
**Supplementary Offering Document of
PIF Savings Plan**
**An administrative arrangement/plan under the
Pakistan Income Fund (PIF)**
**Managed by Arif Habib Investment Management Limited,
An Asset Management Company**
RISK PROFILE: MEDIUM (PRINCIPAL AT MEDIUM RISK)

1. Introduction

- 1.1. The PIF Savings Plan is an administrative arrangement offered by Arif Habib Investment Management Limited (AHIML) so as to facilitate Subscribers to invest in a monthly savings plan and benefit from the facility of investing small amounts in a portfolio of income generating investments.
- 1.2. The Trust Deed relating to the Pakistan Income Fund dated 23rd October 2001 governs all transactions under this arrangement. Unless specifically altered by this document, all the terms and conditions of the Offering Document of the Pakistan Income Fund shall apply.

2. Objectives

- 2.1. The objective of this arrangement/plan is to facilitate a Subscriber in achieving long-term investment goals through monthly investments in the Pakistan Income Fund.
- 2.2. The Subscriber should benefit from the compounding effect of the reinvestment of the income earned on the investments
- 2.3. The Subscriber also has the option to benefit from a specially designed insurance cover.

3. The administrative arrangements

- 3.1. The present minimum monthly savings amount is Rs.1,000. Units of PIF (including fractions thereof) shall be issued against the amount received from the Subscriber in accordance with the terms of the Offering Document of PIF. The Management Company may alter the minimum amount. An increase in the minimum amount shall require a reasonable notice.
- 3.2. An investor may open a PIF Savings Plan by filling out the prescribed Form and lodging it alongwith the first month's contribution with a Distributor.
- 3.3. The PIF Savings Plan subscriber (hereinafter referred to as the Subscriber) may select a predetermined annual increase in the level of monthly contributions or may otherwise alter the monthly savings amount once in every calendar year provided such amount is not below the minimum fixed by the Management Company. The Management Company may, at its sole discretion, allow any Subscriber a more frequent change.
- 3.4. The Subscriber shall send to the Distributor the monthly contributions under cover of the prescribed Form. The Management Company may introduce arrangements whereby a Subscriber may pay the contributions through standing instructions to a bank. In the event a Subscriber does not deposit the monthly contribution for any reason, the Account shall remain alive and the Subscriber may continue the contributions at any stage. A Subscriber may deposit additional funds of a minimum of Rs. 1,000 per deposit (or such other minimum amount the Management Company may prescribe from time to time) at any stage.
- 3.5. The Registrar shall send a statement of account to the Subscriber each time there is activity in the account. Such statement or report shall be sent by ordinary mail to the Subscriber's address recorded in the register.
- 3.6. Certificates representing Units purchased under this plan shall not be issued.
- 3.7. In the event the Management Company announces a suspension of further issue of Units of the Pakistan Income Fund, it may allow existing Subscribers to continue buying Units under the plan.
- 3.8. Dividends declared on the Units held in the PIF Savings Plan shall be reinvested in the Pakistan Income Fund.
- 3.9. In the event of winding up of the Pakistan Income Fund, the PIF Savings Plan shall be discontinued and the Units standing to the credit of the Subscriber shall be dealt with in the same manner the rest of the Units in the Pakistan Income Fund.

3.10. Insurance Option

- 3.10.1. The Management Company has made arrangements with certain Insurance companies to provide a cover to such Subscribers who opt to insure the monthly contributions in the event

of death or permanent and complete disability of the Subscriber. Particulars of the Insurance companies, a brief synopsis of the terms and conditions are annexed hereto. The Management Company may make arrangements with other Insurance companies in the future. The terms and conditions of the policies and the enforcement thereof are between the Insurance Company and the Subscriber. The Management Company does not take any responsibility in this regard and is only facilitating the arrangement. Where Insurance Company is willing to provide only group insurance cover, it may be necessary for the Management Company to become the Policy Holder for the benefit of the Account Holders. However, in such case, the Management Company does not take any responsibility beyond exercising reasonable care and diligence to ensure that the policy provides adequate cover to the Subscribers. The Management Company does not guarantee that any of the insurance companies shall be willing to provide the cover to any Subscriber nor does it guarantee performance by the insurance company.

- 3.10.2. In the event the Subscriber opts for an insurance cover with one of the insurance companies, the Subscriber shall send the amount of the applicable premium alongwith the monthly contribution. The Management Company shall pass on the premium to the insurance company concerned as a free service to the Subscriber.
- 3.10.3. The primary responsibility of ensuring that the policy does not lapse is that of the Subscriber, however, in order to assist the Subscribers in the event they do not send the monthly contribution and/ or the full insurance premium applicable for any month, the Management Company may send the amount of premium applicable to the insurance company so that the policy does not lapse due to non-payment of premium. The Management Company shall be entitled to full reimbursement by the Subscriber and it may redeem such number of Units or fractions thereof standing in favour of the Subscriber, that are adequate to pay for the premium. Such redemption shall take place on the day (or the next following day) the Management Company is required to send the premium to the insurance company and in the event the that day is not a day when a Redemption Price is announced for the Pakistan Income Fund for any reason, redemption shall take place on the next day price is announced. Provided, under no circumstances shall the Management Company be obliged to pay any premiums unless there is a sufficient holding of the Subscriber. The Management Company shall send quarterly statements to the Subscribers indicating the Units redeemed and the amount paid to the Insurance Comp any during the preceding quarter.
- 3.10.4. In the event the Subscriber wishes to stop paying the premium, such Subscriber shall advise the Management Company or the Registrar in writing failing which the Management Company may continue to pay the premium to the insurance company out of the Subscriber's investments/funds.
- 3.10.5. The Registrar shall not record a lien on the funds or Units held in the PIF Savings Plan in the event it is covered by an insurance option.
- 3.11. In the event any changes are introduced in the Plan after an existing Subscriber has made an initial investment in the Plan, the existing Subscriber shall not be under any obligation to comply with the changes. However, if the Subscriber is willing to comply with the changes, he/she shall be welcome to opt for the changed terms and may be required to sign a form accepting the new terms.

4. Risk Disclosure:

- 4.1. In addition to the risks disclosed in the Offering Document of the Pakistan Income Fund, the investment in the PIF Savings Plan is exposed to the following risk:
 - 4.1.1. The target amount of saving and accumulation of the returns thereon are based on best estimates of the performance of the Income Fund and the ability to continue investing in similar investments on maturity of the investments in the portfolio. There is no guarantee as to the actual performance of the Pakistan Income Fund.
 - 4.1.2. The Pakistan Income Fund is subject to being wound up under certain circumstances as explained in Clause 17 of the PIF Offering Document. In such an event the PIF Savings Plan shall be discontinued.
 - 4.1.3. The Management Company does not take responsibility for any insurance company fulfilling its obligations.

- 4.1.4.** In the event a Subscriber fails to pay the insurance premiums or abandons the policy or decides to redeem the Units owned by him/her, the contributions made towards the insurance policy shall stand lapsed.
- 5. All other matters** – The Offering Document relating to the Pakistan Income Fund of which this plan is an administrative arrangement, shall apply to all matters not covered by this Supplementary Offering Document.
- 6. “Subscriber”** means a unitholder in the Pakistan Income Fund.