



Securities and Exchange Commission of Pakistan  
Specialized Companies Division

No. SCD/PW/IP(R-24)

January 20, 2011

CIRCULAR NO. 3 Of 2011

**Subject: Amendment in Circular 36 of 2009 dated December 10, 2009 - Investment and Allocation Policies for Pension Funds Authorized Under the Voluntary Pension System Rules, 2005**

Considering the re-composition of sectors by the Karachi Stock Exchange and availability of limited investment avenues for Shariah Compliant pension funds, the following amendments are hereby incorporated in pursuance of rule 24(3) of Voluntary Pension System Rules, 2005 (the 'VPS Rules') in **Circular 36 of 2009 dated December 10, 2009**, on the captioned subject:-

- 1) Para 15 on page 3 shall be read as under:

"Investment in securities issued by companies of any one sector (sector shall be same as classified by Karachi Stock Exchange) shall not exceed twenty five percent (25%) or the index weight, whichever is higher, subject to maximum of thirty percent (30%) of the net assets of a pension fund unless specified otherwise in the investment policy."

- 2) Clause (f) on page 4, under the heading "Equity sub-fund" shall be read as under;

"A 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 a Shariah compliant Equity sub-fund in equity securities of companies belonging to a single sector as classified by Karachi Stock Exchange."

- 3) Clause (a) on page 7, under the heading "Money Market sub-fund" shall be read as under;

"The weighted average time to maturity of assets of a Money Market sub-fund shall not exceed ninety (90) days, except for assets of Shariah compliant Money Market sub-fund, where time to maturity may be upto one year."

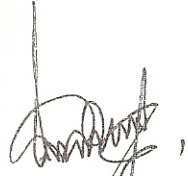


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- 4) Clause (b) on page 7, under the heading "Money Market sub-fund" shall be read as under;

"Time to maturity of any security in the portfolio of Money Market sub-fund shall not exceed six (6) months, except in the case of Shariah compliant Money Market sub-fund, where the time to maturity of Shariah compliant Government securities such as Government Ijarah Sukuks may be upto three (3) years."

- 5) This Circular shall come into force with immediate effect.

  
(Muhammad Ali)  
Chairman

**Distribution:**

- i. Chief Executive, all Pension Fund Managers
- ii. Trustees of Pension Funds
- iii. Mutual Fund Association of Pakistan