded less than 50% of the total trading days during the last six months or from the date of listing as the case may be; and
 - d. Company's paid up capital is fully eroded owing to accumulated losses as per the annual audited account or half yearly limited scoped reviewed accounts, whichever is latest.
 - e. The Pension Fund Manager shall not invest the Net Assets of the Equity Sub Fund in any company against which winding-up proceedings have been initiated and/ or a qualified opinion on the going concern assumption has been issued by its statutory Auditor.

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

- i. A show cause notice for winding-up has been issued to the company by the Commission.
- ii. Winding-up petition is filed by creditors with a claim equivalent to at least 10% of the equity of the company as per latest accounts.
- iii. Winding-up petition is filed by the shareholders who own at least 10% of the company's paid-up capital.
- iv. Voluntary winding-up proceedings have commenced through passing of special resolution.

8.4. Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Debt Sub Fund

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

8.4.2 The investment limits of the Debt Sub Fund are determined by the Commission. The current Investment policy/limit for debt sub-fund as stated below:

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

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

- (b) Rating of any security in the portfolio shall not be lower than A+;
- (c) Rating of any bank and DFI with which funds are placed should not be lower than A+;
- (d) Rating of any NBFC and Mudaraba with which funds are placed shall not be lower than AA;
- (e) At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks (excluding TDRs) or government securities not exceeding 90 days' maturity;
- (f) Exposure to any single entity shall not exceed 15% of net assets of debt sub fund;
- (g) Exposure in debt security of an entity shall not exceed 15% of net assets for debt sub fund or 10% of size of the issue of that debt security, whichever is lower;
- (h) The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;
- (i) Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of Debt Sub-fund;
- (j) A pension fund manager shall not place funds (including Islamic TDR, PLS Saving Deposit, COD, COM, COI, money market placements and other clean placements) of more than 25% of net assets of debt sub-fund with all microfinance banks, non-bank finance companies and Mudarabas;
- (k) The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government; and
- (l) Rating of microfinance banks with which funds are placed shall not be lower than A+

8.5. Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Money Market Sub-Fund

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

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

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

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

- (b) Rating of any security in the portfolio shall not be lower than AA;
- (c) Rating of any bank and DFI with which funds are placed should not be lower than AA;
- (d) Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA;
- (e) At least 10%, of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days' maturity;
- (f) Exposure to any single entity shall not exceed 15% of net assets for money market sub fund;
- (g) Exposure in security of entity shall not exceed 15% of net assets for money market sub fund or 10% of size of the issue of that security;
- (h) The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;
- (i) Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund;
- (j) A pension fund manager shall not place funds (including Islamic TDR, PLS Saving Deposit, COD, COM, COI, money market placements and other clean placements) of more than 25% of net assets of money market sub-fund with all microfinance banks, non-bank finance companies and Modarabas;
- (k) The weighted average time to maturity of assets of a Money Market Sub-fund shall be up to one (1) year, and
- (l) Time to maturity of any asset in the portfolio of Money Market Sub-fund shall not exceed six (6) months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be up to five (5) years.

8.6. Investment Objective and Investment Policy of the Lucky Islamic Pension Fund - Gold Sub-Fund

- 8.6.1 The Investment Objective of the Gold Sub-Fund is to earn returns by taking exposure to the prices of Gold in a Shariah Compliant manner, by investing the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange.
- 8.6.2 The Investment policy/limits of the Gold Sub Fund are determined by the Commission. The current Investment policy/limits for Gold sub-funds as stated below:
- a. The Gold Sub-fund of the Pension Fund shall invest only in those gold contracts that are traded at the Pakistan Mercantile Exchange;
 - b. The Shariah compliant Gold Sub-fund shall only invest in contracts traded at Pakistan Mercantile Exchange, for gold which deliverable contracts and storage options are available;
 - c. At least seventy percent (70%) of Net Assets of the Gold Sub-fund shall remain invested in gold contracts during the year based on rolling average investment of last ninety (90) days calculated on daily basis;
 - d. At least 10% of the net assets of the Gold Sub-fund, based on quarterly average investment calculated on daily basis, shall remain invested in shariah compliant government securities having less than 90 days' time to maturity or kept as deposits with Islamic Banks, having not less than A plus rating or Islamic Banking Windows, having not less than AA (Double A) rating;
 - e. The PFM 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 Islamic Banks or Islamic Banking Windows which are rated not less than AA (Double A) by a rating agency registered with the Commission;
 - f. The PFM of the Gold Sub-fund shall invest only in Shariah compliant assets;
 - g. The PFM shall follow forward pricing mechanism for the Gold Sub-fund and shall mark to market on daily basis the exposure of the Commodity Sub-fund in commodities.
 - h. The PFM shall ensure that before launch of the any Commodity Sub-fund, it possesses sufficient systems and employs capable human resource, which includes qualified fund managers with requisite skill set to understand and deal in commodities.

8.7. Investment Restrictions

- 8.7.1 The Fund Property shall be subject to such exposure limits as are provided in the Rules, the Regulations, the Circulars, subject to relaxations granted by the Commission from time to time.
- 8.7.2 The Fund shall not at any time:
- 8.7.2.1 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;
 - 8.7.2.2 pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund;
 - 8.7.2.3 Purchase from or sell any security to any connected person or employee except with the approval of its Board of Directors in writing and consent of the Trustee
 - 8.7.2.4 participate in a joint account with others in any transaction; except for placement of orders under a single Universal Identification Number (UIN) subject to mechanism approved by the commission

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

8.8. Financing Restriction

- (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 Islamic Banks or Islamic 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. Such financing shall not exceed fifteen percent of the total net assets value of the pension fund at any time, and shall be repayable within a period of ninety days.

- (b) The charges payable to any Islamic Bank or Islamic Financial Institution against financings on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.
- (c) 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.
- (d) 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 from Islamic Banks and Islamic 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.
- (e) 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.
- (f) 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 Offering Document.

8.9. Participants Rights in terms of Investment Choice

The Participant has a right to allocate their Contributions between the four 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.

8.10. Risk Disclosure

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

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

- (1) **Equity Risk:** Share prices are generally volatile and may go up or down because of their dependence on market sentiments, speculative activity, supply and demand for the shares and liquidity in the market. Mutual funds that purchase shares become part owners in the companies. The companies' performance, domestic and/or industry outlook with respect to technological and consumer behavior dynamics, market activity and the larger economic scenario influence the price of these shares. Moreover, lack of trading in the investee companies' securities may result in liquidity crisis. When the economy is expanding, the outlook for many companies is positive and the value of these shares may

rise, and vice versa. Share prices are also affected by the quality of the management of investee companies.

- (2) **Government Regulation Risk** - Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- (3) **Credit Risk** - Credit Risk comprises default risk, credit spread risk and down grade risk. Each can have negative impact on the value of the income and money market instruments including Sukuks etc.
- (4) **Default Risk** - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all;
- (5) **Country or Political Risk** – The uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as break down of law and order, war, natural disasters, etc. and any governmental actions or legislative changes or court orders restraining payment of principal or income.
- (6) **Price Risk** - The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.
- (7) **Liquidity Risk** – Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.
- (8) **Settlement Risk** – At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.
- (9) **Reinvestment Rate Risk** – In a declining interest/ markup rate economic environment, there is a risk that maturing securities or coupon payments will be reinvested at lower rates, which shall reduce the return of the Fund compared to return earned in the preceding quarters.
- (10) **Sovereign Risk** - Payment of bonds/ notes may be affected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.
- (11) **Events Risk** - There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.
- (12) **Withdrawal Risk** - There may be special circumstances in which the withdrawal of Units may be suspended or the withdrawal payment may not occur within six working days of receiving a request for withdrawal from the participant.
- (13) **Shariah non-compliance Risk:** The risk associated with employing funds in investments that are not consistent with the Principles of Shariah.

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

8.11. Other Risks Involved:

- (a) Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made.
 - (b) Breakdown of law and order, war, terrorist activity, natural disasters etc.
 - (c) Senior rights of some stake holders over other stake holders in the event of winding up.
- 8.11.1 Under exceptional (extraordinary) circumstances, the Pension Fund Manager may suspend withdrawal, invoke a queue system or announce winding-up of the Fund. In such events, the participant will probably have to wait for payment beyond the normal period and the withdrawal amount so determined may be lower than the price at the time the withdrawal request was lodged. Participants are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.
- 8.11.2 Risk specific to foreign investments: The Fund may invest outside Pakistan & such investments may be exposed to additional risks including political, economic & exchange rate risks that may reduce the value of the investments. However, evidence shows that diversifying internationally tends to reduce the overall volatility of the portfolio and thus may reduce risks for participants.
- 8.11.3 Investment in the Islamic Pension Fund is suitable for participants 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.
- 8.11.4 There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'Category'. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment- specific issues. Participants 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) will remain available on the website of the Pension Fund Manager (PFM) and can be obtained by calling / writing to the PFM.
- 8.11.5 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.

8.12. Disclaimer

- (a) The Units of the Sub Funds of the Pension Fund are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the Commission, the Stock Exchanges, any government agency, the Trustee or any of the sponsors, shareholders or employees of the Pension Fund Manager or any of the investors of the Seed Capital Units or any other Islamic Bank or financial institution.
- (b) Investment Risks and Tax Implication: All investments in the Pension Fund are subject to market risks. The value of such investments varies subject to market fluctuations and risks inherent in all such investments. Participants should read this Offering Document carefully to understand the investment policies, risks and tax implication and should consult legal, financial or tax advisors before making any investment decision.
- (c) Withdrawals from the Pension Fund before the retirement age is subject to tax under the provisions of the Income Tax Ordinance, 2001 and the Rules.
- (d) The target return of the Sub-Funds cannot be guaranteed. It should be clearly understood that the portfolio of the Sub-Funds is subject to market fluctuations and risks inherent in all such investments.
- (e) It should be noted that the value/price of Units of the Sub-Funds can fall as well as rise.
- (f) It should be noted that under certain circumstances the withdrawal from the Pension Fund may be restricted or subject to tax penalties.
- (g) It should be noted that there will be no dividend distribution by the Sub-Funds.

9 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 Lucky Islamic Pension Fund**”. No contribution should be made in the form of cash or any bearer instrument.

10 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.

11 TAXATION

11.1 Tax Credit for Contributions to the Pension Fund

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

11.2 Tax Exemptions

Total income of the Pension Fund approved by the SECP under the VPS Rules, 2005, will be

exempt under the Second Schedule of the Income Tax Ordinance, 2001.

11.3 Withholding Tax

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

- a) Withdrawn before the age of retirement, provided that tax shall not be withheld in the following cases:
 - eligible person suffering from any disability which render him unable to continue with any employment at the age which he may so elect to be treated as retirement age or the age as on the date of such disability if not so elected by him/her; or
 - on the share of the nominated survivor of the deceased eligible person.
- b) Withdrawn, if in excess of fifty per cent of his accumulated balance at or after the retirement age, provided tax shall not be withheld in the following cases.
 - the balance is invested in an approved income payment plan;
 - the balance is paid to Takaful company for the purchase of an annuity plan;
 - the balance is transferred to another individual pension account of the eligible person; or
 - the balance is transferred to the survivors approved pension account in case of the death of the eligible person.

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

$$A/B$$

Where,

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

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

11.4 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 withdrawal price under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from withdrawal payment, and paid into the Government Treasury.

11.5 Disclaimer

The tax and Zakat information given above is based on the Pension Fund Manager's interpretation of the law which, to the best of the Pension Fund Manager's understanding, is correct but 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.

12 INCOME PAYMENT PLAN

12.1 Introduction

LUCKY ISLAMIC INCOME PAYMENT PLAN

- a) Lucky Islamic Income Payment Plan (LIIPP) is a plan offered by Lucky Investments Limited (the “Pension Fund Manager”) to the participants of Lucky Islamic Pension Fund (LIPF) or other pension schemes managed by Approved Pension Fund Managers in Pakistan, effective after the retirement of the Participants.
- b) LIIPP intends to provide Participants monthly pension income from outstanding balance in his/her individual pension account or amount transferred from other Pension Fund Manager on or after retirement.
- c) The balance in the Participants Individual Pension Account on retirement after a lump-sum withdrawal (if any) will be allocated between “Growth Segment” and “Income Segment” (as per choice of Participants).
- d) The Monthly Income Payment Plan will commence from the date Participant opts for Lucky Islamic Income Payment Plan. However, monthly income payment will be made within six (6) Business Days from the date of last day of every month.
- e) At the expiry of the Income Payment Plan, the participant shall have option to use the outstanding balance in his Individual Pension Account to subscribe for an annuity or opt an Income Payment Plan for another term or withdraw the amount from his account.
- f) All transactions under this arrangement are governed by the Trust Deed and Offering Document of LIPF, NBFC & NE Regulations 2008 and VPS Rules 2005, as amended from time to time.
- g) The Shariah Advisor of the Fund has reviewed this Income Payment Plan and provided consent that this Document adheres to the principles of Shariah.
- h) 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.

12.2 RETIREMENT

Retirement Age: The Participants may choose their age of retirement between sixty and seventy years or twenty-five years since the age of first contribution to a Pension Fund, whichever is earlier, (or in case of disability, as per the procedure laid down in this document or as may be allowed by the Commission under the VPS Rules 2005).

Provided that the participant may change his retirement age between sixty and seventy years by giving notice in writing to the Pension Fund Manager.

Date of Retirement: Pension Fund Manager shall send a notice to a participant at least thirty days before the chosen date of retirement informing him/her the options available to him/her on retirement. The notice may be sent physically on the registered mailing address of the Participant as well as through electronic means.

12.3 ELIGIBILITY TO SUBSCRIBE LIIPP

- a) LIIPP is offered to the participants of the LIPF on or after reaching the Retirement Date, as

decided by the Participant.

LIIPP is also offered to the Participants of other approved voluntary pension schemes, after the Retirement Date of Participant.

12.4 OPTIONS AVAILABLE WITH LIIPP:

- After the retirement the Participant can withdraw any amount from the total accumulated balance, subject to tax under the provisions of the Income Tax Ordinance, 2001 and the Rules.
- To use the balance amount after the withdrawal as mentioned in above para; invest the amount either to subscribe the approved annuity plan or in any approved Income Payment Plan from Pension Fund Manager.

Upon selecting the LIIPP, the fund will be allocated into two segments, “**Growth Segment**” and “**Income Segment**”, the participants will have following options:

Amount Allocated in Growth Segment:

The **Growth Segment** of LIIPP is allowing potential long-term capital appreciation through investment of funds based on desired risk exposure of Participants.

The Participant may allocate any amount, which shall be invested in the sub-funds of Lucky Islamic Pension Fund according to the Participant’s desired risk exposure, within the following prescribed allocation limits.

Age / Risk Tolerance	High	Medium	Low	Customized
60-65 Years				
Equity Sub Fund:	40%	30%	20%	100%
Debt Sub Fund:	50%	40%	30%	100%
Money Market Sub Fund:	10%	30%	50%	100%
65-70 Years				
Equity Sub Fund:	30%	20%	10%	100%
Debt Sub Fund:	40%	30%	20%	100%
Money Market Sub Fund:	30%	50%	70%	100%
70 Years till maturity				

Equity Sub Fund:	20%	10%	0%	100%
Debt Sub Fund:	30%	20%	10%	100%
Money Market Sub Fund:	50%	70%	90%	100%

Note: Risk Tolerance will be determined by the Pension Fund Manager according to parameters mentioned in the IPP form and shall be signed by the Participant. Participant can also opt for customized allocation. By selecting customized allocation scheme, risk tolerance will be compromised.

Amount Allocated for Income Segment:

The **Income Segment** of LIIPP refers to the portion of the investment where Participants will generate regular income. This segment typically invests in debt securities, fixed-income instruments, which provide a relatively stable source of income.

The remaining amount after the allocation of funds for Growth Segment, will be invested in sub-funds in one of the following Allocation.

	Debt Sub Fund	Money Market Sub Fund
Low Volatility	40%	60%
Lower Volatility	20%	80%
Customized	100%	100%

Frequency of Change of Allocation

The Participant may increase or decrease the allocation of Growth Segment between 0% to 35% of total contribution of Participant in Growth Segment and may also revisit the desired risk exposure for Growth Segment allocation by informing the Pension Fund Manager through prescribed Form, only once in a year.

Further the Participant may also change the allocation of investment in Income Segment by informing the Pension Fund Manager through prescribed Form, only once in a year.

Withdrawal of Amounts

The Participant may withdraw the entire balance or any amount from his/her account during the term or at the expiry of the LIIPP, as allowed under the VPS Rules and subject to relevant tax laws under the Income Tax Ordinance, 2001.

Monthly Pension Payment:

Following option are available to the Participant in income payment plan.

i) Option 1:

Upon entering the plan, remaining balance in LIIPP Income Segment shall be divided into the number of months as per the term of the plan opted by the Participant, with an objective of redeeming such number of units of the respective sub-funds of LIPF equal in value to the pension for the month at the prevailing NAV of the respective sub fund of LIPF at the close of the last business day. This exercise shall be undertaken at the end of each year by dividing balance amount with the remaining number of years. Pension Fund Manager may revise Participant's monthly pension payments (based on number of units redeemed), in case of any partial withdrawals or any other related transactions affecting account balance.

ii) Option 2:

Balance to remaining number of Months Methodology, the total remaining balance at the end of each month shall be divided into the remaining number of months of the selected plan.

Note: The invested amount may deplete before the term of the Plan depending on the capital market conditions and level of interest rates.

The pension amount shall be paid to the Participant by direct transfer to the Participant's designated bank account or a crossed cheque/ demand draft for the amount will be dispatched to the registered address of the Participant, within six (6) Business Days from the date of last day of every month until the end of LIIPP.

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 LIPF are listed, closure of the banking system, strikes or other events that render the Pension Fund Manager or Trustee 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.

12.5 PROCEDURE TO JOIN LUCKY ISLAMIC INCOME PAYMENT PLAN

- a) In case of existing Participants of LIPF, who wish to subscribe to LIIPP will be required to sign up for it by filling out a IPP Investment Form and submitting the required documents.
- b) In case of the Participants of other approved voluntary pension schemes, the Participant will be required to fill the LIIPP application Form, giving details of his/her approved voluntary pension fund and submitting the required documents. Afterwards, the Participant will be required to transfer funds from his/her existing voluntary pension fund or Income Payment Plan into LIIPP.
- c) The Participant shall submit the completed LIIPP Application Form to any of the authorized branches of the Distribution Companies or send directly to Lucky Investments Limited. Only the Pension Fund Manager and authorized branches of Distribution Companies are authorized to collect Application Forms for LIIPP.

12.6 INVESTMENT POLICY

The investment in sub-funds of LIPF shall be subject to the Trust Deed, Supplementary Trust Deeds, Offering Document and Supplementary Offering Documents of LIPF. The investments in the sub-funds of LIPF under the LIIPP will be in accordance with the Investment Policy prescribed by the SECP as per the Voluntary Pension System Rules, 2005 and/or Non-Banking Finance Companies and Notified Entities Regulation, 2008 as amended or substituted from

time to time, including any directives given by the SECP.

12.7 FEES AND CHARGES

- a) No front-end load shall be charged for transfer of accumulated balance from the Individual Pension Account of the Participants to the LIIPP. Front-end load shall also not be applicable on Participants on transferring their balance from any other approved voluntary pension fund or such other schemes/type of Participants, as allowed in the VPS Rules. There will also be no back-end load/charges on the withdrawal/ payment of monthly pension.
- b) No front-end load shall be charged on change of allocation of investment in Growth Segment and Income Segment as allowed under this section of Offering Document.
- c) The Pension Fund Manager shall not be entitled to an additional annual management fee from this plan.

12.8 DEATH OF PARTICIPANT

In the unfortunate event of the death of any Participants, the nominated survivors (according to the succession certificate issued in accordance with law for the time being in force) shall be the person(s) recognized as having any entitlement to the remaining balance of the deceased Participants. In case no nominations have been made, the executors, administrators or succession certificate holder of the deceased Participants shall be the only person recognized as having entitlement to the outstanding balance.

12.9 ROLE OF TRUSTEE OF LUCKY ISLAMIC PENSION FUND

- a) The balance of the Participants joining LIIPP will be invested in the sub-funds under LIPF and all assets of the sub funds will be under the custody of the Trustee of LIPF.
- b) The Trustee of LIPF shall ensure that units of the sub funds of LIPF allotted to the Participants joining LIIPP are allocated at the prevailing NAV of the respective sub-funds at the day end on which the balance of the Participants is credited into the bank account of LIPF. Similarly, the Trustee of LIPF shall also ensure that for the payment of monthly pension units are redeemed at the prevailing NAV of respective sub-fund of LIPF 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.

Since all the amounts of the Participants joining LIIPP will be invested in sub-funds of LIPF, the role and duties of the Trustee of LIPF, as mentioned under the relevant clause(s) of the Constitutive Documents of LIPF and as defined under the VPS Rules, NBFC & NE Regulations shall also apply.

12.10 SERVICES TO THE PARTICIPANT

- a) Availability of Forms - All the forms relating to the LIIPP will be available at all the Authorized Branches of all Distribution Companies as well as from the Pension Fund Manager and from its website i.e. www.luckyinvestments.com.pk
- b) **Register of the Participants..**
 - i) 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.

- ii) A Register of the Participant shall be maintained by the Pension Fund Manager or the Registrar at its place of business and inform the Commission of the address where the register is kept. The Register will contain at least such minimum information as required as per the guidelines of the Commission. Such Register shall also be accessible by the Trustee. Register shall be conclusive evidence as to the LIIPP account balance held by each Participant. 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. The Participant shall notify, in writing, or in any such form as may be acceptable to the Pension Fund Manager, any change of name or address or any other particular to the relevant Authorized Branch of the Distribution Office, or to the Pension Fund Manager. The Distribution Office will forward such application to Pension Fund Manager or Registrar, who on being satisfied therewith and on compliance with such formalities shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Account Statement to such Participant, subject to fulfillment of formalities evidencing change of name satisfactory to the Registrar.
- iii) The Participant shall be the only person to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to such Units held in his/her name in each sub-fund of the LIIPP, and the Trustee, the Pension Fund Manager and the Registrar may recognize the Participant as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by competent authority or any court of competent jurisdiction.

12.11 DISCONTINUATION OF THE LUCKY ISLAMIC INCOME PAYMENT PLAN

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

12.12 VALIDITY OF THE TERMS OF THE LUCKY ISLAMIC INCOME PAYMENT PLAN

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

12.13 TAXATION ON PARTICIPANTS OF INCOME PAYMENT PLAN

- a) Monthly payments to the Participants are subject to applicable taxes (if any).
- b) Premature withdrawal from growth or income segment are also subject to applicable taxes.
- c) Balances available in growth and income segments at the end of the tenure of the plan are subject to applicable taxes (if any).
- d) 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 LIIPP or to subscribe to the Units of the LIIPP and may not apply equally to all persons. It is recommended that the Participants of LIIPP should seek professional tax advice from an independent tax consultant regarding their own personal circumstances.
- e) The transfer of any accumulated balance from Participant's Individual Pension Fund Account to LIIPP offered by the Pension Fund Manager shall not be subject to withholding tax.

12.14 RISK FACTORS AND DISCLAIMER

The investments under LIIPP will be in the sub-funds of the LIIPP. The sub-funds of LIIPP, according to their nature, 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 LIIPP.

- a) The return of the LIIPP 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.
- b) The liquidity of the LIIPP investments is inherently restricted by the trading volumes in the securities in which the LIIPP invests.
- c) investors of the Plan are not offered any guaranteed returns.
- d) The Fund is subject to being wound up under certain circumstances as explained in the Offering Document. In the event of the LIIPP being wound up, the LIIPP 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.
- e) The balance amount in the Growth Segment, may vary depending on the capital market conditions and level of interest rates.
- f) 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 (Growth segment), may deplete depending on the capital market conditions and level of interest rates.
- g) The principal balance in the Income Segment, may be used for monthly payment to the Participants, in case available profit is less than the monthly payment.

Disclaimer:

- o All investments through LIIPP 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 carefully to understand the investment policies, risks and tax implication and should consult their legal, financial or tax adviser before making any investment decisions.
- o The tax information given in this document is based on the Pension Fund Manager's interpretation of the law. However, Participants are advised to seek independent advice from your tax advisors to determine the tax related issues arising from your investment through LIIPP.

13 REPORTS AND ACCOUNTS**13.1 Fund Accounts**

- a) Pension Fund Manager shall prepare Financial Accounts and Reports required under Rules and Regulations for Lucky Islamic Pension Fund including Sub-Funds as prescribed by the Commission from time to time.
- b) Annual Shariah Review Report as required under regulation 23(2) of Shariah Governance Regulations, 2023, shall also form part of annual report.
- c) Details of any shariah –non compliant asset or liability or income as on reporting date if any along with the reasons and justifications and treatment. mentioned in annual report
- d) Accounting Policies with respect to such standards of Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) or other standard setting organisation as notified by commission will be mentioned in annual report.

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 to Obligations of Pension Fund Manager.

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

13.4 Periodic Reports to be sent to Commission

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

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 website and may also be requested via post. Sales Agents will also have sufficient stocks of such forms.

14.2 Register of Participants

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

14.2.2 The Pension Fund Manager shall ensure that the Registrar 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 Commission may however at any time inspect, remove or take possession of the register without any prior notice.

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

The Register shall, in respect of each Participant, contain the information required by or under the Rules and shall, at the minimum contain the following information:

- a) Registration Number
- b) Individual Pension Account Number
- c) Full name, father's name, residency status, CNIC number (in respect of Pakistan nationals or NICOP number (in respect of overseas Pakistanis), POC Number, National Tax Number and addresses of Participants;
- d) If the Participant is registered through an employer:
 - i. Employer's number
 - ii. Registered address
 - iii. National Tax Number

- iv. Number of employees contributing in VPS; and
 - v. Employer's contact details
 - e) Date of birth and sex of the Participant
 - f) complete record of the amount and date of each Contribution paid by the Participant;
 - g) complete record of the amount and date of each Contributions paid on behalf of the Participant by the employer;
 - h) date and amount of incoming and outgoing transfers to and from the Participant's Individual Pension Account;
 - i) the number of Sub-Fund Units allocated and held in the name of the Participant in the Individual Pension Account or balance of the Participant's Approved Income Payment Plan;
 - j) the date on which the name of the Participant was entered in respect of the Sub-Fund Units standing in his name;
 - k) tax/ Zakat status of the Participant;
 - l) record of specimen signatures of the Participant information on retirement of the Participant and the payments made or to be made thereupon or thereafter
 - m) information on retirement of the Participant and the payments made or to be made thereupon or thereafter
 - n) information on death of Participant and transfers made to the Participant's heirs; and
 - o) such other information as may be specified by the Commission or required by the Pension Fund Manager.
- 14.2.4 The Register shall be conclusive evidence as to the Units of Sub-Funds held in a Participant's Individual Pension Account or balances of the Participant's Approved Income Payment Plan Account balances held by each participant.
- 14.2.5 Any change of address or status of any Participant shall forthwith be notified in writing to the Registrar who, upon being satisfied with the supporting evidence provided therefor, shall update the Register with the change accordingly.
- 14.2.6 The Participant or their successors (in case of death of the Participant), 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 the Units held by the Participant 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.
- 14.2.7 Upon being satisfied that any Contribution has been received by the Trustee in cleared funds from any Participant, the Registrar shall, within one week (seven days) of the receipt of the Contribution, issue an account statement that shall constitute evidence of the number of Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan balances registered in the name of the Participant and shall contain such other information as may be 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.
- 14.2.8 While making payment of the benefits from the Pension Fund to any Participant, the Pension Fund Manager shall ensure that adequate description of the reasons for the payment (for example, retirement, disability, death benefit) is mentioned in the Register.

- 14.2.9 The Pension Fund Manager shall ensure that the information on the Register shall remain accessible for three years after the last amount in relation to the Pension Fund payable to the Participant, to any other Pension fund manager nominated by the Participant to which the Individual Pension Account has been transferred or to any successors of the Participant, has been paid.

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.

15. WARNINGS, INVESTMENT RISKS AND TAX IMPLICATION:

All investments in Lucky 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 is 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 Insurance Ombudsman appointed under Section 125 of the Insurance Ordinance, 2000. (XXXIX of 2000). The Insurance Ombudsman shall have all the powers and shall follow the procedures as required under PART XVI of the Insurance Ordinance, 2000.

16.1 Procedure for lodging a complaint with the Federal Insurance Ombudsman

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

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

Provided that the Insurance/ Takaful Ombudsman may, if satisfied that there were reasonable grounds for the delay in filing the complaint, condone the delay and entertain the complaint.

- (c) The Insurance/ Takaful Ombudsman may adopt any procedure he considers appropriate for investigating a complaint.

Provided that he shall not pass any order against the Pension Fund Manager without first giving it a notice and an opportunity to be heard.

- (d) Subject to Section 128 of Insurance Ordinance, 2000, the Insurance/ Takaful Ombudsman shall not have any power to issue an order in the nature of a stay order or to entertain any complaints if the matter is pending before a Court, Tribunal or other legal forum.
- (e) The Insurance/ Takaful Ombudsman may reject a complaint summarily or he may accept the same or pass any other order he deems fit.

Provided that in each case he shall pass a reasoned order for participant decision.

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

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

16.2 Contact Details of Office of Federal Insurance Ombudsman

The Present Insurance Ombudsman and participant contact details are as follows:

Federal Insurance Ombudsman Office 2nd Floor, Pakistan Red Crescent Society, Annexe Building, Plot # 197/5, Dr. Daud Pota Road, Karachi. Phone: 021-99207761-62

17. TRANSACTIONS WITH CONNECTED PERSONS

No Pension Fund Manager on behalf of the Pension Fund shall take exposure in any form or invest in debt or equity securities of connected persons or purchase from or sell any security to any of the Connected Person except with the approval of its Board of Directors in writing and consent of Trustee

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

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

corporate members of any Stock Exchange). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

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 the constitutive document or the Rules, it shall be referred to an authority as provided in the Rules.

20. GENERAL INFORMATION

The Constitutive Documents concerning the Lucky Islamic Pension Fund may be inspected at the registered office of the Pension Fund Manager at, **Lucky Investments Limited, Ground Floor Finance and Trade Center (FTC), Karachi, Pakistan.**

21. STATEMENT OF RESPONSIBILITY

LUCKY INVESTMENTS 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

- (a) The Pension Fund Manager 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.
- (b) The Trust may also be terminated by the Commission on the grounds provided in the Rules.
- (c) 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.
- (d) 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.
- (e) 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. Pension Fund Manager, 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.
- (f) The Trustee, subject to **clauses 22.1(d) and 22.1(e)**, on the recommendation of Pension Fund Manager 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.

- (g) Thereafter, the Pension Fund Manager shall proceed to dissolve the Pension Fund under the relevant law and in the court of jurisdiction.

23. GENERAL

- (a) 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 participant address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- (b) In case a general notice is required to be served upon all the Participants, through newspaper, the Trustee or the Pension Fund Manager shall advertise any such notice in any leading daily newspapers in Pakistan having primary circulation in Karachi, Lahore and Islamabad. The cost of issuing and publishing a general notice shall be charged to the Trust.
- (c) Service of a notice or document on any employer shall be deemed effective service on all the 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.
- (d) 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 participant 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.
- (e) A copy of this Offering Document, Trust Deed and of any deed supplemental hereto shall be made available for inspection at the respective head offices of the Trustee and the Pension Fund Manager at all times during usual Business Hours and shall be supplied by the Pension Fund Manager to any person on application at a charge disclosed in the Offering Document.

24. Additional Disclosure by Shariah Compliant Scheme

- Underlying Shariah Structure & Shariah Opinion
Shariah structure is mentioned in 5.15 clause of this offering document and shariah opinion on offering document is mentioned in Annexure F.
- Shariah Governance Frame work and Shariah Advisor Profile
The manner to ensure shariah compliance on ongoing basis is mentioned in 5.15 clause of this offering document and Shariah Advisor profile is mentioned in Annexure E.
- Certificate of Shariah Compliance
The Pension Fund Manager seeking approval of the Commission regarding Certificate of Shariah-compliance under the Shariah Governance Regulations, 2023 read with Section 451 of the Companies Act, 2017

- Key Compliance issues.

The Pension Fund Manager will report to participants with respect to key Shariah Compliance issues in annual financial statements.

25. DEFINITIONS

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

“Accounting Date” means 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;

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

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

“Act” means the Companies Act, 2017;

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

“Annuity” means a series of payments of set frequency sold primarily by Life Takaful Companies and Pension Fund Managers;

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

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

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

“Authorized Branch” means those branches of the Distributors that from time to time have been authorized by the Pension Fund Manager under intimation to the Trustee to perform the

Distribution Function, and whose addresses have been given in the Offering Document, or on the website of the Pension Fund Manager.

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

“Auditor” means the person or firm appointed to be the auditor of the Pension Fund by the Pension Fund Manager with the consent of the Trustee, in accordance with this Trust Deed and the Rules,

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

“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.

“Bank” means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking laws of Pakistan or, if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan and having such minimum entity rating as may be prescribed by the Commission from time to time.

“Bank Accounts” means the collection and disbursement account(s), maintained only in Islamic banks or in Islamic windows of Conventional Banks, in which the Contributions are received and payments are made from the account(s) of each Sub-fund, the beneficial ownership of which vests in the relevant Participants and for which the Trustee has been appointed as trustee under this Trust Deed.

“Business Day” means a day, when Banks and/or Stock Exchanges are open for business in Pakistan and for which Pension Fund Manager is open for business.

“Business Hours” means such dealing periods on each Business Day, as may be determined by the Pension Fund Manager.

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

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

- 1) Charity income shall be deemed as a liability of the fund and shall be transferred to a separate account named as ‘Charity Account’.
- 2) The amount credited in the charity account shall be disbursed subject to the following:

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

“Commission” means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 (Act No. XLII of 1997);

“Commodity Exchange” means PMEX or any other commodity exchange registered with SECP as a commodity exchange and shall include a commodity exchange registered and operating outside Pakistan.

“Company” means an asset management company registered as a Pension Fund Manager.

“Connected Person” means connected person as defined in NBFC Rules or as specified by the Commission from time to time;

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

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

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

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

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

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

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

“Distributor” or “Distribution Company” means a company, firm or bank 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 Function; Provided that a Distribution company or distributor (where distributing funds of Multiple AMCs and VPS) shall have License under relevant regulations as applicable;

“Distribution Function” means the functions with regard to:

- (a) receiving applications and amounts for the issue of Units, in the name of the Trustee, from the Participants;
- (b) issuing receipts in respect of (a) above;

- (c) interfacing with and providing services to the Participants including receiving withdrawal / transfer to / from other Pension Fund Manager(s), applications for withdrawal, forwarding transfer applications and applications for change of address or any other status, instructions, in writing, of any kind or any other information for immediate transmission to the Pension Fund Manager or the Registrar, as appropriate; and
- (d) accounting to the Pension Fund Manager for (i) Payment Instruments received from Participants for issuance of Units in Sub-fund; and (ii) payments instruments delivered to the Participants on withdrawal of Units in the Sub-fund.

“Eligible Person” means any person who qualifies the eligibility criteria under the Rules and/ or the Regulations in respect of persons who can make contributions to Pension funds authorized under the Rules and/ or the Regulations.

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

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

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

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

“Lucky Islamic Pension Fund”, “LIPF” or “Trust” means the Pension fund constituted under this Trust Deed and made up of the Sub Funds.

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

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

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

“Gold Contracts” means deliverable contracts listed at the Commodity Exchange

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

“Haram” means anything prohibited by the Islamic Shariah.

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

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

“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.

“Management Company/Pension Fund Manager” is defined in the preamble hereto;

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

“Offer Price” means the sum to be paid by the participant for purchase of one Unit of of each sub fund, such price to be determined pursuant to this document.

“Offering document” means the prospectus or other document issued by the Pension Fund Manager with consent of Trustee and approved by the Commission, which contains the investment and allocation policies, contribution and income payment plan and all other information in respect of the Pension Fund as required by the Rules and/or Regulations and this Trust Deed and which is circulated to invite offers by the public to contribute to the Pension Fund.

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

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

“Par Value” means the face value of Rs. 100 for a Unit each sub fund under the Fund.

“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;

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

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

“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.

“Pension Fund Manager” means an asset management company, any pension fund manager or a life Takaful 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;

“Price Adjustment Charges (PAC)” means difference between the offer price and the bid price from the closing price of the Gold transactions (Contract) available at PMEX, which shall be added to and deducted from the NAV of the Gold sub fund to determine offer price and redemption price respectively. Such charges shall form part of Fund Property.

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

“Prescribed Application Form” means a form approved by the Commission from time to time for opening an Individual Pension Account and collecting other information from Participants.

“Prescribed Investment Policy” means Investment Policy prescribed by the Commission from time to time under the Rules and / or the Regulations.

“PMEX” means Pakistan Mercantile Exchange Limited.

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

“Redemption Price” means the amount to be paid to the participant upon redemption of Unit of each sub fund, such amount to be determined pursuant to this document.

“Regulations” means regulations made by the Commission under the Rules.

“Register” means the register of Participants kept pursuant to the Rules and this Trust Deed.

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

“Registrar Functions” means the functions with regard to:

- (a) maintaining the Register as per the Rules, this Deed or as may be prescribed by the Commission from time to time;
- (b) processing requests for opening of Individual Pension Account, issue, withdrawal, transfer and transmission of Units and requests for recording changes in data / information / particulars with regard to the Participants or that of their survivors or nominees;
- (c) issuing statements of account in respect of Individual Pension Account to Participant;
- (d) such other functions as may be required under the Rules with respect to record keeping; and
- (e) such other functions as are required under this Trust Deed to be carried out by the Registrar.

“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 which the Participant selects for retirement, in accordance with the provisions of the Rules or such age as may be prescribed in the Rules from time to time.

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

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

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

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

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

“Sales Agent” means an individual, firm, corporate or other entity appointed by the Pension Fund Manager to identify, solicit and assist Eligible Persons to become Participants and make Contributions. The Pension Fund Manager shall compensate Sales Agents out of the Front-end fee (Sale charges) received by the Pension Fund Manager.

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

“Shariah” or “Islamic Shariah” means divine guidance as given by the Holy Quran and the Sunnah of Prophet Muhammad (Peace Be Upon Him) and embodies all aspects of the Islamic Faith, beliefs, practices, rules and principles.

“Shariah Advisor” means a Shariah Advisor as defined in Shariah Advisor Regulations 2017.

“Shariah Compliant” shall mean any activity that is in accordance with the Shariah.

“Shariah Compliant Scheme / Shariah Compliant Pension Fund” means the Pension Fund that has been declared Shariah-compliant under the Companies Act, 2017 read with the Shariah Governance Regulations, 2023.

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

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

“Sub-Fund” means a collective investment sub-scheme of a specified investment class and/or investment policy set up within the overall Pension Fund. The Trust Property shall be accounted for and segregated with respect to each Sub-Fund;

“Supplementary Offering Document” means a document issued by the Pension Fund Manager, with consent of the Trustee after approval of the Commission, describing the new features **including addition/deletion and amendments made to the offering document**, of the Pension Fund to invite offers by the public to invest in the Fund;

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

“Sukuk” means a Sukuk as defined in Sukuk (Privately Placed) Regulations 2017.

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

“Takaful Company” means any General Takaful or Family Takaful Company as defined in the Takaful Rules, 2005.

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

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

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

held or deemed to be held upon trust by the Trustee for the benefit of the Participants pursuant to this Trust Deed;

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

“Volatility” means the downwards or upwards change in the Principal amount invested owing to change in price of the securities in the portfolio of sub-funds of the Pension Fund;

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

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

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

Words and expressions used but not defined herein shall have the meanings assigned to them in the Act and Rules and Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words “written” or “in writing” include printing, engraving lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of the Trust Deed.

26. INTERPRETATION

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

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to an individual or person includes a company, firm, trust, Authority or government and vice versa;
- (d) a reference to any gender includes all genders;
- (e) a reference to a Recital, Clause or Annexure is to a Recital, Clause or Annexure of or to this Offering Document;
- (f) a Recital or Annexure forms part of this Offering Document;
- (g) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, restated or replaced from time to time;
- (h) a reference to any party to this Offering Document or any other document or arrangement includes that party’s executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns;

- (i) where an expression is defined, another grammatical form or variation of that expression has a corresponding meaning;
- (j) a reference to any “Account” or “account” includes any renewal, redenomination, re-designation or sub-account thereof;
- (k) “include”, “includes” and “including” shall be respectively construed as “include without limitation”, “includes without limitation” and “including without limitation”, and all derivative terms shall be construed accordingly; and
- (l) words “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

27. HEADINGS

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

LICENCE TO CARRY OUT ASSET MANAGEMENT SERVICES (A)



Securities and Exchange Commission of Pakistan
Licensing and Registration Division
Licensing Department

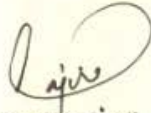
License No. SECP/LRD/LD/16/AMCW/ILAM/2022

Islamabad, April 21, 2025

**LICENCE TO CARRY OUT
ASSET MANAGEMENT SERVICES
AS NON-BANKING FINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application for renewal of license submitted by **Lucky Investments Limited** under rule 5 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003, 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 **Lucky Investments Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- i. **Lucky Investments Limited** shall comply with the Companies Act 2017, Part VIII A of 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;
- ii. **Lucky Investments Limited** shall ensure to provide and update requisite information and documents regarding any foreign national promoters, sponsors, shareholders, directors and Ultimate beneficial owners, and any change thereof, to the relevant Company Registration Office of the Commission for seeking security clearance of Ministry of Interior (MOI), as per applicable framework. In case any of the foreign national promoters, sponsors, shareholders, directors and Ultimate beneficial owners are refused security clearance by the MOI, Lucky Investments Limited shall take immediate steps for changing/replacing them and transferring their shares, failing which the Commission may cancel the license of Lucky Investments Limited.
- iii. **Lucky Investments Limited** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws;
- iv. **Lucky Investments Limited** shall ensure compliance with the minimum equity requirement at all times as prescribed by the Commission from time to time; and
- v. The license is valid for a period of three years w.e.f. **April 18, 2025** and shall be renewable every three years as specified in the Rules.


(Ms. Najia Ubaid)
HOD (LRD)

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

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN



Registration No. SECP/LRD/LD/16/AMCW/ILAM/2025
Islamabad, June 16th, 2025

GRANT OF CERTIFICATE OF REGISTRATION TO M/S LUCKY INVESTMENTS LIMITED AS PENSION FUND MANAGER

having considered its application for registration, under sub-rule (2) of rule 5 of Voluntary Pension System Rules, 2005 (the "VPS Rules"), and being satisfied that the said company is eligible for registration as Pension Fund Manager subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) Lucky Investments Limited shall strictly comply with part VIII-A of the Companies Ordinance, 1984, the Companies Act, 2017, the VPS Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008, guidelines and directives issued from time to time under the VPS Rules and any other law applicable in this regard; and
- (ii) Lucky Investments Limited shall not make any offer to any person/public to participate in any of its pension fund(s)/scheme(s) unless the Commission has authorized such fund(s)/scheme(s) under the VPS Rules.
- (iii) The registration shall be suspended or cancelled if the license to carry on Asset Management Services/Investment Advisory Services granted to Lucky Investments Limited under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 is suspended or revoked.

Muzaffar Ahmed Mirza
Commissioner (Licensing and Registration Division)



ANNEXURE "A-2"

REMUNERATION OF TRUSTEE

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

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

Annexure "B-1"
Authorization of Pension Fund



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
PENSION DEPARTEMENT

No. CS/SECP/PD/LIPF/2025/168/ 375-377

October 15, 2025

✓ **Chief Executive Officer**
Lucky Investment Limited
Ground Floor, Finance & Trade Centre,
Shahrah-e-Faisal,
Karachi.

Subject: Authorization of Lucky Islamic Pension Fund

Dear Sir,

Please refer to your letter dated August 22, 2025 and subsequent correspondence on the subject noted above.

2. In this regard, I am directed to inform that the Securities and Exchange Commission of Pakistan has authorized Lucky Islamic Pension Fund (the "Fund") under Rule 9 of the Voluntary Pension System Rules, 2005 (VPS Rules, 2005).

3. The authorization of Lucky Islamic Pension Fund pursuant to Rule 9 of the VPS Rules, 2005 is attached herewith.

4. Lucky Investments Limited may therefore proceed in accordance with the applicable regulatory framework on the subject matter.

Yours truly,


Usman Mahmood
Deputy Director

Cc: The Chief Executive Officer
Central Depository Company of Pakistan
Limited, CDC House 99-B, Block 'B', S.M.C.H.S.,
Main Shahr-e-Faisal, Karachi

Assistant Director
Directorate of Industries
Trust Wing, 2nd Floor State life Building,
No. 11, Near Zainab Market, Saddar,
Karachi

Annexure "B-2"

Approval of Offering Document



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
PENSION DEPARTMENT**

No. CS/SECP/PD/LIPF/2025/168/378

October 20, 2025

✓ **Chief Executive Officer**

Lucky Investment Limited
Ground Floor, Finance & Trade Centre,
Shahrah-e-Faisal,
Karachi.

Subject: Approval of the Offering Document of Lucky Islamic Pension Fund

Dear Sir,

Please refer to email dated August 27, 2025 received from Central Depository Company of Pakistan subsequent to earlier correspondence(s) on the subject noted above.

2. In this regard, I am directed to convey approval of the Securities and Exchange Commission of Pakistan (the Commission) in respect of the Offering Document of Lucky Islamic Pension Fund (the 'Fund') in terms of sub-rule 5 of Rule 9 of the Voluntary Pension System Rules, 2005 (the 'VPS Rules, 2005') subject to the following conditions:

- I. Approval of the Offering Document will be valid for a period of One hundred and Twenty (120) days from the date of approval within which the Fund will be offered for subscription provided that there is no change in the approved documents or the approval has not been extended. In case of failure to offer for subscription within the aforesaid timeline, the offering document shall be resubmitted for review and approval.
- II. Offering Document of the Fund will contain information as set out in Schedule XV of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). It will be mentioned that the Pension Fund Manager manages the Fund and its name will be prominently displayed on first page of the Offering Document.
- III. Contents of Offering Document will not be altered/amended/deleted without prior written approval of the Commission except for adding reference of date(s) and No. of letter(s) approving the Document; wherever relevant.
- IV. In case the amendments are proposed in the fundamental attributes of pension fund and/or amendments with respect to offering of units to the eligible persons shall be subject to 30 days prior notice to the participants and prior approval of the Commission.
- V. In case amendments are proposed in the Constitutive Documents due to change in regulatory requirements, the same shall be incorporated without prior approval of the Commission and the supplement Constitutive Document for amendments shall be submitted to the Commission for information within one week from the date of amendments.
- VI. In case of any amendments made in the constitutive documents of pension fund through supplemental constitutive documents approved by the Commission, the Pension Fund Manager shall place the updated and consolidated constitutive documents (with notes referring to the supplemental constitutive document highlighting the change made in the original document/ clauses), along with the original and supplemental/restated constitutive documents separately on

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
Ph: +92[51] 9195298 UAN: +92[51] 111 117 327 (Ext:5298) | FAX: +92 [051] 9100473



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
PENSION DEPARTMENT**

its website. The updated constitutive documents shall be placed immediately or after completion of the duration of the notice period, as the case may be. Furthermore, the updated constitutive documents shall clearly specify the last date of updating i.e. "XYZ fund updated up to DD/MM/YY".

- VII. Approval of the Offering Document will, in no way, absolve the Pension Fund Manager of its obligations about contents of, or statements made in the Document.
- VIII. The Pension Fund Manager will not invest assets of the fund abroad unless it has obtained prior written approval of State Bank of Pakistan (SBP) and the Commission in this regard.
- IX. All advertisements of a Pension Fund shall be in conformity with the requirements as specified by the Commission.
- X. The Pension Fund Manager will manage the Fund strictly in accordance with the VPS Rules, 2005, and the Regulations as amended from time to time.
- XI. The Pension Fund Manager will give at least a week to the eligible investors for studying the Offering Document.
- XII. The authorized investments of the sub-funds will be in accordance with the provisions of the VPS Rules, 2005 and the Regulations unless specific exemption/permission has been granted by the Commission.
- XIII. The Pension Fund Manager shall submit a statement duly signed by all directors regarding responsibility for the information contained in the Offering Document as being accurate at the date of publication.
3. This office is available for any further clarity as may be required on the subject.

Yours truly,

Usman Mahmood
Deputy Director

Cc: The Chief Executive Officer
Central Depository Company of Pakistan
Limited, CDC House 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi

Annexure "B-3"

Registration/Approval of Trust Deed



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
PENSION FUND DEPARTMENT**

SECP
No. CS/SECP/PD/LIPF/2025/168/ *243*

July 17, 2025

Chief Executive Officer
Lucky Investment Limited
Ground Floor, Finance & Trade Centre,
Shahrah-e-Faisal,
Karachi.

Subject: NOC on Draft Trust Deed of Proposed "Lucky Islamic Pension Fund"

Please refer to your email dated July 15, 2025 and earlier correspondence on the subject noted above; wherein draft trust deed of proposed Lucky Islamic Pension Fund (the "Fund") to be executed between Lucky Investments Limited and Central Depository Company of Pakistan Limited (the "Trustee") has been submitted for no objection.

2. In this regard, I am directed to inform you that this office has no objection to the contents of the draft trust deed of the proposed fund submitted vide aforementioned email for registration under the Sindh Trusts Act, 2020.

3. This no objection is, however, without prejudice to the conditions and requirements stipulated in the Certificate of Registration issued in favor of M/s. Lucky Investment Limited and the requirements stipulated in the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

4. You are advised to submit copy of the duly registered trust deed to the Commission.

Yours truly,

Usman
Usman Mahmood
Deputy Director

Cc: The Chief Executive Officer
Central Depository Company of Pakistan
Limited, CDC House 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi

Assistant Director ✓
Directorate of Industries
Trust Wing, 2nd Floor State life Building,
No. 11, Near Zainab Market, Saddar,
Karachi

Registration No# KAR/ST/026/2025

Date: 21/08/2025

DIRECTORATE OF INDUSTRIES & COMMERCE SINDH (KARACHI)
TRUST REGISTRATION CERTIFICATE



I hereby certify that **LUCKY ISLAMIC PENSION FUND (LIPF)** its trustee Central Depository Company Of Pakistan Limited, situated at CDC House, 99-B, Block B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi and its company name Lucky Investment Limited LIL (Formerly Interloop Asset Management Limited) situated at Ground Floor, Finance & Trade Centre, Main Shahrah-e-Faisal, Karachi, has this day been duly registered under Section 16 of the Sindh Trust Act, 2020.

Given under my hand and seal at **KARACHI**, this **21st** day of August 2025.

Seal



(ZUBAIR HUSSAIN)
ASSISTANT DIRECTOR (TRUST)
DIRECTORATE OF INDUSTRIES & COMMERCE
GOVERNMENT OF SINDH, KARACHI

Fee Rs **10,500/-**

NOTE: It is informed that in case of any amendment in a Trust by Trustee which shall also be registered under section 16-A (3) of the Sindh Trust (Amendment) Act 2021.

Annexure “C”

Approval of Trustee

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



CDC/T&C-U1/DH/0250/2025

August 07, 2025

Mr. Mohammad Shoaib
Chief Executive Officer
Lucky Investments Limited
Finance & Trade Centre, Ground Floor
Shahra-e-Faisal
Karachi

Dear Sir

TRUSTEE CONSENT ON OFFERING DOCUMENT LUCKY ISLAMIC PENSION FUND

We have reviewed the Offering Document of Lucky Islamic Pension Fund and we hereby convey our consent on above document attached in our email dated August 07, 2025 for submission with SECP for approval. Kindly ensure that same document is submitted with SECP for the purpose of approval.

Please note that our consent is valid for the above Offering Document only. Any changes made in the said document subsequently will require our consent separately.

Yours truly

Atiqur Rehman
Head of Trustee & Custodial Services

Cc: **Mr. Mohammad Arslan Zafar**
Additional Director/HOD, Pension Department-Chairman's Secretariat
Securities & Exchange Commission of Pakistan



ANNEXURE 'C-1'

Current Level of Front-end fee (Sale Charge)

Front-end fee (Sale Charge) (%)
Up to 3%

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

Current level of Price Adjustment Charges is as follows:

Price Adjustment Charges added to NAV of Gold sub Fund to determine the offer price	1% of NAV
Price Adjustment Charges deducted from NAV of Gold sub fund to determine the redemption price	1% of NAV

Current Level of Remuneration of Pension Fund Manager

The maximum rates of management fees are as follow:

For Equity sub-fund up to 2.5% of the average of the value of the net assets.

For Money Market sub-fund up to 1.0% of the average of the value of the net assets.

For Debt sub-fund up to 1.25% of the average of the value of the net assets.

For Gold Sub-Fund up to 1.5% of the average of the value of the net assets.

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

Current Cut off Time

Transactions	Cut off Time
Application for issuance of units and Withdrawal of Units	Monday to Thursday 9:00 am to 3:00 pm Friday 9:00 am to 4:00 pm

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

Note:

- (a) Any change in the charges structure and/or management fee shall be notified after prior approval of the Commission through a supplemental.
- (b) Any change in the above-mentioned Cut-Off Timings/Business Hours including for the month of Ramadan shall be notified to the Unit-Holders through website of the Management Company (Waqeel).

ANNEXURE "D"

Name of Shariah Advisor: **Mufti Muhammad Hassan Kaleem**
SECP Registration No: (Reg # **SECP/IFD/SA/002**)
Tenure of Agreement: **3 Years (renewable upon mutual consent)**

Mufti Muhammad Hassan Kaleem is a prominent personality in the Islamic Finance Industry. He has vast experience in matters of Shariah teachings and advisory and has been a faculty member of Darul Uloom Karachi for over 24 years. He is the Vice Chairman Shariah Board of Dubai Islamic Bank Pakistan Limited, a Shariah Board Member of the Islamic Development Bank (IsDB Jeddah) and its associate institutions, Chairman Shariah Board of Pak-Qatar Takaful, Shariah Consultant for Deloitte (Global Islamic Finance Team), and a Shariah Council Member of Al Ameen UBL Funds.

In addition, Mufti Hassaan is also a Shariah Board Member of Hanover Re-Takaful - Bahrain, a Shariah Board Member of Takaful Emirate - UAE, a Shariah Board Member of Amana Bank Limited - Sri Lanka, a permanent faculty member of the Center for Islamic Economics of Darul Uloom Karachi, a Trainer of Shariah Standards at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) - Bahrain, a Trainer at Institute of Business Administration (IBA-CEIF) and a visiting faculty member of the National Institute of Banking and Finance (NIBAF).

ANNEXURE ‘E’

Designated Distribution Outlets

Pension Fund Manager of the Fund is Lucky Investments Limited and other information of the Fund can be collected from the address of the Pension Fund Manager available on www.luckyinvestments.com.pk or from the branches of the Distribution Company.

Locations:

Karachi:

Ground Floor, Finance and Trade Center (FTC)

Karachi, Pakistan,

T: +92 21 38658883

ANNEXURE “F”

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ ، والصلاة والسلام على خاتم النبيين وسيد المرسلين ، وعلى آله
وأصحابه أجمعين ، أما بعد

SR.No. 0005

July 03, 2025

OPINION OF SHARIA ADVISOR ON LUCKY ISLAMIC PENSION FUND

I, as Sharia Advisor of Lucky Investments Limited, am issuing an opinion on Lucky Islamic Pension Fund (LIPF).

In light of above, my opinion is as follows:

I have reviewed the Security structure of the fund, the Modes of Investments, the Trust Deed, the Offering Document and Term Sheet of LIPF and based on the information available to me, I have not observed any information to conclude that aforementioned are not compliant as per the provisions of Sharia Principles and Rules.

The Fund is based on the principle of Investment Agency (Wakalat-ul-Istithmar) where LIL in the capacity of Wakeel (Agent) shall manage the funds received from the investors and invest on their behalf in Sharia Compliant securities as permitted by Rules, Regulations, and the Sharia Advisor.

Based on the above, I have determined that all the provisions of the fund and its operations are Sharia compliant (without involving Gharar and Riba) and in accordance with criteria established. Therefore, this concludes that there are no Sharia objections on LIPF.

Allah is the guide to success.



Mufti Muhammad Hassaan Kaleem,
Sharia Advisor,
Lucky Investments Limited.

