

**3<sup>rd</sup> Supplemental Offering Document**

**Meezan Income payment Plan (MIPP)**

**Of**

**Meezan Tahaffuz Pension Fund (MTPF)**

<b>Clause no.</b>	<b>Existing Clause</b>	<b>Proposed Amendments</b>	<b>Rationale for Amendment</b>
<b>3</b>	<p><b>Options at Retirement</b> Participants of MTPF on attaining the age of retirement as specified by them shall have the following options:</p> <p>(a) Withdraw up to 50% of amount (tax free) in their Individual Pension Account or any other percentage, as cash, as per Income Tax ordinance and</p> <p>(b) To use the remaining amount to either purchase an annuity from a life insurance/takaful company or invest the amount in any approved Income Payment Plan to receive a monthly amount till the age of 75 years or earlier, as approved by the Commission from time to time.</p>	<p><b>Options at Retirement</b> Participants of MTPF, on attaining the age of retirement as specified by them, shall have the following options:</p> <p>(a) Withdraw up to 50% of amount (tax free) in their Individual Pension Account or any other percentage, as cash, as per Income Tax ordinance and</p> <p>(b) To use the remaining amount to either purchase an annuity from a life insurance/takaful company or invest the amount in any approved Income Payment Plan to receive a monthly amount <b>for up to fifteen years following the date of retirement or as allowed by Commission from time to time.</b></p>	<p>As per VPS Rules.</p>

<p><b>3.2</b></p>	<p><b>Amount for Annuity</b> Any amount out of the initial participation amount as decided by the Participant shall be invested in the selected Allocation Scheme to ensure availability of amount at the expiry of the Plan i.e. age 75 or earlier as approved by the Commission from time to time, for purchase of annuity from life Insurance/Takaful company or any other scheme as permissible under the VPS Rules. The remaining amount shall be treated as Participation Amount and shall be disbursed each month based on the Payment Option selected by the Participant.</p>	<p><b>Amount for Growth Purposes</b> Any amount out of the initial participation amount, as decided by the Participant for growth purposes, shall be invested in the Customized Allocation Scheme to ensure availability of amount at the expiry of the Plan:</p> <ul style="list-style-type: none"> <li>• For purchase of annuity from life Insurance/Takaful company, of his choice or;</li> <li>• Buy an income payment plan for another term or any other scheme as permissible under the VPS Rules.</li> </ul> <p>The remaining amount shall be treated as Participation Amount and shall be disbursed each month based on the Payment Option selected by the Participant.</p>	<p>To allow customized allocation scheme for Growth portion.  Further, the changes were made to reflect the amendments in VPS rules.</p>
<p><b>3.4</b></p>	<p><b>Choice of Allocation Scheme</b>  The Participant will have the option to place the amount in one of the following allocation schemes of MTPF for systematic redemption of units in order to get a periodic payment.</p> <p><b>Low Volatility (previously conservative) (Minimum 10% Equity, Minimum 60% Debt, Minimum 15% Money Market)</b></p>	<p><b>Choice of Allocation Scheme</b>  The Participant will have the option to place the amount selected for monthly income purposes in one of the following allocation schemes of MTPF for systematic redemption of units in order to get a periodic payment.</p> <p><b>Medium Volatility (Minimum 35% Equity, Minimum 40% Debt, Minimum 10% Money Market)</b></p>	<p>To allow investors option of added equity exposure in income and growth portions as per their risk appetites.</p>

	<p><b>Lower Volatility (previously very conservative)</b>  <b>(0% Equity, Minimum 40% Debt, Minimum 40% Money Market)</b></p>	<p><b>Low Volatility (previously conservative)</b>  <b>(Minimum 10% Equity, Minimum 60% Debt, Minimum 15% Money Market)</b></p> <p><b>Lower Volatility (previously very conservative)</b>  <b>(0% Equity, Minimum 40% Debt, Minimum 40% Money Market)</b></p> <p>The amount selected for growth purposes will be invested according to the investor's desired risk exposure, within the following prescribed allocation limits.</p> <table border="1" data-bbox="884 597 1507 915"> <thead> <tr> <th data-bbox="884 597 1039 764">Equity Sub Fund</th> <th data-bbox="1039 597 1194 764">Debt Sub Fund</th> <th data-bbox="1194 597 1350 764">Money Market Sub Fund</th> <th data-bbox="1350 597 1507 764">Gold Sub Fund</th> </tr> </thead> <tbody> <tr> <td data-bbox="884 764 1039 915">0-100%</td> <td data-bbox="1039 764 1194 915">0-100%</td> <td data-bbox="1194 764 1350 915">0-100%</td> <td data-bbox="1350 764 1507 915">0-100%</td> </tr> </tbody> </table> <p>Note: The invested amount may deplete before the life of the Plan depending on the capital market conditions and level of interest rates.</p>	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund	0-100%	0-100%	0-100%	0-100%	
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0-100%	0-100%	0-100%	0-100%								
<p><b>3.7</b></p>	<p><b>Payment Options:</b>  The Participant will also choose one of the following payment options. The Participant can change the Payment Option any time by filling out a change of option product. All withdrawals will be subject to Income Tax Ordinance for the time being in-force.</p> <p><b>(A) Systematic Withdrawal Option</b></p>	<p><b>Payment Options:</b>  The Participant will also choose one of the following payment options. The Participant can change the Payment Option any time by filling out a change of option product. All withdrawals will be subject to Income Tax Ordinance for the time being in-force.</p> <p><b>(A) Systematic Withdrawal Option</b> – Under this option the Participant shall instruct the</p>	<p>To counter the risk of early depletion of funds.</p>								

	<p>– Under this option the Participant shall instruct the Management Company to pay a fixed amount at the end of each Period which shall not be less than PKR. 500.</p> <p><b>(B) Actual Appreciation Payment plus Fixed Amount</b> – Under this option the Management Company shall calculate the amount a Participant receives based upon the actual appreciation of Participation Amount at the end of the Period plus a fixed amount if specified by the Participant. The fixed amount shall not be less than PKR 500. In case a fixed amount is not specified it shall be deemed to be PKR 500. If investment depreciates during the Period, only fixed amount shall be paid to the Participant through his Participation Amount.</p>	<p>Management Company to pay a fixed amount at the end of each Period. <b>This payment option will not be available to participants choosing Medium Volatility Option.</b></p> <p><b>(B) Actual Appreciation Payment plus Fixed Amount</b> – Under this option the Management Company shall calculate the amount a Participant receives based upon the actual appreciation of Participation Amount at the end of the Period plus a fixed amount. If investment depreciates during the Period, only fixed amount shall be paid to the Participant through his Participation Amount. Fixed amount shall be revisited annually to adjust for any depreciation in account balance.</p> <p><b>(C) <u>Balance to remaining number of Months Methodology</u></b> – The value of total remaining balance shall be divided into the remaining number of months in the selected period. This exercise shall be undertaken at the end of each year.</p> <p>Note: The invested amount may deplete before the life of the Plan depending on the capital market conditions and level of interest rates.</p>	
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<p><b>3.14</b></p>	<p><b>Term of the Plan</b>  MIPP shall have a maximum term till the Participant reaches the age of 75 or any other age as specified in the VPS Rules, 2005 or the Commission from time to time. In case a Participant reaches the age of 75 years the Plan shall be deemed to have ended. At the end of the plan, the Participant shall buy an annuity from a life Takaful company/Life Insurance company against any remaining amount in his or her account.</p>	<p><b>Term of the Plan</b>  The participant may continue to receive pension under the plan for up to 15 years from date of retirement, or as allowed under the VPS Rules from time to time.</p>	<p>As per VPS Rules.</p>
<p><b>4</b></p>	<p><b>Risk Disclosure:</b></p> <p>In addition to the risks disclosed in the Offering Documents of MTPF</p> <p>(A) The NAV of the Funds may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures.</p> <p>(B) The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the Fund invests.</p> <p>(C) Investors in the Plan are not offered any guaranteed returns.</p>	<p><b>Risk Disclosure:</b></p> <p>In addition to the risks disclosed in the Offering Documents of MTPF</p> <p>(A) The NAV of the Funds may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures.</p> <p>(B) The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the Fund invests.</p> <p>(C) Investors in the Plan are not offered any guaranteed returns.</p> <p>(D) Investors may note that the Fund Manager's</p>	<p>For investor's awareness</p>

	<p>(D) Investors may note that the Fund Manager's investment/ asset allocation decisions for the Funds may not be always profitable.</p>	<p>investment/ asset allocation decisions for the Funds may not be always profitable.</p> <p>(E) The invested amount may deplete before the life of the Plan depending on the capital market conditions and level of interest rates.</p>	
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