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

OFFERING DOCUMENT OF

JS KPK PENSION FUND

Open End Voluntary Pension Scheme, 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

JS INVESTMENTS LIMITED

The Pension Fund Manager

And

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

The Trustee

CLAUSE TABLE OF CONTENTS PAGE NO.

1. INTRODUCTION TO JS KPK PENSION FUND 4
1.1. Structure of Pension Fund 4
2. REGULATORY APPROVALS AND CONSENT 7
2.1. Registration of the Pension Fund Manager 7
2.2. Authorization of the Pension Fund 7
2.3. Appointment of the Trustee and Remuneration 7
2.4. Registration of the Trust Deed 8
2.5. Approval of the Offering Document 8
3. CONSTITUTION OF THE PENSION FUND 9
3.1. Constitution of JS KPK Pension Fund 9
3.2. Trust Deed (the "Deed") 9
3.3. Modification of the Constitutive Documents 9
3.4. Seed Capital provided or arranged by the Pension Fund Manager 9
3.5. Type / Feature of Units of the Sub-Funds 10
4. OPERATORS AND PRINCIPALS 11
4.1. The Employer 11
4.2. The Pension Fund Manager 11
4.2.4 Board of Directors of the Pension Fund Manager 11
4.2.5 Profile of the Board of Directors 12
4.2.6 Profile of Management 15
4.2.7 Performance of Listed Associated Companies 17
4.2.9 Existing Schemes under Management and their performance 18
4.3 Role of the Fund Manager of the Pension Fund Manager 21
4.4 Obligations of the Pension Fund Manager 22
4.5 Restrictions for Pension Fund Manager 23
4.6 Retirement or Removal of the Pension Fund Manager 24
4.7 Obligations of Trustee of Pension Fund 26
4.8 Retirement or Change of Trustee 28
4.9 Transfer Agent/Registrar 29
4.10 Auditor 29
4.11 Legal advisor 30
4.12 Bankers 30
4.13 Bank Accounts 30
4.14 INVESTMENT FACILITATORS 31
5. CHARACTERISTICS OF THE PENSION FUND 31
5.1 Eligibility 31
5.2 PROCEDURE FOR OPENING INDIVIDUAL PENSION ACCOUNTS 31
5.3 CONTRIBUTION PROCEDURES 32
5.4 INDIVIDUAL PENSION ACCOUNTS 32
5.5 Change of the Pension fund Manager/ Pension Fund 33
5.6 REGISTER OF EMPLOYEES 33
5.7 Date of Retirement 35
5.8 BENEFITS ON RETIREMENT 36
5.9 WITHDRAWAL OF FUNDS BEFORE RETIREMENT 37
5.10 BENEFITS ON DEATH BEFORE RETIREMENT 38
5.12 ALLOCATION SCHEME 39
5.13 Allocation among the Sub-Funds 40
5.14 Allocation Policy 41
5.15 The Method of Determining Net Assets value of the Pension Fund 42
5.16 Frequency of Valuations of the Net Assets value and Dealings etc.; 42
5.17 Unit Pricing and the Circumstances under which it can Change 42
5.18 The Mode of Announcement of Net Asset Value and unit price 42
5.19 Payment of Proceeds on Withdrawals and Transfers 43

5.20 Withholding Tax 44
5.21 Dealing, Suspension, and Deferral of Dealing 44
5.22 Queue system 46
5.23 De-authorization and winding up of the Pension Fund 46
5.24 Features of Insurance in the Pension Fund 47
6 FEES, CHARGES AND EXPENSES 47
6.3 Remuneration of the Trustee 48
6.4 Formation Cost 48
6.5 Other expenses 48
6.6 Fees, Charges, Costs, etc. To be charged to the Sub-Funds 49
7 INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER 49
7.1. Objective of the JS KPK Pension Fund 49
7.2. Investment Policy of the Pension Fund 50
7.3. Investment Objective and Investment Policy of the JS KPK Pension Fund - Equity Sub Fund 50
7.4. Investment Objective and Investment Policy of the JS KPK Pension Fund - Debt Sub Fund 51
7.5. Investment Objective and Investment Policy of the JS KPK Pension Fund - Money Market Sub Fund 52
7.6. Investment Objective and Investment Policy of the JS KPK Pension Fund - Equity Index Sub Fund .53
7.7 Investment Restrictions 54
7.8 Borrowing/Financing Restriction 55
7.9 Employees Rights in terms of Investment Choice 55
7.10 Risk Disclosure 55
7.11 Other Risks Involved: 57
7.12 Disclaimer 57
8. SAFEGUARD OF MONEY 58
9. DISTRIBUTION RESTRICTION POLICY 58
10. TAXATION 58
11.1 Tax Credit for Contributions to the Pension Fund 58
11.2 Tax Exemptions 58
11.3 Withholding Tax 58
11.4 Zakat 59
11.5 Disclaimer 59
12 WARNINGS 59
13 REPORTS AND ACCOUNTS 59
13.1 Fund Accounts 59
13.2 Annual Accounting Period 59
13.3 Periodic Reports to be sent to Employees 60
13.4 Periodic Reports to be sent to Commission 60
14 SERVICE TO EMPLOYEE(S) 60
14.1 Availability of Forms 60
14.2 Register of Employees 60
14.3 Statement of Accounts 60
15. COMPLAINTS 60
15.1 Procedure for lodging a complaint with the Federal Insurance Ombudsman 60
15.2 Contact Details of Office of Federal Insurance Ombudsman 61
16. TRANSACTIONS WITH CONNECTED PERSONS 61
17. ARBITRATION IN CASE OF DISPUTES BETWEEN THE PENSION FUND MANAGER AND THE TRUSTEE 62
18. DISPUTES BETWEEN THE EMPLOYEES AND THE PENSION FUND MANAGER 62
19. GENERAL INFORMATION 62
20. STATEMENT OF RESPONSIBILITY 62
22 DEFINITIONS 63
23 INTERPRETATION 68
24 HEADINGS 69

OFFERING DOCUMENT OF

JS KPK Pension Fund

A Voluntary Pension Scheme

MANAGED BY

JS 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 and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") **through license AMCW/42/JSIL/AMS/06/2022 dated May 14, 2022 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 through Certificate of Registration No. SECP/PW/Reg-03/2007 dated January 08, 2007 as a Pension Fund Manager** and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa (the "KPK Government") through the Secretary to the Government Finance Department under an Agreement dated December 22, 2022 pursuant to Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (the "KPK Rules" as amended from time to time)**;**

Date of Publication of Offering Document Dated September 28, 2023

1. INTRODUCTION TO JS KPK PENSION FUND

JS KPK Pension Fund is established in Pakistan as a Voluntary Pension Fund through and on the basis of a Trust Deed, dated July 21, 2023, entered into and between JS Investments Limited in its capacity as the Pension Fund Manager and Central Depository Company of Pakistan Limited in its capacity as the Trustee and is authorized under the Voluntary Pension System (VPS) Rules, 2005.

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

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

After successfully managing the above-mentioned Sub-Funds, the Pension Fund Manager may, with prior written consent of the Employer after amendments in KPK Rules, and subject to the approval of the Commission, launch other Sub-Funds through a Supplementary Offering Document for investments in other asset classes (for avoidance of doubt, additional Sub-Funds may include combinations of new and existing classes of assets). Thereafter, any reference to the Sub-Funds in the Trust Deed or the Offering Document shall be construed to include any such new Sub-Fund(s) 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, Equity Index Sub Fund and such other Sub-Funds as may be allowed by the Commission. The Pension Fund shall have different Allocation Schemes as decided by the Employer and duly allowed by the Commission from time to time. Details of Allocation Schemes currently being offered by the Pension Fund Manager are given in this Offering Document. When the Additional Allocation Schemes or Sub-Funds shall launched, the Pension Fund Manager shall announce the same by Supplementary Offering Document. The Pension Fund established is perpetual in life.

1.2 **Salient Features of Pension Fund**

Fund Name	JS KPK Pension Fund
Fund Structure	Unit Trust Scheme consisting of Sub-Funds under the VPS Rules 2005
Sub-Funds	JS KPK Pension Fund will consist of four Sub Funds, to be called JS KPK Pension Fund - **Equity Sub Fund** (the **Equity Sub Fund**); JS KPK Pension Fund - **Debt Sub Fund** (the **Debt Sub Fund**); JS KPK Pension Fund - **Money Market Sub Fund** (the **Money Market Sub Fund**); and JS KPK Pension Fund - **Equity Index Sub Fund** (the **Equity Index Sub Fund**)
Fund Objective	To provide a secure source of retirement savings and regular income after retirement to the Employee(s)
Eligibility	All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act,2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.
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 or such other amount as may be prescribed by the Employer.
Contribution Frequency	Eligible persons or the Employer on their behalf are allowed to contribute in one lump sum or in instalments.
Contribution Mechanism	Employee(s) or the Employer on their behalf, as the case may be, can deposit the contributions to the Fund in the account of "CDC- Trustee JS KPK Pension Fund" in the following manner: ▪ Direct bank transfer. ▪ Standing instructions from the Employer / Employees to their bank for regular transfer of contribution. ▪ In the form of "Account Payee Only" cheques, Payment Orders or demand drafts; ▪ Any other electronic form of transfer.
Investment Mechanism	The Contribution amount is credited to the Employee(s) Individual Pension Account and is invested in the underlying Sub fund(s) as per applicable Allocation Scheme to the Employee(s).
Allocation of Contributions & Allocation Schemes	1. The contribution received from or in respect of any Employee(s) by the Pension Fund Manager on any working day shall be immediately credited to his/ her Individual Pension Account and the amount in the Individual Pension Account shall be used to purchase the Units of the Sub-Funds JS KPK Pension Fund at the Net Asset Value notified by the Pension Fund Manager at the close of that working day. 2. The allocation of the contributions between the various Sub-Funds at the date of opening of Individual Pension Account shall be allocated 100% to the Money Market Sub-Fund and thereafter, shall be in accordance with the Allocation Policy applicable to the Employee(s) as mentioned in this Offering Document. 3. The amount of the contribution used for the purchase of the Units of any Sub-Fund shall depend on such percentage as determined in the Specified Allocation Scheme selected by the Employee(s). In the event of no allocation percentages being selected by any Employee(s) the Pension Fund Manager shall allocate the contributions to the default asset allocation Scheme as mentioned in this Offering Document. 4. The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds at least once a year to ensure that the allocations of Sub-Fund Units of all the Employee(s) are according to the percentages selected by the Employee(s) or where no selection has been made according to the Default Asset Allocation Scheme.

	5. The Pension Fund Manager shall also offer different Allocation Schemes to Employees to choose from, allowing them to adopt an investment strategy, according to their risk/return requirements. However, for initial three years from opening of IPA the contribution of Employees will be invested in Money Market Sub-Fund only and thereafter in accordance with the life cycle-based Allocation Scheme or Default Allocation Scheme, as applicable to the Employee, as mentioned in this Offering Document.

(

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 subject to such relaxations as may be granted in relation to specific sub fund(s).
Total Expense Ratio	The Total Expense Ratio of the Sub-Funds shall be caped as follows:

Sub- Funds	**Maximum Total Expense Ratio excluding insurance charges and Govt levies (as % of Net Assets)**	**Maximum Insurance charges (as % of Net Assets)**
Money Market Sub-Fund	0.75% p.a.	0.25% p.a.
Debt Sub- Fund	0.75% p.a.	0.25% p.a.
Equity Index Sub- Fund	1.00% p.a.	0.25% p.a.
Equity Sub- Fund	1.75% p.a.	0.25% p.a.

A Pension Fund Manager shall prominently disclose on a daily basis, the following information regarding all its pension funds on its website and on the website of Mutual Funds Association of Pakistan (MUFAP) along with communication to the Employer,-

(i) Total Expense Ratio; and

(ii) Management Fee as a percentage of net assets.

In case the Pension Fund Manager manages Employer Pension Fund for Employees of any local, Provincial or Federal Government (including their autonomous bodies) in Pakistan other than the Employer, the Total Expense Ratio, charged to the Pension Fund, pertaining to the Employees, shall, during the currency of the Agreement between the Employer and the Pension Fund Manager, be subject to the following conditions:

(a). In case the other government is offering a similar insurance benefit to its Employees as that offered by the Employer, the Total Expense Ratio, including insurance charges but excluding Government taxes and levies charged to Pension Fund, shall not be higher than the same Ratio charged to the other Government Pension Fund;

(b). In case the other government is offering a lower or higher insurance benefit to its Employees than that offered by the Employer, the Total Expense Ratio, excluding insurance charges as well as Government taxes and levies charged to Pension Fund, shall not be higher than the same Ratio charged to the other Government Pension Fund; and

(c). In case the Pension Fund Manager charges a lower Total Expense Ratio to any of the other Government Pension Funds, it shall from the effective date of such an occurrence, charge the same Total Expense Ratio to the Pension Fund.

Front End Load	No Front End Load shall be deducted from the Contributions received from the Employee(s).
Taxation	Tax Credit will be available to Employee(s) 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 Employee(s) all the units of the sub funds in the Employee(s) Individual Pension Account shall be redeemed at the net asset value notified at close of the day of retirement and the amount due shall be credited to Employee(s) Individual Pension Account in the lower volatility

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

2. REGULATORY APPROVALS AND CONSENT

2.1. Registration of the Pension Fund Manager

JS Investments Limited the Pension Fund Manager of JS KPK Pension Fund, having its registered office at **The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi,** is a Non-Banking Finance Company and has been licensed by the Securities and Exchange Commission of Pakistan under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") to, inter-alia, carryout Asset Management Services under License **AMCW/42/JSIL/AMS/06/2022 dated May 14, 2022** (appended hereto as **Annexure "A"**) and is registered with the Commission under the Voluntary Pension System Rules, 2005 through Certificate of Registration **SECP/PW/Reg-03/2007 dated January 08, 2007** and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa through the Secretary to Government Finance Department under an Agreement dated December 22, 2022 appended hereto as **Annexure "A" and "A-1"respectively**.

2.2. Authorization of the Pension Fund

The Pension Fund Manager has been authorized by the Commission through its letter No. SCD/AMCW/JSKPKPF/2023-128 dated September 05, 2023 appended hereto as **Annexure "B-1"**, to constitute the Pension Fund under the name and title of JS KPK Pension Fund (hereinafter referred to as the JSKPKPF, "Pension Fund" or "Trust") and authorized the formation of a scheme, under the name, **"JS KPK Pension Fund"**, under rule (9) of the Voluntary Pension System Rules, 2005.

2.3. Appointment of the Trustee and Remuneration

The Central Depository Company of Pakistan Limited, having its registered office at **CDC House, 99- "B", Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan,** has been approved by the Commission to act as the Trustee and its remuneration for JS KPK Pension

Fund**"** through its letter No. **SCD/AMCW/JSKPKPF/2023/391** dated **June 27, 2023** appended here to as **Annexure "C**.

2.4. Registration of the Trust Deed

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

- Assistant Director of Industries and Commerce Directorate of the Department has issued a Certificate of Registration No KAR/ST/044/2023 dated August 21, 2023 upon registration of the Trust under Sindh Trust Act 2020.

2.5. Approval of the Offering Document

The Commission has, through its letter No. **SCD/AMCW/JSKPKPF/2023/133** dated **September 26, 2023** appended hereto as Annexure "B-2" approved this Offering Document pursuant to sub-Rule (5) of Rule (9) of the Rules and as per the guidelines for Authorization of Pension Fund under sub-Rule (1) of Rule (9) of the Rules.

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

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

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

This Offering Document contains necessary information for the Employees to make an informed decision to participate in the Pension Fund described herein. The Employee(s) are advised, in their own interest, to carefully read the contents of the Offering Document, in particular, the risks mentioned in Clause 7.10 and 7.11 and Warnings in Clause 12, before making any participation/contribution decision. Employee(s) may note that this Offering Document remains effective until a material change occurs and they should retain this Offering Document for future reference. Material changes shall be filed for approval with the Commission with prior consent of the Trustee and the Employer (where required) and subsequently be circulated to all the Employees or may be notified by advertisements in the newspapers, or on the Pension Fund Manager's website, subject to the applicable provisions of the Trust Deed and the Rules.

Employee(s) must recognize that all investments involve varying levels of risk. The portfolios of the Sub Funds of the Pension Fund consist of market-based investments and are subject to market fluctuations and risks inherent in all such investments. It should be noted that the value of Units of the Sub Funds can fall as well as rise, in response to market conditions. It should also be noted that under certain circumstances the issuance/redemption of Units may be restricted.

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

3. CONSTITUTION OF THE PENSION FUND

3.1. Constitution of JS KPK Pension Fund

The Pension Fund has been established as a trust under the Sindh Trust Act, 2020 through a trust deed dated July 21, 2023 executed between JS Investments Limited (the Pension Fund Manager)

AND

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

3.2. Trust Deed (the "Deed")

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

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

3.3. Modification of the Constitutive Documents

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

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

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

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

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

Name of Sub-Fund	No. of Units	Initial Par Value of each Unit (Rupees)	Amount (Rupees)
JS KPK Pension Fund - Equity Sub Fund	5,000	100	500,000
JS KPK Pension Fund - Debt Sub Fund	5,000	100	500,000
JS KPK Pension Fund - Money Market Sub Fund	300,000	100	30,000,000
JS KPK Pension Fund - Equity Index Sub Fund	5,000	100	500,000

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

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

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

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

(a) All Units and fractions thereof represent an undivided share in the respective Sub-Fund and rank pari passu as to their rights in the Net Assets and earnings of that Sub-Fund. Each Employee(s) has a beneficial interest in the Pension Fund proportionate to the Units held by such Employee(s) in the respective Sub-Fund in Employee(s) Individual Pension Account. The liability of the Employee(s) shall be limited to the amount paid against the number of Units or in certain circumstances cash, as may be allowed by the Rules, held by each Employee(s) in Employee(s) Individual Pension Account.

(b) All Units shall be issued in a non-certificated form, except the Seed Capital Units that may be issued in a certificated form, if required by the Seed Investor(s).

(c) The Units in the Sub-Funds issued to the Employee(s) would be non-transferable to another Employee(s)/person. They shall only be redeemable in case of retirement (including retirement in the instance of disability), premature encashment/ withdrawal, death of the Employee(s), and change of pension fund manager, change of Allocation Schemes and/or rebalancing of the portfolio/ Allocation Schemes.

(d) The initial Par value of the Units of each of the Sub-Funds is Pakistan Rupees One Hundred (Rs. 100), which is applicable to the first offering. The amount received from the Seed Investors has been allocated to each Sub-Fund. From the Launch Date, the Pension Fund Manager shall open participation in the Pension Fund to the Employee(s) on a continuous basis, through offer of Units of Sub-Funds (as per the allocation policy prescribed by the Employer and approved by the Commission) issued at NAV calculated in the manner prescribed under the Rules or as may be specified by the Commission from time to time.

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

4. OPERATORS AND PRINCIPALS

4.1. The Employer

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

4.2. The Pension Fund Manager

JS Investments Limited is the Pension Fund Manager of **JS KPK Pension Fund**, having its registered office as mentioned below:

The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi

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

4.2.1 Organization

JS Investments Limited (JSIL) (estd. 1995) is the oldest private sector Asset Management Company in Pakistan. Our founding partners were INVESCO PLC (formerly known as AMVESCAP PLC) – Europe's largest investment Management house & International Finance Corporation (IFC) – the private sector arm of the World Bank Group JSIL is a subsidiary of JS Bank, one of the fastest growing banks in Pakistan with a rapidly expanding network of 277 branches across the country. JSIL offers a wide range of investment products including Mutual Funds, Voluntary Pension Schemes, and Separately Managed Accounts (SMAs) to cater to the needs of individual and institutional investors. The company has played a key role in defining the standards of Asset Management Industry in Pakistan. JSIL is licensed by SECP to provide "Asset Management", "Investment Advisory", "REIT Management", "Private Equity and Venture Capital Fund Management" services. In addition, the Company also acts as Pension Fund Manager under the VPS Rule. JSIL is a member of **Mutual Fund Associa**tion of Pakistan (MUFAP) and is listed on the Pakistan Stock Exchange Limited.

4.2.2 Rating of the Pension Fund Manager

JS Investments Limited has earned a commendable Asset Manager Rating of AM2+ from the Pakistan Credit Rating Agency (PACRA), reflecting the company's strong performance and expertise in the field of asset management. This prestigious rating underscores JS Investments Limited's commitment to maintaining the highest standards of professionalism, transparency, and fiduciary responsibility in its operations. With a demonstrated track record of delivering consistent value to its clients and investors, the AM2+ rating serves as a testament to the company's robust governance practices, diversified investment strategies, and sound risk management framework. JS Investments Limited's dedication to excellence continues to position it as a trusted and reliable partner for individuals and institutions seeking superior asset management services in the Pakistani financial landscape.

4.2.3 Principal Shareholders

Sr. No.	Names	% of Holding	Number of Shares	Amount (PKR) as of March 31,2023
1.	JS Bank Limited	84.56%	52,236,978	887,506,256
2.	Others	15.44%	9,537,278	162,038,353

4.2.4 Board of Directors of the Pension Fund Manager

S. No	Name & Address	Position	*Other Directorships*
1	**Mr. Suleman Lalani**	Chairman	• Jahangir Siddiqui & Co. Ltd. • Al-Abbas Sugar Mills Limited

			• Shahtaj Sugar Mills Limited • TRG Pakistan Limited • BankIslami Pakistan Limited
2	**Ms. Iffat Zehra Mankani**	Chief Executive Officer	• BankIslami Pakistan Limited
3	**Ms. Mediha Kamal Afsar**	Non-executive Director	Nil
4	**Mr. Hasan Shahid**	Non-executive Director	• JS Engineering Investments 1 (Private) Limited
5	**Ms. Aisha Fariel Salahuddin**	Non-executive/Independent Director	• Pakistan Paper Products Limited
6	**Mr. Mirza M. Sadeed H. Barlas**	Non-executive Director	Nil
7	**Mr. Farooq Ahmed Malik**	Non-executive Director	• Interwood Mobel Pvt. Limited
8	**Mr. Atif Salim Malik**	Non-executive/Independent Director	Nil

4.2.5 Profile of the Board of Directors

Mr. Suleman Lalani- Chairman

Mr. Suleman Lalani is the Non-Executive Director and Chairman of the Board of Directors of JS Investments Limited. He is presently the Vice-Chairman of Jahangir Siddiqui & Co. Limited (JSCL).

Before his elevation to the position of Vice-Chairman, he served JSCL as its Chief Executive Officer for more than a decade. Prior to joining JSCL, he has served in the capacities of the Executive Director Finance & Operations and Company Secretary and Chief Financial Officer and Company Secretary for seven years, in JS Investments Limited

Mr. Lalani started his career with JSCL in 1992, where he worked for over eight years. In 2000, he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002, he joined The First Microfinance Bank Limited as its Chief Financial Officer and Company Secretary.

Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has 25 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance.

Ms. Iffat Zehra Mankani- Chief Executive Officer

Ms. Iffat Zehra Mankani is the Chief Executive Officer of JS Investments Limited. She comes with a globally diversified experience of over two decades in both public and private markets across multiple asset classes. During her work experiences in the capital markets in Pakistan, she held various senior strategy and research roles, both on the buy and sell-side of the industry, including the National Investment Trust, JS Investments Limited and BMA Asset Management Company Limited.

Working as a sell side analyst, Ms. Iffat was often quoted in the financial press, and was well known for her accuracy as a strategist. In her buy-side roles as Chief Investment Officer at JS Investments (2005-2007) and BMA Asset Management (2007-2011), she led the successful implementation of a disciplined asset and risk allocation process, resulting in consistent top quartile performance for funds under management. These included some pioneering products in the industry, such as the asset allocation fund, capital protected fund, index fund, an offshore listed hedge fund and separately managed accounts.

Prior to joining JS Investments, she was working in the Deals Advisory team at PwC Canada, where she made significant contributions in the space of complex financial instruments and private debt valuations amongst others, helping to steer the business toward sustainable growth. Moreover, she has also held diversified roles in the risk management groups of leading Canadian Banks (Bank of Montreal and CIBC) associated with their quants and trading risk oversight teams. In addition to making numerous value additions in her role as a Risk Manager of equity, fixed income and structured product desk, she also spearheaded bank wide regulatory and infrastructure projects and initiatives.

She holds a Master of Finance from Rotman School of Management (University of Toronto) and Master of Business Administration from the Institute of Business Administration, Karachi.

Ms. Aisha Fariel Salauddin – Independent Director

Ms. Aisha Fariel is an Independent Director of JS Investment Limited. Her career spans journalism, investment banking, energy policy advisory and entrepreneurship. She is the founder and Chief Executive Officer of UpTrade, a unique bartering model enabling off-grid farmers to use their livestock as currency in developing rural economies. She has over 10 years of international experience in energy finance, project development and energy policy. Her geographical experience spans Indonesia, Egypt, Pakistan, and the Middle East, North Africa region where she has advised governments and private sector or energy policy, pricing and reforms.

Ms. Fariel has done her MPA from Columbia University, New York and BSc from Lahore University of Management Sciences, Lahore.

Mr. Hasan Shahid- Director

Mr. Hasan Shahid is a Non-Executive Director of JS Investments Limited. He comes with over twenty years of experience in the fields of acquisition, group restructuring, finance, auditing, internal controls evaluation and re-designing, compliance and taxation. Mr. Hasan Shahid is currently Company Secretary and Head of Legal at JS Bank Limited where he joined in November 2019. He also served as Chief Financial Officer the Bank for around three years.

Prior to JS Bank, he was the Director Finance and Company Secretary of Jahangir Siddiqui & Co Ltd. (JSCL); where he joined as Manager Finance in 2006. He also served as Chief Financial Officer of JSCL from 2012 to 2018. His role encompasses a wide range of matters ranging from financial management, acquisitions, reporting, audit, taxation, compliance with laws and other secretarial matters.

Mr. Hasan Shahid is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and Pakistan Institute of Public Financial Accountants (PIPFA) and holds a Master's degree in Economics from University of Karachi.

Mr. Mirza M. Sadeed H. Barlas – Director

Mirza Sadeed Barlas is a Non-Executive Director of JS Investment Limited. He has over thirty-three years of experience out of which the banking experience spans above 26 years. He worked

for seven years with Siemens in its Medical Division, after getting an Electrical Engineering degree from UET, Lahore. Thereafter, he did his MBA from Lahore University of Management Sciences (LUMS), in 1993 and was awarded a Silver Medal with distinction in Statistics and Quantitative Methods.

He started his banking career in Corporate Banking and worked in Commercial Banking, SME Banking, Digital & Microfinancing during his career in local and multinational banks. The major part of his career has been in risk where he has worked in all facets of Risk Management covering Credit Risk, Operational Risk, Basel, Market Risk, Consumer Risk, etc. He has served in local and foreign banks such as MCB Bank, United Bank Limited (UBL), Barclays, Telenor Microfinance Bank, and JS Bank (JSBL) in the capacity of CRO and Group Head Risk, etc. His longest stay was with UBL, for about seventeen years.

Mr. Sadeed also served as a member of the Board of Directors of UBL Funds Managers, a subsidiary of UBL bank from 2015 to 2018 as a UBL nominee director and chaired the UBL Fund's board risk and compliance committee as well, during this assignment. During his work period at UBL, he was assigned an additional responsibility of Group Head Risk International looking after the risk of UBL branches in foreign countries covering UAE, Qatar, Bahrain, etc.

Currently, he is working as Chief Risk Officer at JS Bank Limited, looking after the risk management functions, including consumer risk, ERM, market risk, operational risk, risk policies and information security.
including Consumer risk, ERM, Mkt risk, Ops risk, Risk Policies, Information Security, etc.

Ms. Mediha Kamal Afsar- Director

Ms. Mediha Afsar has joined as an Independent Director of JS Investments Limited. She comes with a background in Brand Strategy, Economics and International Marketing, having graduated from the London School of Economics and Regents Business School London where she was the top position holder in her MSc and BA Hons degrees. She has experience of working with Financial and FMCG institutions in advising and managing their marketing departments, brand activations, communication campaigns and product lines where she developed SOPS, audited & established streamlined processes for transparency, efficacy and coordination. She has also managed a diversified portfolio of dairy products under a leading flagship premium brand in Pakistan, with an annual turnover in excess of USD 90 million. Mediha has also set examination questions for future bankers at the Institute of Bankers Pakistan and founded a freelance consultancy service to provide holistic brand communication frameworks, revival strategies & idea generation for clients in need of boosting brand health.

Mr. Atif Salim Malik - Director

Mr. Atif S. Malik has joined as a Non-Executive Director. He has over twenty-six years of diversified experience encompassing areas including retail banking and microfinance, strategy development and implementation, business transformation and MSME Development. He has successfully developed new business verticals in the financial space, both internationally and within Pakistan, and has a proven track record of business turnaround. He has worked with financial institutions including Standard Chartered Bank, Al-Rajhi Bank-KSA and HBL Microfinance Bank.

Mr. Atif has also worked in East and Southern Africa, heading microfinance banks. He was a core member of the team that established Small and Medium Enterprise Development Authority-Pakistan (SMEDA). He started his career from LUMS as a Research Associate where he published research primarily on the MSME sector. He is currently heading Retail Banking at JS Bank Limited, looking after branch banking, SME financing, Private banking and Consumer lending.

Mr. Farooq Ahmed Malik - Director

Mr. Farooq Ahmed Malik joined as an Independent Director of JS Investment Limited. He is a businessperson and a retired BP.22 government official with combined experience of 86 years while working simultaneously in both government service and personal business. He served as Commissioner and Regional Commissioner in various capacities. He is an expert in law especially tax laws and had trained individuals in all areas of income tax.

He is also the founder of Interwood Mobel (Pvt) Ltd, established in 1974. Interwood Mobel is a home-grown state of the art manufacturing setup in Pakistan and considered a top brand in Doors, Wardrobes, Kitchens, Offices, Home Furniture etc. The company, with its technology, design and infrastructure can be compared with any international brand.

In 1966, Mr. Malik obtained his degree in Masters of Economics from University of Punjab. In 1968, he appeared in CSS and was selected in the Internal Revenue Service. Due to hard-work, persistence and exceptional performance record, he was promoted to the highest grade i.e. 22 (the grade of Federal Secretary), served as Commissioner, Chief Commissioner, Member Information Technology FBR & Director General Training etc. Trained about 1000 officers of the IR service.

4.2.6 Profile of Management

Ms. Iffat Zehra Mankani (Chief Executive Officer)

Same as above

Mr. Muhammad Khawar Iqbal (Chief Operating Officer & Company Secretary)

With over more than 27 years of diversified experience, 2019 to February 2022. Throughout his career Mr. Iqbal has implemented a system of continuous review and introduced changes to bring in efficiencies, simplifi¬cations and improvement in the overall quality of his departmental deliverables. His role encompasses a wide range of matters ranging from fi¬nancial management, reporting, internal control, compliance with laws applicable to the Company and other secretarial matters.

Mr. Malik Zafar Javaid (Chief Compliance & Risk Officer)

Mr. Zafar carries over 30 years of diverse experience in corporate governance, compliance, risk management, business & capital market operations, business transformations and project management. Having worked across financial markets, private & public sector, He has led automation of various projects and related ecosystem enabling environment for efficient management. The automation projects include transformation of old outcry trading mechanism into online trading system, digitization of customers on-boarding, online transactions portals for mutual funds, automation of KYC/AML system and other back office process leading efficient management controls and compliance with strong risk-based systems.

Mr. Zafar has a rich experience of driving strong governance, customer experience, developing policies and standard operating procedures as part of effective risk governance and developing winning teams. During his association with JSIL, he was instrumental in managing mergers, acquisitions, conversions of closed end funds into open-end, launch of new products such as asset allocation, capital protected, index tracking Funds, CPPI Plans, systematic periodic withdrawals, voluntary pension schemes and monthly income payment plans as retirement schemes.

He has been part of JSIL's team since 2006. Prior to joining JSIL, Mr. Zafar had extensive experience of working with Lahore Stock Exchange (currently part of Pakistan Stock Exchange) where he

established companies' listings division and automation of outcry trading system. As a front-end regulator, he was involved in listings of the securities, monitoring compliance and enforcement of Corporate Laws on the listed companies. He was also a core member of the team that spearheaded the transformation of traditional outcry trading and framework of Trading Rules leading towards development of the first automated trading system of Pakistan.

He holds master's degree in Public Administration with a major in Finance.

Syed Hussain Haider (Chief Investment Officer)

Hussain possesses two decades of global experience in investment management, equity advisory & private banking for clients spread across three continents. Having worked across financial markets, private & public sector institutions and family offices in both buy & sell-side roles, he is adept at delivering the best thinking and actionable portfolio allocation ideas for a diverse set of clients.

Although Hussain assumed his responsibilities as CIO in February 2022, he has been associated with JS Investments in the past and was part of the team that spearheaded the launch of new products such as capital protected, asset allocation and index funds. During this time, he was managing some of the top performing funds. He was also an integral member of the team when the company went public in 2007. Moreover, while in Canada, he worked in private wealth management at Raymond James and Canadian Imperial Bank of Commerce (CIBC) focusing on operational and strategy engagements across wealth channels. In that, he worked alongside senior financial planners advising global clients on investment plans covering equities, mutual funds, segregated funds & fixed income products of renowned North American Investment Managers like BlackRock, Fidelity & State Street, to name a few.

More recently, he was associated with JS Global Capital as their Chief Strategist & won various CFA Excellence Awards for the firm and was voted as Pakistan's Best Economist & Strategist in the Asia Money Broker Polls, 2020. An IBA graduate, a CFA Charterholder & a CIPM Certificant, Hussain has also served as Director & Chair, Public Awareness on the Board of a local CFA Society in Canada.

Syed Muhammad Anwer (Head of Information and Technology)

Mr. Anwer has an overall 18 years of experience covering the ambits of Infrastructure, ERP implementation, Data Centre, DR and Project Management mainly in the insurance sector. He has completed his MBA Coursework from Hamdard University, Karachi and holds Bachelors in Computer Science degree from Al-Khair University, Karachi.
Prior to joining us Mr. Anwer was working with Dawood Family Takaful as Head of Information Technology, where he led the ERP, CRM, Online Digital Payment, Portal development & implementation teams and was given an additional responsibility of Chief Information Security Officer.
In the past, Mr. Anwer served Pak Qatar Takaful as Senior Manager Information Technology & Systems. He has also worked as a Project Manager for Millennium Software, overseeing the implementation of multiple projects in Pakistan, as a Business Analyst for PICIC Insurance Ltd., and as an Oracle Programmer / Analyst for International General Insurance Limited (IGI).

Ms. Samina Faisal (Country Head Business Development)

Ms. Samina Faisal brings an overall 32 years of extensive experience in Institutional & Corporate Sales, Wealth Management, and Distribution of Mutual Funds & Bancassurance. Prior to joining JSIL, she was operating her own consulting firm in the name of Litmus Consulting since 2005 where she launched structuring and executing innovative financing and risk management transactions with corporates and financial institutions in Pakistan and the Middle East, in collaboration with various industry partners. In addition, she was providing technical training in areas such as treasury, risk management, asset management and training of soft skills such as sales and management to corporates and financial institutions in Pakistan.

During her consulting journey, she also worked for Askari Investment Management as 'Head of Business Development & Sales' from 2015 to 2016.

Prior to initiating her own consulting firm, she was employed with Standard Chartered Bank from 1997 to 2005 where she performed key management roles such as Head of Investor Services (Wealth Management), Head of Institutional & Corporate Sales (Global Markets), Chief Dealer (Money Market) and Chief Dealer (Foreign Exchange).

She had also worked with Société Générale Bank, Pakcom Ltd., Pak-Kuwait Investment Co., and Citibank from 1989 to 1997 and performed varied roles in FX Trading, Finance and Project Management. Ms. Samina Faisal holds a Masters in Business Administration degree from Institute of Business Administration, Karachi.

4.2.7 Performance of Listed Associated Companies

Jahangir Siddiqui & Co. Ltd (JSCL)									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Earning Per Share	0.38	0.86	1.32	0.39	0.23	0.40	0.68	3.36	0.23
Shareholders Equity (PKR Million)	30,173	31,802	31,405	25,028	23,795	27,520	30,055	25,302	21,464
Total Assets (PKR Million)	32,473	35,532	34,985	29,447	28,715	31,415	32,563	27,022	22,921
Distribution %	0%	0%	0%	0%	0%	0%	0%	0%	0%
Market Share Price December 31	10.23	16	32.68	11.44	15.55	18.05	25.39	20.94	14.54

JS Bank Limited (JSBL)									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Earning Per Share	0.74	1.01	0.89	0.02	0.45	0.91	1.94	1.89	0.99
Shareholders Equity (PKR Million)	21,546	22,024	20,592	17,333	15,617	16,669	16,650	15,968	13,080
Total Assets (PKR Million)	616,715	584,289	532,168	469,821	456,754	388,309	264,700	218,476	176,717
Distribution %	0%	0%	0%	0%	0%	0%	0%	0%	0%
Market Share Price December 31	4.69	4.82	6.42	5.4	7.37	7.52	10.81	7.75	7.14

JS Global Capital Limited (JSGCL)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Earning Per Share	2.77	14.27	6.77	1.29	0.67	2.25	4.08	5.03	5.65
Shareholders Equity (PKR Million)	2,260	2,196	2,446	2,234	2,608	2,601	2,556	2,885	2,626
Total Assets (PKR Million)	5,357	6,591	5,391	4,092	4,840	3,762	4,458	3,533	3,427
Distribution %	0%	150%	0%	0%	0%	0%	0%	0%	40%
Market Share Price December 31	100.5	85.15	83	74.11	32.5	42	55.9	42.49	36.65

Al Abbas Sugar Mills Limited (AABS)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Earning Per Share	110.22	43.31	71.67	64.05	74.52	8.23	26.37	28.50	17.17
Shareholders Equity (PKR Million)	4,606	3,371	3,395	3,227	3,594	2,508	2,335	2,228	2,226
Total Assets (PKR Million)	9,371	7,189	6,489	6,413	5,607	5,171	3,313	3,526	4,389
Distribution %	550%	400%	500%	500%	530%	100%	190%	250%	100%
Market Share Price December 31	347.75	291.2	335.97	261.18	280.1	126.84	329	209.89	148.38

Shah Taj Sugar Mills Limited (SHJS)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Earning Per Share	0.09	17.05	(4.87)	2.77	(34.04)	11.90	14.94	(7.62)	3.01
Shareholders Equity (PKR Million)	3,003	2,645	2,436	2,460	798	1,264	1,182	1,003	1,120
Total Assets (PKR Million)	7,241	5,417	4,795	4,740	3,089	3,059	1,621	1,827	1,437
Distribution %	0%	50%	0%	0%	0%	50%	50%	0%	20%
Market Share Price December 31	36.65	53.2	63.96	86.88	56.83	146.12	165.51	67.81	72.57

4.2.9 Existing Schemes under Management and their performance

Unit Trust of Pakistan

Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	937	1,101	951	1,041	1,415	1,687	1,350	1,347	1,363
Payout (PKR)	-	-	4.90	-	-	6.00	3.50	1.81	19.50
NAV	151.79	173.77	141.40	140.66	163.79	188.34	158.39	147.67	132.20
Return (Annualized)	-12.65%	25.00%	4.05%	-14.12%	-12.51%	24.49%	6.98%	13.52%	23.56%

JS Large Cap. Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	324	478	352	542	762	789	665	899	802
Payout (PKR)	-	-	-	-	-	2.00	1.00	0.50	20.80
NAV	111.72	137.58	99.78	108.47	138.10	157.05	111.20	106.14	80.94
Return (Annualized)	-18.80%	37.88%	-8.01%	-21.46%	-12.07%	44.30%	4.77%	31.74%	39.64%

JS Growth Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	1,976	2,086	1,716	1,347	2,123	2,612	2,128	2,396	4,974
Payout (PKR)	-	-	6.00	-	-	6.00	1.25	0.87	33.00
NAV	148.70	186.41	146.06	142.34	185.90	221.09	166.31	160.10	143.17
Return (Annualized)	-20.23%	27.63%	6.91%	-23.43%	-15.92%	37.56%	3.88%	12.42%	40.12%

JS Islamic Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	336	491	430	582	1,000	1,629	462	514	447
Payout (PKR)	-	-	-	-	-	20.00	1.00	0.78	14.50
NAV	84.44	104.67	78.28	83.70	104.88	130.72	104.07	98.29	69.33
Return	-	33.71	-	-	-	46.06	5.88%	42.90	38.43

(Annualized)	19.33 %	%	6.48%	20.19 %	19.77 %	%		%	%

JS Income Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	1,250	1,925	1,922	2,553	2,381	2,167	879	871	1,832
Payout (PKR)	8.00	6.58	10.50	8.00	5.60	6.50	4.50	1.73	7.15
NAV	97.02	95.91	95.89	95.57	101.57	95.88	95.69	94.21	86.71
Return (Annualized)	9.51%	6.89%	11.33 %	8.74%	5.93%	7.04%	6.33%	10.65 %	7.67%

JS Islamic Income Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	1,535	2,600	1,538	1,004	652	110	192	178	244
Payout (PKR)	7.00	7.10	9.21	8.41	3.95	2.50	3.35	5.58	8.95
NAV	104.76	102.52	102.48	101.35	105.03	101.56	100.51	100.19	99.59
Return (Annualized)	9.02%	6.97%	10.53 %	8.67%	3.42%	3.58%	3.66%	6.22%	10.60 %

JS Cash Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	17,683	4,451	5,787	2,903	568	821	782	825	1,371
Payout (PKR)	10.27	6.82	12.57	8.92	5.60	6.75	5.70	9.26	7.80
NAV	102.36	102.02	102.00	101.70	107.00	101.64	102.53	102.37	102.19
Return (Annualized)	10.75 %	6.92%	13.33 %	9.47%	5.27%	5.71%	5.71%	9.30%	8.21 %

JS Islamic Daily Dividend Fund									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	358	462	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Payout (PKR)			n/a	n/a	n/a	n/a	n/a	n/a	n/a

	9.28	6.42							
NAV	100.00	100.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Return (Annualized)	9.28%	6.42%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

JS Fund of Funds									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	102	297	217	214	276	312	190	171	141
Payout (PKR)	-	-	1.08	-	-	2.00	5.50	2.35	9.40
NAV	56.76	65.70	52.01	51.70	52.64	58.19	49.59	52.13	43.83
Return (Annualized)	-13.61%	26.32%	2.72%	-1.79%	-9.54%	21.37%	9.08%	20.44%	40.09%

JS Islamic Hybrid Fund of Funds (Mutanasib)									
Fund Name	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Net Assets (PKR-Mn)	8	11	10	14	29	72	n/a	n/a	n/a
Payout (PKR)	-	18.40	-	1.38	-	-	n/a	n/a	n/a
NAV	47.70	62.28	62.01	81.49	81.45	98.38	n/a	n/a	n/a
Return (Annualized)	-23.41%	30.45%	-23.90%	1.74%	-17.21%	-1.62%	n/a	n/a	n/a

4.3 Role of the Fund Manager of the Pension Fund Manager

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

Additionally, the allocation exposure to the asset classes within the sub-funds offered under the Pension Fund, will be reviewed by the Investment Committee from time to time and based on the assessment of key economic indicators. The Fund Manager will, in conjunction with the Investment Committee of the Pension Fund, decide on the relative attractiveness and valuation

of various investment avenues available. However, such changes shall be made within the limits set out in the Approved Investment Policy specified by the Commission.

Disclaimer

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

4.4 Obligations of the Pension Fund Manager

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

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

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

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

4.4.5 The Pension Fund Manager shall prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the Auditor's report of the Sub-Funds, within four months of the close of each Accounting Period to the Commission, Employer and the Employee(s), and the balance sheet and income and expenditure account shall comply with the requirements of the Regulations.

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

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

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

4.4.9 The Pension Fund Manager shall furnish to the Commission within one month of the close of each Accounting Period (i) particulars of the personnel (executive, research and other) managing the Pension Fund, (ii) total number of Employee(s), (iii) total value of all Individual Pension Accounts, (iv) total Contributions for the Accounting Period (if any), and (v) such other information that may be prescribed by the Commission from time to time.

4.4.10 The Pension Fund Manager shall send an account statement as at the 30th June and the 31st December each year, within thirty days thereafter to each Employee(s), giving detail of the amounts received or withdrawn and tax deducted and the number of units allocated and held, the current valuation of the units and such other information as may be specified by the Commission, free of charge.

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

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

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

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

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

4.5 Restrictions for Pension Fund Manager

The Pension Fund Manager shall not:

a) offer this Employer Pension to any other person except the Eligible Persons .
b) merge with, acquire or take over management of any other pension fund or pension fund manager unless it has obtained the prior approval of the Commission in writing for such merger, acquisition or takeover;

c) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund;

d) Purchase from or sell any security to any connected person or employee except with the approval of its Board of Directors in writing and consent of the Trustee

e) participate in a joint account with others in any transaction; except for placement of orders under a single Universal Identification Number (UIN) subject to mechanism approved by the commission

f) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund; or

g) employ as a broker, directly or indirectly, any of its directors, officers or employees or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any broker who is a Connected Person where such transactions shall equal or exceed twenty-five per cent or more of the brokerage or commission paid by the Pension Fund in any one Accounting Period;

h) Enter into a short sale transaction in any security.

4.6 Retirement or Removal of the Pension Fund Manager

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

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

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

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

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

(b) the Pension Fund Manager goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); or

(c) a receiver is appointed over any of the assets of the Pension Fund Manager.

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

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

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

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

4.6.9 Upon a new pension fund manager being appointed, the Pension Fund Manager shall take immediate steps to deliver all the documents and records pertaining to the Trust to the new pension fund manager and shall pay all sums due to the Trustee.

4.6.10 Upon its appointment the new pension fund manager shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Pension Fund Manager hereunder as fully as though such new pension fund manager had originally been a party hereto.

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

4.6.12 The Trustee shall ensure that accounts of the Pension Fund till the day of the appointment of the new Pension Fund Manager are audited by the Auditors of the Pension Fund and the audit report is submitted, within one month from the date of such appointment, to the Commission, the Trustee and the new Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.

4.6.13 The Pension Fund Manager, upon termination/removal/retirement, shall continue to manage the Pension fund until the entire balance in all Individual Pension Accounts of the Employees are not transferred in the Individual Pension Accounts of the respective Employees with one or more other

Pension Fund Managers. For this purpose, the Pension Fund Manager shall share the relevant data with the new Pension Fund Manager(s), in accordance with the instructions given by the Employer. Both parties shall make best efforts to complete the process for transfer of Pension Fund balances within the stipulated period.

4.7 Obligations of Trustee of Pension Fund

4.7.1 The Trustee shall comply with the provisions of the Trust Deed and the Rules when performing any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Pension Fund Manager; provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Pension Fund for any loss in value of the Trust Property where such loss has been caused by negligence or any reckless or willful act and / or omission of the Trustee or of any of its directors, officers, nominees or agents.

4.7.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Employee(s). The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Pension Fund Manager, provided that the Trustee's actions and the Pension Fund Manager's requests are not in conflict with the provisions of the Trust Deed or the Rules. Whenever pursuant to any provision of the Trust Deed any certificate, notice, direction, instruction or other communication is to be given by the Pension Fund Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Pension Fund Manager by any person whose signature the Trustee is for the time being authorized in writing by the Pension Fund Manager to accept.

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

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

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

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

4.7.7 The Trustee shall ensure that the methods adopted by the Pension Fund Manager in calculating the values of the Units of each Sub-Fund are adequate and that the Net Asset Value is calculated in accordance with the provisions of the Trust Deed or as specified by the Commission.

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

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

4.7.10 The Trustee shall issue a report to be included in the annual report to be sent to Employee(s) whether, in the Trustee's opinion, the Pension Fund Manager has in all material respects managed the Pension Fund and the Sub-Funds in accordance with the provisions of the Trust Deed, and if the Pension Fund Manager has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof.

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

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

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

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

4.7.15 The Trustee shall make available or ensure that there is made available to the Pension Fund Manager such information as the Pension Fund Manager may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Pension Fund.

4.7.16 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Pension Fund Manager and as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

4.7.17 The Trustee shall promptly provide proxies or other forms of power of attorney to the order of the Pension Fund Manager with regards to any voting rights attaching to any Investments.

4.7.18 The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Employee(s), or in the interest of the capital market, public and Employees, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information.

4.7.19 The Trustee shall, if requested by Pension Fund Manager and may if it considers necessary for the protection of Trust Property or safeguarding the interest of Employee(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and

expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Pension Fund and the Trustee shall be indemnified against all such costs, charges and expenses, *provided that* no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under the Trust Deed or the Rules.

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

4.8 Retirement or Change of Trustee

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

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

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

4.8.4 The Pension Fund Manager may also remove the Trustee with the prior approval of the Commission after giving thirty days' notice if the Pension Fund Manager feels that the Trustee is charging a remuneration that is not comparable to the market norm and it would be in the interest of the Employee(s) to appoint another trustee. For this purpose, if the Pension Fund Manager, based on a firm quotation or offer received from an alternate institution (qualified to be appointed as trustee of

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

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

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

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

4.9 Transfer Agent/Registrar

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

4.10 Auditor

The Auditor of the Fund are:

Grant Thornton Anjum Rahman Chartered Accountants
3rd Floor، Modern Motor House, 1st and, Beaumont Rd, Civil Lines, Karachi

4.10.1 The Pension Fund Manager shall, with the consent of the Trustee, appoint as the Auditor a firm of chartered accountants who shall be independent of the auditor of the Pension Fund Manager and the Trustee. The Pension Fund Manager may at any time, with the concurrence of the Trustee, and shall, if required by the Commission, remove the Auditor and appoint another Auditor in its place. At all times the Pension Fund Manager shall ensure that the Auditor is appointed from the panel of auditors, if any, prescribed by the Commission for this purpose. The appointment of Auditor and contents of the Auditor`s report shall be in accordance with provision of the Rules and Regulations. The Auditors shall have access to the records, books, papers, accounts and vouchers of the Trust, whether kept at the office of the Pension Fund Manager, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Pension Fund Manager, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit. The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the

Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.

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

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

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

4.11 Legal advisor

Bawaney & Partners
Registered Address:
3rd and 4rd Floor, Plot 68-C,
Lane 13, Bukhari Commercial Area,
DHA Phase VI, Karachi

4.12 Bankers

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

4.13 Bank Accounts

The Trustee shall, at the request of the Pension Fund Manager from time to time, open separate Bank Accounts in Bank titled "CDC-Trustee JS KPK 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 and financial institutions approved by the Pension Fund Manager having entity rating awarded by a credit rating agency approved by the Commission and at such locations as determined by the Pension Fund Manager, subject to compliance with Applicable Laws and after obtaining all necessary Approvals as may be required from time to time.

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

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

- CDC Trustee JS KPK Pension Fund
- CDC Trustee JS KPK Pension Fund - Equity Sub Fund
- CDC Trustee JS KPK Pension Fund - Debt Sub Fund
- CDC Trustee JS KPK Pension Fund - Money Market Sub Fund
- CDC Trustee JS KPK Pension Fund - Equity Index Sub Fund

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

4.14 INVESTMENT FACILITATORS

JS Investments Limited shall nominate the person(s) to act as an Investment Facilitators for assisting the Eligible Person to participate in the applicable Allocation Plan. A list of Investment Facilitators is provided in Annexure "E"__.

5. CHARACTERISTICS OF THE PENSION FUND

5.1 Eligibility

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

5.2 PROCEDURE FOR OPENING INDIVIDUAL PENSION ACCOUNTS

5.2.1 The Pension Fund Manager shall be responsible for obtaining all Approvals required in connection with the Pension Fund.

5.2.2 An Eligible Person joining the Pension Fund must open an Individual Pension Account with the Pension Fund Manager using the Prescribed Account Opening Process through the digital portal established by the Employer which is duly integrated with the systems of the Pension Fund Manager or such other process as may be prescribed by the employer in consultation with the Pension Fund Manager.

5.2.3 The Pension Fund Manager shall decide, in consultation with authorized person or office of the Employer, for receiving the completed Prescribed Application Forms and Contributions from or on behalf of the Employees either in hard copy or through electronic means. Details of these arrangements shall be duly disclosed by the Employer to the Employees in an appropriate manner.

5.2.4 The Pension Fund Manager in coordination with the Employer shall ensure that Prescribed Application Forms can be obtained in either hard copy or electronic form from the Pension Fund Manager or the Employer as the case may be, the Authorized Branches of Pension Fund Manager and Investment Facilitators and/or downloaded from the Pension Fund Manager's website or Employer's Digital Portal/Platform.

5.2.5 Each applicant, in case of account opening through Physical Forms, shall obtain a receipt signed and stamped by an authorized officer of the Pension Fund Manager or the Employer

as the case may be for acknowledging the receipt of the application and copies of other documents prescribed therein.

5.2.6 If an application received pursuant to this clause is found by the Pension Fund Manager to be complete and correct in all material respects, the Pension Fund Manager shall issue an acknowledgement in writing of the opening of the Employee's Individual Pension Account with the Pension Fund Manager and shall also confirm the Allocation Plan opted by the Employee with details of Sub-Funds.

5.2.7 The Pension Fund Manager in consultation with the Employer may decide to accept applications for opening Individual Pension account through electronic means subject to the conditions of Customer Due Diligence (CDD) / Know Your Customer Policy (KYC), specified by the Commission through notifications / circulars / Rules / Regulations, etc.

5.2.8 The application procedure described in Clauses 5.2.1 to 5.2.7 may be altered by the Pension Fund Manager from time to time in consultation with Employer on behalf of Eligible Person and with the approval of the Commission, where required. Such alterations shall be announced by the Pension Fund Manager from time to time through its website and the Employer through its portal/platform shall be deemed to correspondingly alter the provisions of Clauses 5.2.1 to 5.2.7 without the need to execute a supplemental offering document.

5.3 CONTRIBUTION PROCEDURES

5.3.1 An Employee(s) and/or their employer, shall endeavor to make contribution in lumpsum or in installment, as the case may be.

5.3.2 The Pension Fund Manager shall send an acknowledgement of receipt of each Contribution along with a statement of account to the Employee within one week of the receipt of the Contribution or any other frequency as decided in consultation with the Employer or prescribed by the Commission from time to time.

5.3.3 The Pension Fund shall offer Insurance/Takaful Policy to each Employee(s) (after launch of the Fund) subject to the conditions prescribed by the Employer. The premium/ contribution/ charges paid to the Insurance / Takaful companies to cover the Insurance / Takaful Policy may be charge to the Pension Fund.

5.3.4 The Pension Fund Manager may decide to accept contributions through electronic means in consultation with Employer and the Trustee.

5.3.5 Any alterations to the contribution procedure enunciated in Clauses 5.3.1 to 5.3.4 arising out of amendments to or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and/or the Income Tax Rules shall be announced by the Pension Fund Manager from time to time and such alterations shall be deemed to correspondingly alter the provisions of Clauses 5.3.1 to 5.3.4 without need for executing a supplemental offering document.

5.4 INDIVIDUAL PENSION ACCOUNTS

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

5.4.2 Contributions received from or on behalf of any Employee(s) by Trustee in funds on any Business Day shall be credited to the Sub-fund(s) in accordance with Allocation Plan applicable to the Employee(s) and the Pension Fund Manager shall allocate such number of Units of the relevant Sub-Funds. The Units shall be allocated at Net Asset Value notified by the Pension Fund Manager at the close of that Business Day.

5.4.3 Contributions shall not be treated as having been received from or on behalf of any Employee(s) unless they are received by the Trustee in realized in the bank account(s) of the fund and only the such realized amount shall be treated as the Contribution received.

5.4.4 If any Contribution is received from or on behalf of any Employee(s) on a day which is not a Business Day, it will be treated as having been received on the first following Business Day.

5.5 Change of the Pension fund Manager/ Pension Fund

5.5.1 Employee(s) shall be entitled to transfer in accordance with the terms of the Trust Deed the whole of their Individual Pension Account with the ***JS KPK Pension Fund*** to a pension fund managed by another pension fund manager with whom the Employer has made similar arrangements.

5.5.2 No change, whatsoever called, shall be deducted for any transfer of a Employee(s)'s Individual Pension Account to a pension fund managed by another pension fund manager.

5.5.3 The Pension Fund Manager shall use the funds received and realized on for the account of a Employee(s)'s Individual Pension Account from a pension fund managed by another pension fund manager to purchase such number of Units of the relevant Sub-Funds as is determined in accordance with the Trust Deed and the Units shall be purchased at Net Asset Value notified at the close of the Business Day on which such realized funds are received by the Trustee.

5.5.4 If an Employee(s) desires to transfer his Individual Pension Account, the Employee(s) shall specify in an application given to the Pension Fund Manager and copy to the Employer, the name of the new pension fund manager, the name of the new pension fund, the individual pension account number with the new pension fund manager and the Units or Amount held in the Employee(s)'s Individual Pension Account to be transferred. The application shall be given in a form prescribed by the Pension Fund Manager in consultation with the Employer through this Offering Document.

5.5.5 The transfer of individual Pension account from one Pension Fund Manager to another Pension Fund Manager or from one Pension fund to another Pension fund shall only take place as per discretion of the Employee(s) and the notice for the change of the Pension Fund Manager or Pension fund, shall be sent by the Employee(s)to the Employer at least seven working days before the effective date of the proposed change and the Pension Fund Managers shall record such transactions as transfer in the statement of account of the Employee(s). For this purpose, the units shall be encashed at the net asset value of each sub-fund notified on the working day prior to the date of transfer.

5.5.6 The transferred amount shall be used to purchase the units of the sub-funds of the pension fund maintained by the new Pension Fund Manager at the net asset value notified at the close of the working day, of the receipt amount, on such percentage according to the applicable allocation policy.

5.5.7 In the event the Commission cancels the registration of the Pension Fund Manager as a pension fund manager or discontinues the authorization of the Pension Fund, in each case in accordance with the Rules and other Applicable Laws, the Pension Fund Manager shall, as soon as practicably possible thereafter, transfer the Individual Pension Accounts of the Employee(s) to pension funds managed by other pension fund managers as selected by the Employee(s) or as directed by the Commission or Employer.

5.6 REGISTER OF EMPLOYEES

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

5.6.2 The Pension Fund Manager or, as the case may be, the Registrar shall maintain the Register at their respective registered office.

5.6.3 The Pension Fund Manager shall maintain a register of Employees of the pension fund and inform the Commission, the trustee and the Employer of the address where the register is kept.

5.6.4 The Pension Fund Manager shall or shall ensure that the Registrar shall at all reasonable times during Business Hours give the Trustee and the Employer or their representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without any charge. The Commission may however at any time inspect, remove or take possession of the register without any prior notice.

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

5.6.6 The Register shall, in respect of each Employee, shall contain the information required by or under the Rules, the Guidelines and such other information as may be specified by the Commission from time to time or required by the Pension Fund Manager and the Employer which at the minimum, may contain the following information:

a) Registration Number;
b) Individual Pension Account Number;
c) Full names, father's name, residency status, CNIC number (in respect of Pakistani Nationals)/ NICOP number (in respect of Overseas Pakistanis), National Tax Number (NTN) if applicable and address of the Employee;
d) If Employee is registered through employer, the Individual Pension Account Number will be linked to an Employer Account that will contain the following:
    i. Employer name;
    ii. Registered Address;
    iii. NTN;
    iv. Number of Employees contributing in VPS; and
    v. Telephone Number & Email Addresses.
e) Date of Birth and Gender of the Employee;
f) Complete record of the amount and date of each contribution paid by the Employee;
g) Complete record of the amount and date of each contribution paid by the Employer;
h) Date and Amount of the incoming and the outgoing transfers;
i) The number of Sub-Funds Units Allocated and Standing in the name of the Employee in the Individual Pension Account or Approved Income Payment Plan balances;
j) The date on which the name of every Employee(s) was entered in respect of the Sub-Fund Units standing in his/ her name;
k) Tax/ Zakat status of the Employee(s);
l) Next of Kin;
m) Record of Specimen signatures of the Employee(s);
n) Information on retirement of the Employee(s) and the payments made or to be made;
o) Information on death and transfer of account to heirs; and

p) Such other information as may be specified by the Commission, the Employer or Pension fund Manager may require.

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

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

5.6.9 The Employee(s) or his successors (in case of death of the Employee(s)), as the case may be, shall be the only persons to be recognized by the Trustee, the Employer, the Pension Fund Manager and the Registrar as having any right, title or interest in or to the Units held by the Employee(s) and the Trustee, the Pension Fund Manager and the Registrar may recognize the Employee(s) as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction.

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

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

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

5.7 Date of Retirement

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

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

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

5.7.2 If an Employee suffers from any of the following disabilities, as mentioned in VPS Rules, 2005, which render the Employee unable to continue any employment and the Employee may, so elects, be treated as having reached the retirement age at the date of such disability and all the relevant provisions shall apply accordingly namely:

(a) loss of two or more limbs or loss of a hand and a foot;
(b) loss of eyesight;
(c) deafness in both ears;
(d) severe facial disfigurement;
(e) loss of speech;
(f) paraplegia or hemiplegia;
(g) lunacy;
(h) advanced case of incurable disease; or
(i) any injury or disease resulting in a disability due to which the Employee is unable to continue any work or generate any income.

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

5.8 BENEFITS ON RETIREMENT

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

(a) withdraw up to 20% of the accumulated balance or such amount from his Individual Pension Account as specified in the KPK Rules; and

(b) to use the remaining amount to purchase an annuity from Insurance /Takaful Company or to subscribe to a Pension Annuity Fund as approved by the Commission, as the case may be, of his choice; or

(c) to enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount in monthly installments according to an income payment plan approved by the Commission with a minimum tenure of at least 20 years or such other period as prescribed by the Employer. Details of the Approved Income Payment Plan are disclosed in this Offering Document of the plan.

(d) the transfer of an individual income payment plan account from one Pension Fund Manager to another Pension Fund Manager or from one income payment plan to another income payment plan shall only take place once in a financial year and notice for the change, specifying the name of new Pension Fund Manager and the income payment plan shall be sent by the Employee at least seven working days before the effective date of the proposed change.

(e) At the expiry of the Approved Income Payment Plan according to clause (c) above, the Employee shall have option to use the outstanding balance in his/her Individual Pension account to purchase an Approved annuity plan from an Insurance/Takaful Company, or to subscribe to the Pension Annity Fund of his/her choice and/or buy an Approved income payment plan for another term and/or

to withdraw the amount from his/her account subject to the conditions laid down in the Income Tax Ordinance, 2001. According to the rules, the annuity purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, investment -linked and retail price index linked or with any additional features as may be offered by the Insurance/Takaful Companies."

5.9 WITHDRAWAL OF FUNDS BEFORE RETIREMENT

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

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

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

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

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

5.9.5 On any Business Day being not later than the sixth (6th) Business Day after the Employee submitted the completed form to any Authorized Branch under Clause 5.9.3, the Pension Fund Manager shall, subject to Clause 5.9.2, redeem the relevant number of Units held by Employee in his Individual Pension Account at Net Asset Value notified at close of the day on which the Employee submitted the completed form as aforesaid or, if such day is not a Business Day, on the first Business Day following that day and the proceeds realized thereby shall be paid to the Employee subject to Clause 5.9.1.

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

5.10 BENEFITS ON DEATH BEFORE RETIREMENT

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

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

(a) withdraw his share of the amount subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001);

(b) in accordance with the Rules, transfer his share of the amount into his own individual pension account with the pension fund manager of his/her choice or his/her new individual pension account or his income payment plan to be opened with the Pension Fund Manager of his/her choice;

(c) if he is aged fifty-five (55) years or more, use his share of the amount to purchase an Approved Annuity Plan on his life from an Insurance / Takaful Company or

(d) if he is aged less than fifty-five (55) years, use his share of the amount to purchase a deferred Approved Annuity Plan on his life from an Insurance / Takaful Company, to commence when he reaches the age of fifty-five (55) years or later.

(e) Payments at (c) and (d) above will be made directly by the Trustee to the Insurance/Takaful Company without tax deduction on the instruction of the Pension Fund Manager."

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

5.10.4 After an Employee's death the only persons recognized by the Trustee and the Pension Fund Manager as having title to the Sub-Fund Units held in the deceased Employee's Individual Pension Account shall be the executors, administrators or successors of the deceased Employee.

5.10.5 Any person or persons becoming entitled pursuant to Clause 5.10.4 to any Sub-Fund Units in consequence of the death of any Employee may, subject as hereinafter provided, upon producing such

evidence as to his title as the Trustee and Pension Fund Manager shall think sufficient, exercise rights under Clause 5.10.2; provided that the Pension Fund Manager or the Trustee shall not be liable or be involved in any manner whatsoever in any disputes among such executors, administrators or successors and/or the rest of the legal heirs or the legal representatives of the deceased Employee; provided further that all the limitations, restrictions and provisions of this Offering Document related to withdrawal of funds before retirement shall be applicable to withdrawals pursuant to Clause 5.10.2(a).

5.11 INSTRUCTIONS FROM EMPLOYEE(S)

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

5.12 ALLOCATION SCHEME

5.12.1 The Pension Fund Manager shall offer Allocation Scheme to the Employees Employee according to their risk/return and age requirements, through Sub-Funds of the **JS KPK 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) JS KPK Pension Fund Pension Fund - Equity Sub Fund;
(b) JS KPK Pension Fund - Debt Sub Fund; and
(c) JS KPK Pension Fund - Money Market Sub Fund
(d) JS KPK Pension Fund - Equity Index Sub Fund

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

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

(a) Life Cycle Allocation Scheme

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

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

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

(b)Default Asset Allocation Scheme

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

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

5.12.3 Currently, as per the arrangement between Employer and Pension Fund Manager, the Employees are allowed to choose in accordance with Life Cycle Scheme as given in clause (a) above or in the event no choice is made by the Employee the Pension Fund Manager shall allocate his contribution to the Default Asset Allocation Scheme as given in clause (b) above. At a later stage, Employees may be given option to choose other Allocation schemes subject to approval by Employer.

5.12.4 If Pension Fund Manager want to provide additional allocation schemes or products, it may do so subject to the approval of the Commission.

5.12.5 The Employee shall have the option to change selection of Allocation Scheme to another Allocation Scheme being offered by the Pension Fund Manager as and when required till retirement. However, under KPK Rules, for the first three years of contribution by or on behalf of the employee, such contribution shall remain invested in money market sub-fund.

5.12.6 The form for the change in Allocation Scheme shall be provided to the Pension Fund Manager by the Employee before the relevant date, in writing through submission of the Change of Allocation Scheme Form or in such form as may be acceptable to the Pension Fund Manager. On the relevant date, the Units shall be reallocated in accordance with the new Allocation Scheme and any subsequent allocations and reallocations shall be made according the new selected Allocation Scheme.

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

5.13 Allocation among the Sub-Funds

5.13.1 Each Employee will in turn be the holder of Units of the Sub-Funds in proportions determined in accordance with the applicable Allocation Scheme for the Employee.

5.13.2 The Pension Fund Manager shall manage the equity allocation within the prescribed limits of the scheme using various investment management tools. Increase or decrease in allocation to the Debt Sub Fund (normally higher-yielding than money market investments) in preference to the Money Market Sub Fund (normally lower risk and lower return investments) will be based on anticipated profit rates movements and risk-reward profile of underlying debt instruments.

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

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

5.13.4 All Employees of the Pension Fund will, in turn, be holders of Units of the Sub-Funds in various proportions.

5.14 Allocation Policy

5.14.1 An Employee has the option to select any of the applicable Allocation Scheme as per the KPK Rules in relation to the Contributions and shall make such selection at such date as may be prescribed. For the first three years from the date of opening of the Employees' Individual Pension Account (regardless of age); 100% contributions shall be allocated to the Money Market Sub Fund. An Employee may change any Allocation Scheme selected in relation to his/her Contributions to a different Allocation Scheme selected by him by sending Form of the change to the Pension Fund Manager through the Employer as per the Allocation Policy prescribed by the Employer and approved by the Commission.

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

5.14.3 The Pension Fund Manager may assist an Employee in the selection of a suitable Allocation Scheme but the final decision and responsibility as to which Allocation Scheme to choose shall lie with the Employee.

5.14.4 The Pension Fund Manager or the Registrar in coordination with the Employer shall ensure a built-in mechanism to facilitate the changes in asset allocation automatically between the Sub-Funds within the limits of the Prescribed Allocation Policy as and when required by the Pension Fund Manager.

5.14.5 If any Employee fails to select an Allocation Scheme at the date of opening Individual Pension Account, the Pension Fund Manager shall allocate Contributions of the Employee as per clause 5.12.2 of this Offering Document.

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

Employee

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

Provided that the individual Pension account can be subject to pledge, lien or encumbrance against the loan or advance given by the employer to the employee.

5.14.8 Each Employee shall provide an undertaking when establishing their Individual Pension Account or when selecting or deemed to be selecting an Allocation Scheme that they have no objection to the Investment Policy and the Approved Allocation Policy and that they are fully aware of the risks associated with the Allocation Scheme selected by them.

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

5.14.10 The Employee(s) for the first three years shall only use Money Market Sub Fund for his/her allocation scheme; subsequently this allocation may be changed at Employee instruction as per life cycle allocation scheme or in case no instruction after the first three years then on the basis of Default Allocation Scheme.

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

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

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

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

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

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

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

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

5.17 Unit Pricing and the Circumstances under which it can Change

(a) Units of the Sub-Funds will be priced at Net Asset Value per Unit determined at the close of the Business Day as per criteria given in the Rules and amendment therein from time to time.

(b) Unit pricing may change from time to time subject to change in Rules without any need to register the supplementary Constitutive Documents.

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

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

5.19 Payment of Proceeds on Withdrawals and Transfers

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

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

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

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

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

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

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

5.19.8 For the purposes of purchasing (issuance) and withdrawing (encashment) of Units of the respective Sub Fund, the Pension Fund Manager shall announce the Net Asset Value of each Sub-Fund at the close of each Dealing Day.

5.19.9 The Pension Fund Manager and Registrar shall verify the particulars given in the applications for withdrawals and transfers.

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

5.19.11 In the event requests for transfer or withdrawal from the Pension Fund would result in withdrawal of Units on any day in excess of ten per cent (10%) of the issued Units of any Sub-

Fund, the transfer or withdrawal requests so in excess may be deferred in accordance with the procedure set out in clause 5.23 of this Offering Document.

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

5.19.13 The method for payment of proceeds shall be subject to change due to any changes prescribed by the Commission under the Rules and such changes shall be deemed to become part of the Constitutive Document without the need to execute any Supplementary Offering Document.

5.19.14 The Pension Fund Manager may avail financing from any Bank; with the consent of the Trustee for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such financing shall not exceed limits provided in the Rules.

5.20 Withholding Tax

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

5.21 Dealing, Suspension, and Deferral of Dealing

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

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

5.21.2 Suspension of Fresh Issue of Units

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

5.21.3 Refusal to Accept the Contributions

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

(a) In case the contribution is contrary to the Know-Your-Customer (KYC) rules or policy of the Pension Fund Manager or any other Applicable Laws relating to money laundering that the Pension Fund may be subject to or that the Pension Fund Manager may frame for self-regulation;

(b) In case the contribution is made by an applicant who has not provided a valid CNIC or NICOP Number;

(c) If accepting the contribution would in any case be contrary to the interests of the Pension Fund Manager or the Pension Fund or the Employee; or

(d) If advised by the Employer/Commission to do so.

5.21.4 Suspension of withdrawal of Units/ Withdrawal of Funds

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

(a) Extraordinary circumstances including war (declared or otherwise), natural disasters, a major breakdown in law and order, breakdown of the communication system, closure of Stock Exchange on which any of the Securities invested in by the Pension Fund are listed, closure of banking system or strikes or other events that render the Pension Fund Manager unable to function;

(b) The existence of a state of affairs, which in the opinion of the Pension Fund Manager, constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interests of the Pension Fund or of the Employees;

(c) Break down in the means of communication normally employed in determining the price of any Investment; or

(d) When remittance of money cannot be carried out in reasonable time and if the Pension Fund Manager is of the view that it would be detrimental to the remaining Employees to with draw Units at a price so determined in accordance with the Net Asset Value (NAV); and

(e) Execution of withdrawal of Units on any Dealing Day would result in more than ten percent (10%) of the issued Units of any Sub-Fund being with draw; provided that any suspension or deferral of withdrawal of Units shall not affect any Approved Income Payment Plans.

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

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

5.22 Queue system

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

5.23 De-authorization and winding up of the Pension Fund

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

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

5.23.3 In the event the Pension Fund Manager is of the view that the quantum of withdrawal requests that have built up shall result in the Sub-Funds or the Pension Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Employees who are not withdrawing, it may apply to the Commission to de-authorize the Pension Fund and inform the Employer immediately. In such an event, the queue system, if already invoked, shall cease to apply.

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

5.23.5 Upon the Pension Fund being de-authorized, the Pension Fund Manager shall suspend receiving contributions forthwith from any of the Employees from the date of issue of the notice under this clause, proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.

5.23.6 The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new Pension Fund Manager are audited by the Auditor of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the Employer and Commission, the new pension fund manager and the trustee (in case of any new appointment). The Trustee with the prior approval of the Employer shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.

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

5.24 Features of Insurance in the Pension Fund

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

Death / Permanent Total Disability before attaining retirement age

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

6 FEES, CHARGES AND EXPENSES

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

(a). Total Expense Ratio, excluding Insurance / Takaful charges and Government taxes and levies;

(b) Total Expense Ratio, including Insurance / Takaful charges but excluding Government taxes and levies; and

(c) Total Expense Ratio, including Insurance / Takaful charges as well as Government taxes and levies.

6.1 FRONT END FEE

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

6.2 REMUNERATION OF PENSION FUND MANAGER

The Pension Fund Manager shall be entitled to remuneration for its services out of the Trust Property by way of an annual management fee. The current level of management Fee is disclosed in the Annexure "C-1" to the Offering document and shall be subject to the maximum limit specified in the Agreement executed among the Pension Fund Manager and the Employer within the allowed expense ratio limit as per regulations.

6.2.1 The remuneration due to the Pension Fund Manager shall be accrued on daily basis and paid on monthly basis, within fifteen (15) Business Days after the close of each month.

6.2.2 The Pension Fund Manager shall be responsible for the payment of all expenses it incurs from time to time in connection with its responsibilities as Pension Fund Manager. Pension Fund Manager shall not make any charge against the Employees or against the Fund Property or against any individual pension account for its services or for its expenses, except such expenses as are expressly allowed under the agreement between Pension Fund Manager and the Employer and authorized under the provisions of the Rules and the constitutive documents to be payable out of Fund Property. In consideration of the foregoing and save as aforesaid and as provided the Pension Fund Manager shall be responsible for the payment of all expenses incurred by the Pension Fund Manager from time to time in connection with its duties as Pension Fund Manager of the Trust. The Pension Fund Manager shall also bear all expenditures in respect of its secretarial and office space and professional management,

including all accounting and administrative services provided in accordance with the provision of the constitutive documents. In the event that a Pension Fund Manager erroneously makes an incorrect charge, The Pension Fund Manager shall credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.

6.2.3 The remuneration shall begin to accrue from the date of payment in full for all the Seed Capital Units subscribed by the Seed Investors in such manner as to achieve compliance with the undertaking given to the Commission by the Pension Fund Manager pursuant to the Rules (the **"Contribution Date"**). In respect of the first and the last Accounting Periods, such remuneration shall be prorated on the basis of the actual number of days during such period for which such remuneration has accrued against the total number of days during such period.

6.3 Remuneration of the Trustee

6.3.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto **(Annexure "A-2"**), which shall be applied to the average daily Net Assets of the Pension Fund during such calendar month.

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

6.3.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, in accordance with the provisions of the Constitutive document.

6.3.4 The remuneration shall begin to accrue from the date of payment in full of the Seed Capital units subscribed by the Seed Investors. For any period, other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.

6.3.5 In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Employee(s) or against the Trust Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules and the constitutive document.

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

6.4 Formation Cost

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

6.5 Other expenses

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

(a) brokerage and transaction costs solely related to investment purchases and sales of the Trust Property;

(b) legal costs incurred in protecting the interests of the Pension Fund or the collective interest

of the Employees;

(c) bank charges and financial costs related to financing for withdrawals or transfers in relation to the Pension Fund as permissible under the rules, shall not be higher than the normal prevailing bank charges or normal market rates.

(d) audit fees in relation to the Pension Fund;

(e) annual fee payable to the Commission but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies, in each case in relation to the Pension Fund;

(f) Taxes, fees, duties if any, applicable to the Pension Fund on its income, turnover, assets and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund), if any, but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies in relation to the Pension Fund;

(g) charges and levies of stock exchange, national clearing and settlement company and custody charges, including Central Depositary Company of Pakistan Limited charges, if any;

(h) Printing costs and related expenses for issuing the quarterly, half-yearly and annual reports;

(i) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.

(j) Fund rating fee payable to approved rating agency

(k) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed

(l) fees and expenses related to registrar services, accounting, operation and valuation services related to Pension Fund

(m) custody and insurances costs relating to the safekeeping of the physical gold in the vault(s) for Commodity Funds

(n) selling and marketing expenses for the purpose of opening and maintenance of branches; payment of salaries/commission to sales team and distributors; advertising and publicity expense; development of alternate delivery/distribution channels for Pension Fund

(o) any other expense or charge as may be allowed by the Commission.

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

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

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

6.6.3 Brokerage and transaction costs, bank charges and financial costs, custody charges and Taxes, and all direct expenses of Sub Fund, shall be charged to the pertinent Sub-Funds. Legal costs, audit fees and annual fees payable to the Commission and any other common expenses in accordance with the Rules and Regulations, shall be charged to the pertinent Sub-Funds in proportion to their respective Net Assets.

7 INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

7.1. Objective of the JS KPK Pension Fund

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

7.2. Investment Policy of the Pension Fund

7.2.1 The Pension Fund Manager shall invest assets of the Pension Fund in those securities which are declared eligible by the Commission.

7.2.2 The Pension Fund Manager shall make investment of the Pension Fund in a transparent, efficacious, prudent and sound manner. The Pension Fund will initially consist of three Sub Funds.

7.2.3 Prior to the Contribution Date the Trustee shall hold the Trust Property in respect of each Sub-Fund in cash in a separate account for each Sub-Fund with a Commercial Bank having at least the minimum rating by a credit rating agency as specified by the Commission or shall invest such cash in short term money market investments, as advised by the Pension Fund Manager. Any income from such investments shall accrue to the Sub Fund to which it pertains. After the Contribution Date all cash shall be invested by the Trustee strictly in compliance with the Investment Policy at the direction of the Pension Fund Manager, in Authorized Investments or in cash

7.2.4 All the investments of the Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Subject to prior approval of the Commission, the Pension Fund may invest in foreign securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.

7.3. Investment Objective and Investment Policy of the JS KPK Pension Fund **- Equity Sub Fund**

7.3.1 The Investment Objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets.

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

(a) Assets of Equity Sub-fund shall be invested in 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 Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with;

(b) At least ninety percent (90%) of Net Assets of Equity Sub-fund shall remain invested in listed 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 Private Equity and Venture Capital Funds registered under Private Funds Regulations 2015;

(d) Pension fund manager may make investment maximum up to 10% of net asset; of Equity Sub-Fund in public offering and pre-initial public offering of equity securities;

(e) Investment in equity securities of any single company shall not exceed ten percent (10%) of Net Assets of Equity Sub-Fund or paid-up capital of that single company, whichever is lower;

(f) Pension fund manager may invest up to thirty percent (30%) or the index weight, whichever is higher, subject to maximum of thirty-five (35%) of net assets of an Equity Sub-Fund in equity securities of companies belonging to a single sector as classified by Pakistan Stock Exchange;

(g) Pension Fund Manager may invest any surplus (un-invested) funds in government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A"; and

(h) Pension Fund Manager shall ensure that the investment in equity securities of the following companies shall not exceed 10% of the net assets of the equity sub fund on monthly average basis:

a. Company is not traded on regular trading counter of the Pakistan Stock Exchange;
b. The minimum free float of the company is less than 15% of total outstanding shares; Provided that this clause shall not be applicable on equity securities which are part of KSE-30 index or KMI-30 index at the time of investment. However, in case an equity security is subsequently excluded from KSE-30 index or KMI-30 index, the Pension Fund Manager shall rebalance the portfolio and ensure compliance within six months of such index recomposition.

c. The securities of the company are traded less than 50% of the total trading days during the last six months or from the date of listing as the case may be; 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.

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 atleast 10% of the equity of the company as per latest accounts.

III. Winding-up petition is filed by the shareholders who own atleast 10% of the company's paid-up capital.

IV. Voluntary winding-up proceedings have commenced through passing of special resolution.

7.4. Investment Objective and Investment Policy of the JS KPK Pension Fund - Debt Sub Fund

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

7.4.2 The Investment limits of the Debt Sub Fund are determined by the Commission. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of debt sub fund in a separate bank account instead of compliance with the

following requirements for first three years from the date of launch of the Pension Fund. The current Investment policy/limits for debt sub-fund as stated below:

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

(b) Rating of any security in the portfolio shall not be lower than A+;

(c) Rating of any bank and DFI with which funds are placed should not be lower than A+;

(d) Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AA;

(e) At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks (excluding TDRs) or government securities not exceeding 90 days' maturity;

(f) Exposure to any single entity shall not exceed 10% of net assets of debt sub fund;

(g) Exposure in debt security of an entity shall not exceed 10% of net assets for debt sub fund or 10% of size of the issue of that debt security, whichever is lower;

(h) The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;

(i) Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of Debt Sub-fund;

(j) A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of debt sub-fund with all microfinance banks, non-bank finance companies and Modarabas;

(k) The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government; and

(l) Rating of microfinance banks with which funds are placed shall not be lower than A+

7.5. Investment Objective and Investment Policy of the JS KPK Pension Fund - Money Market Sub Fund

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

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

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

(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 10% of net assets for money market sub fund;

(g) Exposure in security of entity shall not exceed 10% of net assets for money market sub fund or 10% of size of the issue of that security;

(h) The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;

(i) Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund;

(j) A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of money market sub-fund with all microfinance banks, non-bank finance companies and Modarabas;

(k) The weighted average time to maturity of assets of a Money Market Sub-fund shall not exceed ninety (90) days, and

(l) Time to maturity of any asset in the portfolio of Money Market Sub-fund shall not exceed six (6) months.

7.6. Investment Objective and Investment Policy of the JS KPK Pension Fund - Equity Index Sub Fund

a) In line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of equity index sub fund in a separate bank account instead of compliance with the following requirements for first three years from the date of launch of the Pension Fund.

b) The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KSE – 30 index by investing in companies of the Index in proportion to their weightages

c) The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Treasury bills not exceeding 90 days maturity;

d) Performance Benchmark shall be determined in accordance with the directive of the Commission. The performance benchmark of JS KPK Pension Fund – Equity Index sub fund shall be return of KSE – 30 index.

e) Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party;

f) Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset; and

g) Exposure to any security shall not exceed weight of security in the index or its subset.

7.7 Investment Restrictions

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

7.7.2 The Fund shall not at any time:

(a) merge with, acquire or take over management of any other pension fund or pension fund manager unless it has obtained the prior approval of the Commission in writing for such merger, acquisition or takeover;

(b) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund;

(c) Purchase from or sell any security to any connected person or employee except with the approval of its Board of Directors in writing and consent of the Trustee

(d) participate in a joint account with others in any transaction; except for placement of orders under a single Universal Identification Number (UIN) subject to mechanism approved by the commission

(e) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund; or

(f) employ as a broker, directly or indirectly, any of its directors, officers or employees or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any broker who is a Connected Person where such transactions shall equal or exceed twenty-five per cent or more of the brokerage or commission paid by the Pension Fund in any one Accounting Period;

(g) Enter into a short sale transaction in any security.

7.7.3 Pension Fund Manager shall be responsible for managing and meeting the liquidity requirements of the Pension Fund.

7.7.4 Pension Fund Manager on behalf of a Pension fund shall not take exposure of more than 20% of net assets in any single group and the term "group" means persons haying at least 30% of more shareholding in any other company, as per publicly disclosed information.

7.7.5 Pension Fund Manager shall not invest assets of Pension Fund in securities of a company if equity is less than paid-up capital of the company, irrespective of the limits stated in the Investment Policy.

7.7.6 Pension Fund Manager shall not invest or deposit or place assets of pension fund, if the issuer or the bank or the security does not fulfill the minimum rating specified in the investment policy.

7.7.7 Pension Fund Manager shall adhere to the limits stipulated herein below; however, if the limits are breached merely due to corporate actions including take up of right or bonus issue(s) or due to change in Net Assets resulting; from fluctuation in price of securities or due to withdrawals, the Pension Fund Manager shall regularize the deviation within four months of the breach.

7.7.8 The investment of properties of the Sub-Funds shall be subject to the restrictions/limitations prescribed by the Commission vide its Prescribed Investment Policy from time to time.

7.8 Borrowing/Financing Restriction

(a) Subject to the applicable laws for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Pension Fund Manager under intimation to the Employer concur with the Pension Fund Manager in making and varying arrangements with Banks for financing by the Trustee for the account of the Pension Fund; provided that the financing shall not be resorted to, except for meeting the withdrawal requests or transfer of funds to other Pension Fund Managers.

(b) Financing shall not be resorted to except for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such financing shall not exceed fifteen percent of the total net assets value of the pension fund at any time, and shall be repayable within a period of ninety days.

(c) The charges payable to any Bank or Financial Institution against financings on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.

(d) The maximum financing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Pension Fund and the maximum financing for the account of any Sub-Fund shall not exceed fifteen per cent of the total Net Asset Value of such Sub-Fund or such other limit as may be provided in the Rules. If subsequent to such financing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or withdrawal of funds, the Pension Fund Manager or the Trustee shall not be under any obligation to reduce such financing.

(e) Neither the Trustee, nor the Pension Fund Manager shall be required to issue any guarantee or provide security over their own assets for securing such financing s from Banks and Financial Institutions. The Trustee or the Pension Fund Manager shall not in any manner be liable in their personal capacities for settlement of such financing.

(f) For the purposes of securing any such financing the Trustee may upon instruction of the Pension Fund Manager mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules.

(g) Neither the Trustee nor the Pension Fund Manager shall incur any liability by reason of any loss to the Trust or any loss that a Employee may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made in accordance with the Trust Deed.

7.9 Employees Rights in terms of Investment Choice

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

7.10 Risk Disclosure

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

Employees must realize that all investments in pension Fund and securities are subject to market risks. Our target return cannot be guaranteed and it should be clearly understood that

the portfolio of the Fund is subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

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

(2) **Government Regulation Risk -** Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.

(3) **Credit Risk -** Credit Risk comprises default risk, credit spread risk and down grade risk. Each can have negative impact on the value of the income and money market instruments including Sukuks etc.

- **Default Risk** - The risk that the issuer of the security will not be able to pay the obligation, either on time or at all;

(4) **Country or Political Risk –** The uncertainty of returns caused by the possibility of a major change in the political or economic environment of the country such as break down of law and order, war, natural disasters, etc. and any governmental actions or legislative changes or court orders restraining payment of principal or income.

(5) **Price Risk -** The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.

(6) **Liquidity Risk –** Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.

(7) **Settlement Risk –** At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Fund's performance etc.

(8) **Reinvestment Rate Risk –** In a declining 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.

(9) **Sovereign Risk -** Payment of bonds/ notes may be affected by the economic and political events in the country of the relevant issuer. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal invested, as a result of any economic or political circumstance.

(10) **Events Risk -** There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.

(11) **Withdrawal Risk -** There may be special circumstances in which the withdrawal of Units may be suspended or the withdrawal payment may not occur within six working days of receiving a request for withdrawal from the Employee.

7.11 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.

7.11.1 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 Employee will probably have to wait for payment beyond the normal period and the withdrawal amount so determined may be lower than the price at the time the withdrawal request was lodged. Employees are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.

7.11.2 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 Employees.

7.11.3 Investment in the Pension Fund is suitable for Employees who have the ability to take the risks associated with financial and capital market investments. Capital invested in the financial and capital markets could, in extreme circumstances, lose its entire value. However, diversification of the investment into a number of highly liquid equities, income securities and repurchase transactions tends to reduce the risk substantially. The historical performance of the Funds, the financial and capital market or that of any one security or transaction included in the Fund's portfolio does not indicate the future performance.

7.11.4 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. Employees are advised to study the latest Fund Manager Report specially portfolio composition and Financial Statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned Category. The latest monthly Fund Manager Report as per the format prescribed by Mutual Funds Association of Pakistan (MUFAP) is available on the website of the Pension Fund Manager (PFM) and can be obtained by calling / writing to the PFM.

7.12 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 Bank or financial institution or the Employer.

(b) Investment Risks and Tax Implication: All investments in the Pension Fund are subject to market risks. The value of such investments varies subject to market fluctuations and risks inherent in all such investments. Employees should read this Offering Document carefully to understand the investment policies, risks and tax implication and should consult legal, financial or tax advisors before making any investment decision.

(c) Withdrawals from the Pension Fund before the retirement age is subject to such conditions as may be prescribed by the Employer and applicable taxes under the provisions of the Income Tax Ordinance, 2001 and the Rules.

(d) The target return of the Sub-Funds cannot be guaranteed. It should be clearly understood that the portfolio of the Sub-Funds is subject to market fluctuations and risks inherent in all such investments.

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

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

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

8. SAFEGUARD OF MONEY

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

9. DISTRIBUTION RESTRICTION POLICY

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

10. TAXATION

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 an Insurance / Takaful company for the purchase of an annuity plan;

• the balance is transferred to another individual pension account of the eligible person; or
•the balance is transferred to the survivors approved pension account in case of the death of the eligible person.

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

A/B

Where,

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

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

11.4 Zakat

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

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

12 WARNINGS

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

13 REPORTS AND ACCOUNTS

13.1 Fund Accounts

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

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 Employees

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

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

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 EMPLOYEE(S)

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

14.2 Register of Employees

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.

14.3 Statement of Accounts

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

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

15. COMPLAINTS

Any unresolved complaint or dispute between a Employee and the Pension Fund Manager under the VPS Rules, it shall be referred to the Insurance 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.

15.1 Procedure for lodging a complaint with the Federal Insurance Ombudsman

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

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

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

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

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

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

(d) Subject to Section 128 of Insurance/ Takaful Ordinance, 2000, the Insurance/ Takaful Ombudsman shall not have any power to issue an order in the nature of a stay order or to entertain any complaints if the matter is pending before a Court, Tribunal or other legal forum.

(e) The Insurance/ Takaful Ombudsman may reject a complaint summarily or he may accept the same or pass any other order he deems fit.

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

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

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

15.2 Contact Details of Office of Federal Insurance Ombudsman

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

16. TRANSACTIONS WITH CONNECTED PERSONS

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

(b) Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Pension Fund Manager shall sell or purchase any Investment with the Pension Fund save in the capacity of intermediary or in the normal course of business.

(c) All cash forming part of the Pension Fund assets shall be deposited with the Trustee or the Custodian, which is a Bank, return shall be paid on the deposit by such Trustee or Custodian at a rate that is not lower than the rate offered by the said Bank to depositors of similar duration.

17. 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.

18. DISPUTES BETWEEN THE EMPLOYEES AND THE PENSION FUND MANAGER

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

19. GENERAL INFORMATION

The Constitutive Documents concerning the **JS KPK Pension Fund** may be inspected at the registered office of the Pension Fund Manager at, **The Centre, 19th Floor, Plot no. 28, SB-5, Abdullah Haroon Road, Saddar Karachi**.

20. STATEMENT OF RESPONSIBILITY

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

21. GENERAL

(a) Any notice required to be served upon a Employee shall be deemed to have been duly given if sent by post or courier service to or electronically submitted or left at Employee address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

(b) In case a general notice is required to be served upon all the Employees through newspaper, the Trustee or the Pension Fund Manager shall advertise any such notice in any leading daily newspapers in Pakistan having primary circulation in Khyber Pakhtunkhwa. The cost of issuing and publishing a general notice shall be charged to the Trust.

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

(d) Any notice or document sent by post or courier service to or left at the registered address of an Employee shall notwithstanding that such Employee be then dead or bankrupt and whether or not the Trustee or the Pension Fund Manager have notice of Employee death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units registered in favor of that Employee.

(e) A copy of this Offering Document, Trust Deed and of any deed supplemental hereto shall be made available for inspection at the respective head offices of the Trustee and the Pension Fund Manager at all times during usual Business Hours and shall be supplied by the Pension Fund Manager to any person on application at a charge disclosed in the Offering Document.

22 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 Employee, containing such information as may be prescribed by the Commission from time to time;

"Agreement" means the agreement signed between the Employer and the Pension Fund Manager dated XXXXXX.

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

"Annuity" means a series of payments of set frequency,

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

"Approval" means any consent, registration, filing, notarization, certificate, license, approval (including foreign exchange control approval), permit, Authority, confirmation or exemption from or by or with any national, supranational or regional government or administrative, fiscal, judicial or governmental body, commission, agency, authority, central bank or similar entity and

all corporate, creditors', shareholders' and directors' approvals or consents required for execution of the Trust Deed and performance of the transactions contemplated herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Federal Government" means the Federal Government of Islamic Republic of Pakistan.

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

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

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

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

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

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

"Offering document" includes, **-**

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

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

"Ordinance" means the Companies Ordinance, 1984 and Companies Act, 2017.

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

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

"Personal Law" means the law of inheritance and succession as applicable to the individual Employee.

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

"Provincial Governments" mean the Provincial Governments of all four provinces of Pakistan.

"Pension Fund" means this fund offered in the form of Employer Pension Fund made up of Sub-Funds created from the Contributions paid by the Employees and would consist of all the assets for the time being held or deemed to be held by Sub-Funds and includes all income or investment returns thereon but excludes fees, charges and expenses related to the management of the investments of Sub-Funds.

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

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

"Prescribed Investment Policy" means Investment Policy prescribed by the Commission from time to time under the Rules.

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

"Regulations" means regulations as defined under the Rules.

"Register" means the register of Employees kept pursuant to the Rules and the Trust Deed.

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

"Registrar Functions" means the functions with regard to:

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

"Retirement Age" means any age between sixty and seventy years or such age as may be prescribed in the Rules from time to time, which the Employee selects for retirement, in accordance with the provisions of the Rules.

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

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

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

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

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

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

"Seed Capital Investors" means the investor of Seed Capital.

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

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

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

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

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

"Insurance Company" includes Insurance Company or Takaful Company as defined in Insurance Ordinance 2000.

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

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

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

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

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

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

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

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

23 INTERPRETATION

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

(a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision;

(b) the singular includes the plural and vice versa;

(c) a reference to an individual or person includes a company, firm, trust, Authority or government and vice versa;

(d) a reference to any gender includes all genders;

(e) a reference to a Recital, Clause or Annexure is to a Recital, Clause or Annexure of or to this Offering Document;

(f) a Recital or Annexure forms part of this Offering Document;

(g) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, restated or replaced from time to time;

(h) a reference to any party to this Offering Document or any other document or arrangement includes that party's executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns;

(i) where an expression is defined, another grammatical form or variation of that expression has a corresponding meaning;

(j) a reference to any "Account" or "account" includes any renewal, redenomination, redesignation or sub-account thereof;

(k) "include", "includes" and "including" shall be respectively construed as "include without limitation", "includes without limitation" and "including without limitation", and all derivative terms shall be construed accordingly; and

(l) words "written" or "in writing" include printing, engraving, lithography, or other means of visible reproduction.

24 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
Specialized Companies Division
Policy, Regulation and Development Department

Licence No. AMCW/42/JSIL/AMS/ 06 /2022 Islamabad, May 14, 2022

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

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to carry out **Asset Management Services** submitted by **JS Investments Limited** under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules"), and being satisfied that it would be in the public interest to do so, in exercise of the powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license to **JS Investments Limited** to undertake or carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

(i) **JS Investments Limited** shall comply with Part-VIII A of the Companies Ordinance, 1984, the Companies Act 2017, the Rules (including all conditions under Rule 5(6) of the Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and any directives, circulars, codes, notifications and guidelines issued by the Commission;

(ii) **JS Investments Limited** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws;

(iii) **JS Investments Limited** shall comply with all the conditions including any additional requirements that the Commission has imposed or may impose from time to time; and

(iv) The license is valid for a period of three years w.e.f. **May 14, 2022** and shall be renewable every three years as specified in the Rules.

(Khalida Habib)
Executive Director

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

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Specialized Companies Division
(Pensions Wing)
*** * ***

No. SECP/PW/Reg-03/2007 Islamabad, January 8th, 2007

CERTIFICATE OF REGISTRATION AS PENSION FUND MANAGER

The Securities and Exchange Commission of Pakistan ("the Commission"), having considered the application of JS ABAMCO Limited for registration as a Pension Fund Manager and being satisfied that JS ABAMCO Limited is eligible for registration and that it would be in the interest of the participants and capital market to do so, in exercise of the powers conferred by sub-rule (2) of rule 5 of the Voluntary Pension System Rules, 2005 ("the VPS Rules"), hereby grants registration to JS ABAMCO Limited subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

1. JS ABAMCO Limited shall strictly comply with all the relevant provisions of the Companies Ordinance, 1984, the VPS Rules, the guidelines and directives issued from time to time under the VPS Rules and any other law applicable in this regard;

2. JS ABAMCO Limited shall not make any offer to any person/public to participate in any of its pension fund/scheme(s) unless the Commission has authorized such pension fund/scheme(s) in pursuance of sub-rule (1) of rule 9 of the VPS Rules;

3. JS ABAMCO Limited shall reconstitute its Board of Directors in light of the Fit and Proper Test prescribed by the Commission vide its Circular No. 7 of 2005 and shall ensure strict compliance of the same; and

4. JS ABAMCO Limited shall amend the object clause of its Memorandum of Association to undertake pension fund/scheme(s) business under the VPS Rules.

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

This certificate of registration shall stand withdrawn if registration as a Pension Fund Manager granted hereinabove is cancelled either under sub-rule (4) of rule 5, or sub-rule (1)(a) or sub-rule (4) of rule 6, or sub-rule (3) of rule 40 of the VPS Rules.

(SALMAN ALI SHAIKH)
Commissioner (SCD)

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad, Pakistan
PABX: 9207091-4, Fax. No. 9208648

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

SECP

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Specialized Companies Division
Fund Management Department

Authorization No. SCD/AMCW/JSKPKPF/2023 -128 Islamabad, September 05, 2023

AUTHORIZATION OF PENSION FUND

The Securities and Exchange Commission of Pakistan, having considered the application for authorization of the **JS KPK Pension Fund**, and being satisfied that the said **JS KPK Pension Fund** has provided information as specified under Form III of the Voluntary Pension System Rules, 2005, in exercise of the powers conferred by sub-rule (1) read with sub-rule (4) of Rule 9 of the Voluntary Pension System Rules, 2005, hereby grants authorization to **JS KPK Pension Fund** subject to the conditions as may be prescribed or imposed hereafter.

(Mujtaba Ahmad Lodhi)
Commissioner (SCD)

Annexure "B-2"

Approval of Offering Document

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
FUND MANAGEMENT DEPARTMENT

SECP

No. SCD/AMCW/JSKPKPF/2023 | 133 September 26, 2023

Mr. Muhammad Khawar Iqbal,
COO & Company Secretary,
JS Investments Limited,
The Centre, 19th Floor, Plot No. 28 SB-5,
Abdullah Haroon Road, Saddar,
Karachi.

Subject: Approval of the Offering Document of JS KPK Pension Fund.

Dear Sir,

Please refer to email dated September 17, 2023 and subsequent emails received from JS Investments Limited 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 JS KPK 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 eligible persons 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

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
Ph: +92[51] 9195254 UAN: +92 [51] 111 117 327 (Ext:5254)| | FAX: +92 [051] 9100473

SECP

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
FUND MANAGEMENT DEPARTMENT

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 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 updation 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, the Regulations and the Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022.

XI. The Pension Fund Manager shall promptly notify the Employer, i.e. the Government of Khyber Pakhtunkhwa, upon obtaining approval for the offering document and 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, the Regulations and the Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 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.

Your truly,

(Sajid Imran)
Joint 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.

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
Ph: +92(51) 9195254 UAN: +92 (51) 111 117 327 (Ext:5254) | FAX: +92 (051) 9100473

Annexure "B-3"

Registration/Approval of Trust Deed

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

SECP

No. SCD/AMCW/JSKPKPF/2023 | 392 June 27, 2023

Ms. Iffat Zehra Mankani
Chief Executive Officer,
JS Investments Limited,
Office No. 414, 4th Floor,
PSX Tower, Jinnah Avenue,
Islamabad.

Subject: **Clearance of Draft Trust Deed of Proposed "JS KPK Pension Fund"**

Dear Sir,

Please refer to the letter dated June 06, 2023 and subsequent email dated June 13, 2023, wherein draft trust deed of proposed JS KPK Pension Fund (the "Fund") to be executed between JS Investments Limited and Central Depository Company Private Limited (the "Trustee") has been submitted for review and clearance.

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 **JS KPK Pension Fund** submitted vide your email June 06, 2023 for registration under the Sindh Trusts Act, 2020.

The clearance of the trust deed is, however, without prejudice to the conditions and requirements stipulated in the Certificate of Registration issued in favor of M/s. JS Investments Limited and the requirements stipulated in the Voluntary Pension System Rules, 2005.

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

Yours truly,

Zarbakhat
Management Executive

"Say no to Corruption"

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.

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

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4 Fax. No. 9100473

Annexure "C"

Approval of Trustee

SECP

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/JSKPKPF/2023 | 391 June 27, 2023

Ms. Iffat Zehra Mankani
Chief Executive Officer,
JS Investments Limited,
Office No. 414, 4th Floor,
PSX Tower, Jinnah Avenue,
Islamabad.

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

Dear Sir,

Please refer to the letter dated June 06, 2023 and subsequent email dated June 13, 2023 received from your office on the subject noted above.

In this regard, I am directed to convey the approval of the Securities and Exchange Commission of Pakistan (the "Commission") for the appointment of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the proposed JS KPK Pension Fund under rule 29 of the Voluntary Pension System Rules, 2005.

Furthermore, in terms of Rule 34 of the Voluntary Pension System Rules, 2005, the Commission has approved the following remuneration of the Trustee:

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.

Yours truly,

Zarbakhat
Management Executive

"Say no to Corruption"

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.

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 9207091-4 Fax. No. 9100473

ANNEXURE 'C-1'

Current Level of Front-end fee (Sale Charge)

Front-end fee (Sale Charge) (%)
Nil

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

Current Level of Remuneration of Pension Fund Manager

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

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

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

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

Business Hours and Current Cut off Time

Transactions	Business Hours	Cut off Time
Application for issuance of units and Withdrawal of Units	Monday to Friday 9:00 am to 5:30 pm	Monday to Friday 9:00 am to 3:00 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 Employee(s) before such unit transactions shall be effectuated.

Note:

(a) Any change in the charges structure and/or management fee shall be notified after prior approval of the Commission through a supplemental.

(b) Any change in the Cut-off Timing including for the month of Ramadan shall be notified to Employee(s) via Company's Website.

ANNEXURE 'E'

Designated Outlets

Pension Fund Manager of the Fund is JS Investments Limited and other information of the Fund can be collected from the address of the Pension Fund Manager available on www.jsil.com or from the branches of the Pension Fund Manager / Investment Facilitators.

JS Investments Limited

1) Karachi **The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi** **UAN: 021-111-222-626**
2) Islamabad **Office # 414, 4th Floor, ISE Building, Jinnah Avenue Islamabad.** **UAN: 051-111-222-626**
3) Lahore **1 st Floor, Plot No. 4, Block R, M.M. Alam Road, Lahore, Pakistan** **UAN: 042-111-222-626**