

**2<sup>ND</sup> SUPPLEMENT**

**TO THE**

**OFFERING DOCUMENT OF**

**ALFALAH GHP INCOME MULTIPLIER**

**FUND**

**Category: Income Scheme**

**MANAGED BY**

**ALFALAH GHP INVESTMENT**

**MANAGEMENT LTD.**

**DATED: May 04, 2010**

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

Second Supplement dated May 04, 2010 to the Offering Document of Alfalah GHP Income Multiplier Fund (AGIMF) issued on June 08, 2007.

[Managed by Alfalah GHP Investment Management Ltd. an Asset Management Company Licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003]

Established in Pakistan under the Trusts Act 1882 (11 of 1882) by a Trust Deed dated March 08, 2007 between Alfalah GHP Investment Management Limited, the Management Company and Central Depository Company of Pakistan Limited, the Trustee and is authorized under Rule 67 the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Effective from May 27, 2010, the following clauses of the Offering Document have been amended to read in their entirety as follows:

### **1. Addition of new sub-clause 1.4.4 in Modification of Trust Deed**

A new sub-clause in 1.4 Modification of Trust Deed is added as 1.4.4.

**After the said amendment the clause 1.4 Modification of Trust Deed would include sub-clause 1.4.4 as:**

“The Offering Document, Trust Deed or any supplementary Offering Documents or Trust Deed shall be governed by NBFC Rules, NBFC Regulations, circulars, directives or guidelines issued and amended by the SECP from time to time. In case of any revision of said rules, regulation, directives, circulars or guidelines since the approval of these Documents, these will deem to have been included in the Offering Document and Trust Deed.”

### **2. Addition of new sub-clause 1.6.5 in Units**

A new sub-clause in Units is added as 1.6.5.

**After the said amendment the sub-clause 1.6, Units would include sub-clause 1.6.5 as:**

“For the convenience of investors, the Management Company may introduce different administrative plans under different administrative arrangements with the prior approval of SECP and consent of the Trustee. Units issued under the different administrative arrangements shall be governed by the Rules, Regulations, Deed and this Offering Document or any supplemental Deed or supplemental Offering Document as and when made available by the Management Company.”

### **3. Amendments in sub-clause 1.9 Transaction in Units after Initial Period of Offer (IPO)**

The wording of clause 1.9 is deleted and replaced with following wordings:

**After the said amendment, sub-clause 1.9 reads as under:**

“Subsequent to the First Offer, Units can be purchased at the Purchase (Offer) Price and redeemed at the Redemption (Repurchase) Price. The

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

Management Company shall announce and make available the Offer Price to the public at the office and branches of the Authorized Distributor(s) and on the website of the company ([www.alfalahghp.com](http://www.alfalahghp.com)) as of the close of each Business day latest by 18:30 hours (or such time as modified by SECP from time to time). The Management Company shall also announce the Redemption Price on a daily basis on all Business Days latest by 18:30 hours (or such time as modified by SECP from time to time) at the office and branches of the Distribution Company(ies) and on the website of the company. The Offer and Redemption Prices shall be determined by the Management Company under the provisions of this Offering Document. The Offer and Redemption Price so calculated shall be applicable for the Business Day. However, the announcement of prices may be delayed after 18:30 hours in case of extraordinary circumstances beyond the control of Management Company including delays in announcement of valuation prices by Stock Exchanges, MUFAP, etc or if there is breakdown of means of communication normally employed in the announcement of NAV prices of the Fund by the Management Company. In the event there are closed days, for any reason, following that business day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed day(s), the NAV based price per Unit shall be fixed after adjusting for the Front-end Load or the Back-end Load as the case may be and any Transaction Costs that may be applicable save under circumstances elaborated in Section 4.7 mentioned herein, such prices shall be applicable to purchase and redemption request, complete in all respects, received during the business hours on the following business day. The Management Company may issue Units without Front-end Load to Unit Holders opting to receive Units in lieu of dividends.”

#### **4. Amendments in sub-clause 2.1 Investment Objectives**

In sub-clause 2.1 in the first line after the words “to generate” and before “returns” the wording “stable and consistent” are deleted and replace with word “attractive”.

**After the said amendment, sub-clause 2.1 reads as under:**

“The primary investment objective of the Fund is to aim to generate attractive returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.”

#### **5. Amendments in clause 2.2 Investment Policy**

The text of clause 2.2 is deleted and replace with following text.

**After the said amendment the clause 2.2 Investment Policy read as under:**

“The Investment Portfolio of Alfalah GHP Income Multiplier Fund would comprise of fixed, floating and hybrid rate instruments. The allocation between various investment classes will depend on prevailing market conditions and opportunities and will primarily comprise the following asset classes:

<b>Asset Class</b>	<b>Min Entity Rating</b>	<b>Min Instrument Rating</b>	<b>Max Exposure Limit</b>
--------------------	--------------------------	------------------------------	---------------------------

**Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document**

<b>a. Financing &amp; Other Transactions</b>			
<i>i.</i> CFS or its replacement in local listed securities. *	N/A	N/A	40%
<i>ii.</i> Spread Transactions in local listed securities.	N/A	N/A	40%
<i>iii.</i> Reverse Repo transaction against eligible Securities	AA	N/A	40%
<i>iv.</i> Spread Transactions between Global Depository Receipts (GDR) and / or American Depository Receipts (ADR) with local securities.	N/A	N/A	30%
<i>v.</i> Convertible and Non Convertible Preferred securities.	BBB		25%
<b>b.Placement with Banks &amp; Other Financial Institutions</b>			
<i>i.</i> Bank deposit (Operational Account) with commercial banks.	A-	N/A	70%
<b>A. Placements / Deposits not over 6 months maturity</b>			
<i>ii.</i> Term Deposit Receipt (TDR)	A-	N/A	70%
<i>iii.</i> Certificate of investment / deposits/Placements/ musharaka	A-	N/A	70%
<b>B. Placements / Deposits over 6 months maturity</b>			
<i>iv.</i> Term Deposit Receipt (TDR)	A-	N/A	15%
<i>v.</i> Certificate of investment / deposits/Placements/ musharaka	A-	N/A	15%
<b>c. Income &amp; Money Market Instrument / Securities / Placements issued by:</b>			
<i>.i.</i> Federal / Local governments, government agencies	N/A	N/A	75%
• Secured			75%
• Unsecured			40%
<i>.ii.</i> Government guaranteed bonds including: Pakistan Investment Bonds (PIBs), and Treasury Bills (T-Bills)	N/A	N/A	75%
<i>.iii.</i> Public Sector Entities (where government owns majority shares)			75%
• Secured	BBB	BBB	75%
• Unsecured	A-	A-	25%
<i>.iv.</i> Private Sector Entities			70%
• Secured	BBB+	BBB+	70%

**Alfalsh GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document**

• Unsecured	A-	A-	25%
<b>d. Outside Pakistan Investments</b>			
.i. Other investments available outside Pakistan, subject to SECP and SBP approval and on such terms and conditions as may be issued by the SECP and the State Bank including:	A- rated by a reputed International Rating Agency		30% Subject to cap of US \$ 15,000,000/-
• international Profit bearing securities;			
• international Income / money market instruments;			
• foreign currency bank deposits and certificates of investment;			
• International mutual funds.			
• Any other international securities			
<b>e. Any other securities or instrument that may be permitted or approved by SECP from time to time.</b>			

*\* Exposure to any single scrip shall not exceed 10% of total CFS amount at the time of making investment.*

The Fund shall make all investments in compliance with SECP directive of minimum investment grade rating. The Fund is a fixed income fund in terms of requirement of SECP Circular No. 7 of 2009. Within these requirements, the Fund will be managed in the following manner:

- a. Exposure to CFS and Spreads shall not exceed 40% of the net assets. Further Exposure to any single scrip shall not exceed 10% of total CFS amount at the time of making investment.
- b. At least 25% of the net assets shall be invested in cash and near cash instrument which include cash in bank account (excluding TDRs), treasury bills not exceeding 90 days maturity;
- c. Not more than 15% of the net assets shall be invested in non traded securities including reserve repos, bank deposits, certificate of investment (COI), certificate of musharkas (COM) and anything over 6 month maturity which is not a marketable security;
- d. Rating of any security in the portfolio shall not be lower than investment grade;
- e. Rating of any NBFC and Modarba with which fund are placed shall not be lower than investment grade;
- f. Rating of any Bank and DFI with which fund are placed shall not be lower than investment grade;
- g. Weighted average time to maturity of the net assets shall not exceed 4 year and this condition shall not apply to securities issued by the Federal Government; and
- h. No restriction regarding:
  - Time to maturity of any single asset in the portfolio.

- Duration of a single security in the portfolio.

- Further investment in bank deposits with commercial banks shall be of less than six month maturity.
- Maximum exposure against spread transaction both in local securities and GDR/ADR as defined in serial a(ii) and a(iv) above shall not cumulative exceed 40% of Net Assets of the Fund.
- Max exposure means max exposure in relation to Net Assets of the Fund.
- If the instrument/security is not rated then the entity issuing the income / money market securities/instrument would have a minimum investment grade rating as defined above by a credit rating agency registered with the SECP.

All Investments shall be made within the limits prescribed in the Regulations or otherwise as may be specified by the Commission and for investments in offshore countries, Investments shall be made within the limits prescribed by the State Bank of Pakistan.

The above asset classes, restrictions and limitations are as per guidelines issued by SECP through Regulations, circulars, directives or any clarification issued by SECP from time to time. However for purpose of prudent fund management the Management Company has placed certain restrictions over and above SECP requirements. In case of any revision or change in above limitations or restrictions including revision of asset classes, rating or exposure limits issued by SECP, the later will take precedence.

**6. Addition of new sub-clause 2.2.A as Benchmark of the Scheme**

A new sub-clause in clause 2 investment objectives, investment policy, restrictions, risk disclosure and disclaimer is added as 2.2.A.

**After the said addition the sub-clause 2.2A reads as:**

“The benchmark of Alfalah GHP Income Multiplier Fund is three (3) months KIBOR.”

**7. Addition of new sub-clause 2.5.7 in Borrowing**

A new sub-clause in Borrowing is added as 2.5.7.

**After the said amendment the clause 2.5 Borrowing would include sub-clause 2.5.7 as:**

“The Management Company shall not make any new investment or rollover of any investment of the Fund in case of borrowing limits has already been exhausted or redemptions are pending for more than six days.”

**8. Addition of new sub-clause 2.6.11 in Investments and Borrowing Restrictions**

A new sub-clause in Investments and Borrowing Restrictions is added as 2.6.11.

**After the said amendment the clause 2.6 Investments and Borrowing Restrictions would include sub-clause 2.6.11 as:**

## Alfalsh GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

“The Management Company shall not net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.”

### **9. Addition of new sub-clause 2.6.12 in Investments and Borrowing Restrictions**

A new sub-clause in clause 2.6 Investments and Borrowing Restrictions is added as 2.6.12.

**After the said amendment the clause 2.6 Investments and Borrowing Restrictions would include sub-clause 2.6.12 as:**

“In case investments are made on behalf of the Fund in any offshore countries, the same shall be with prior approval of SECP and SBP and subject to the limits as may be prescribed by the SBP and/or the Commission.”

### **10. Addition of new sub-clause 2.6.13 in Investments and Borrowing Restrictions**

A new sub-clause in 2.6 Investments and Borrowing Restrictions is added as 2.6.13.

**After the said amendment the clause 2.6 Investments and Borrowing Restrictions would include sub-clause 2.6.13 as:**

“In respect of investment held in foreign currencies, the same will be translated in Pakistan Rupees using the closing buying spot rates declared by the State Bank of Pakistan at each balance sheet date.”

### **11. Addition of new sub-clause 2.8.7. in Transactions with Connected Persons**

A new sub-clause in clause 2.8 Transactions with Connected Persons is added as 2.8.7.

**After the said amendment the clause 2.8 Transactions with Connected Persons would include sub clause 2.8.7 as under:**

“The Management Company on behalf of the Fund shall not without the approval of its Board of Directors in writing and consent of Trustee, purchase from, or sell any securities to any Connected Person or employee of the Management Company. Provided that, the above shall not apply to the issue, sale or redemption of units issued by the Scheme.”

### **12. Addition of new sub-clause 2.11 as Provision Policy**

A new sub-clause in Investment Objectives, Investment Policy, Restrictions, Risk Disclosure and Disclaimer is added as 2.11.

**After the said amendment the clause 2 Investment Objectives, Investment Policy, Restrictions, Risk Disclosure and Disclaimer would include sub-clause 2.11 as:**

“

#### **2.11 Provision Policy**

##### **2.11.1. Preamble**

The Provisioning Policy is formulated to define the provisioning requirements which are over and above the provisioning requirements prescribed under SECP Circular 1 of 2009.

**2.11.2. Eligibility Criteria for Making Provision**

The advent of the following events makes the debt securities and other exposures eligible for provisioning:

- a. Default on the interest payment;
- b. Default on the principal payment;
- c. Rating of the debt security / borrower is down graded to “D” (Default);
- d. In the event of bankruptcy;

Further following securities are eligible for the provision against the non performance:

- a. Debt Securities
  - i. Term Finance Certificates (TFCs)
  - ii. Privately Placed Certificates (PPTFCs)
  - iii. Sukuk / Ijara Certificates
  - iv. Commercial Papers
- b. Other Exposures
  - i. Term Deposit Certificates (TDR)
  - ii. Certificate of Investments (COI)
  - iii. Certificate of Deposits (COD)
  - iv. Letter of Placements (LOP)
  - v. Certificate of Musharaka (COM)

**2.11.3. Criteria for Classification as Non Performing Exposure**

**a. Debt Securities**

Debt security shall be classified as non-performing, if the interest and / or principal amount is past or overdue by 15 calendar days from the due date.

**b. Other exposures**

Exposures other than debt securities such as TDR, COI, COD, LOP, COM etc shall be immediately classified as non-performing if the interest and / or principal amount past the due date.

However, full provisioning shall be made immediately if the applicable rating of the debt security is down graded to “D” (Default).

**2.11.4. Provisioning Requirements & Time Frame For Maintaining The Applied Provisions**

**a. Debt Securities**

All non-performing debt securities whether secured or unsecured shall be provided for in accordance with the following criteria;

- i. For TFC’s, PPTFC’s, & Sukuk



## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

With Semi-annual & Annual coupons

Effective day for Provisioning	Minimum Provision as % of book value	Cumulative Provision
Upto 180 <sup>th</sup> days	50%	50%
Upto 365 <sup>th</sup> days	50%	100%

With Quarterly & Monthly coupons

Effective day for Provisioning	Minimum Provision as % of book value	Cumulative Provision
Upto 90 <sup>th</sup> days	50%	50%
Upto 180 <sup>th</sup> days	50%	100%

### ii. For Commercial Papers & Other exposures

All non-performing Commercial Papers and other exposures whether secured or unsecured shall be provided in the remaining number of days of the current financial year.

#### 2.11.5. Criteria for Suspension of Mark Up

- a. The accrual of interest/profit shall be suspended from the first day the interest/profit payment falls due and is not received.
- b. All interest/profit accrued and recognized in the books of Collective Investment Scheme shall be reversed immediately once a debt security and exposures other than debt securities is classified as non – performing.

#### 2.11.6. Criteria for Reversal of Provisioning

##### a. Debt Securities

- i. In case a Collective Investment Scheme has received all the arrears of interest, the interest amount reversed shall be written back to the extent it is received.
- ii. In case a Collective Investment Scheme has received all arrears of interest and the debt security has not been reclassified as performing, the suspension of further accrual of interest shall continue.
- iii. The debt security shall only be reclassified as performing once all the arrears have been received in cash and debt security is regular on all payments (interest as well as principal as per applicable redemption schedule) for the next two (2) installments. The provision made for the principal amount shall be written back in the following manner.
  - Where provision of principal was made due to the interest defaults only, 100% of the debt security provided for in the books shall be written back upon reclassification of the debt security as performing.
  - Where both installments and interest were in defaults, 50% of the provision made in the books shall be written back at the receipt of the first payment (interest/principal) and 50% at the receipt of second payment and the asset shall be reclassified as performing.
- iv. The debt security shall also be classified as performing if the issuer re-schedules the terms and conditions of the debt security and majority of the debt security holders agree to it.

**b. Other exposures**

Other Exposures reversed previously shall only be written back to the extent the Collective Investment Scheme has received the arrears of interest along with the principal amount.

**2.11.7. Requirements for Disclosure**

- a. Provisioning policy will be uploaded to the website so that all the unit holders and the prospective investors can review the policy at any time.
- b. Provisioning policy will be disseminated to all the unit holders through emails / postal mails.
- c. Provisioning Policy shall be incorporated in the Constitutive Documents of all the schemes after all the regulatory requirements.
- d. All unit holders will be informed through the FMR that they can review the provisioning policy by visiting our website or they can visit the office premises to get a copy of the policy in the business hours on any business day.”

**13. Addition of new sub-clause 3.3.2.l in Responsibilities of the Management Company**

A new sub-clause in clause 3.3 Role of the Management Company is added as 3.3.2.l.

**After the said amendment the clause 3.3 Role of the Management Company would include sub-clause 3.3.2.l as:**

“Excluding transactions relating to money market instruments & debt securities the Management Company shall not enter into transactions with any Broker on behalf of the Scheme which exceeds thirty percent of the commission paid by the Scheme in any one accounting year; subject, that such Broker shall not have a common director, officer or employee with the Management Company.”

**14. Addition of new sub-clause 3.3.2.m in Responsibilities of the Management Company**

A new sub-clause in clause 3.3 Role of the Management Company is added as 3.3.2.m.

**After the said amendment the clause 3.3 Role of the Management Company would include sub-clause 3.3.2.m as:**

“The Management Company shall with prior approval of its board open or close any account with a bank, broker or depository for the Fund”

**15. Addition of new sub-clause 3.3.2.n in Responsibilities of the Management Company**

A new sub-clause in clause 3.3 Role of the Management Company is added as 3.3.2.n.

**After the said amendment the clause 3.3 Role of the Management Company would include sub-clause 3.3.2.n as:**

“The Management Company may in consultation with the Trustee further appoint advisors and professionals in offshore countries for making investments in offshore countries and/or for issuing Units to the investors in

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

the offshore countries to determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee and their respective obligations in relation thereto. The fees of such advisors and professionals shall not be charged to the Fund.”

### **16. Addition of new sub-clause 3.3.2.o in Responsibilities of the Management Company**

A new sub-clause in clause 3.3 Role of the Management Company is added as 3.3.2.o.

**After the said amendment the clause 3.3 Role of the Management Company would include sub-clause 3.3.2.o as:**

“The Management Company may appoint investment advisors to assist in investing and managing the assets of the fund or to invest and manage part or whole of the assets of the fund abroad at its own cost and discretion provided that the Management Company will be responsible for acts of such investment advisers.”

### **17. Addition of new sub-clause 3.4.2.d in Basic Role of the Trustee**

A new sub-clause in clause 3.4 Trustee is added as 3.4.2.d.

**After the said amendment the clause 3.4 Trustee would include sub-clause 3.4.2.d as:**

“The Trustee shall not invest in the Units of the Fund.”

### **18. Addition of new sub-clause 3.4.2.e in Basic Role of the Trustee**

A new sub-clause in clause 3.4 Trustee is added as 3.4.2.e.

**After the said amendment the clause 3.4 Trustee would include sub-clause 3.4.2.e as:**

“The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws; and”

### **19. Addition of new sub-clause 3.4.2.f in Basic Role of the Trustee**

A new sub-clause in clause 3.4 Trustee is added as 3.4.2.f.

**After the said amendment the clause 3.4 Trustee would include sub-clause 3.4.2.f as:**

“The Trustee shall comply with the directions of the Commission given in the interest of the Unit holders.”

### **20. Amendments in sub-clause 3.9.1 Distributors and Investment Facilitators**

In sub-clause 3.9.1 at the end of paragraph after “.” full stop following wording is included:

“The appointment of Distributor(s) and/or Sub-Distributor(s) will be done through written Distribution Agreement(s) defining among other terms and condition, terms and condition for avoidance of frauds and sales based on

## **Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document**

misleading information. Further the distributor so appointed shall maintain associate membership of the Association(s) constituted in consultation with the Commission and abide by the code of conduct prescribed by the Association(s). The Distributor shall be remunerated by the Management Company out of the Front-end Load or out of its own resources.”

**After the said amendment the clause 3.9 Distributors and Investment Facilitators would include sub-clause 3.9.1 as:**

“Parties detailed in “Annexure C” of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches within or outside Pakistan. The addresses of these branches are given in “Annexure C” of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management Company may from time to time, appoint additional Distributors or terminate the arrangement with any Distributor and intimate the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors. The appointment of Distributor(s) and/or Sub-Distributor(s) will be done through written Distribution Agreement(s) defining among other terms and condition, terms and condition for avoidance of frauds and sales based on misleading information. Further the distributor so appointed shall maintain associate membership of the Association(s) constituted in consultation with the Commission and abide by the code of conduct prescribed by the Association(s). The Distributor shall be remunerated by the Management Company out of the Front-end Load or out of its own resources.”

### **21. Addition of new sub-clause 3.12.2.a.A in Bank Accounts**

A new sub-clause in Bank Accounts is added as 3.12.2.a.A.

**After the said amendment the clause 3.12 Bankers would include sub-clause 3.12.2.a.A as:**

“The Management Company would perform all banking activities through Trustee of the Fund. The rating of the banks where bank accounts will be maintained shall not be lower than BBB (investment grade) as defined in rules, regulations and circulars issued by SECP from time to time”

### **22. Addition of new sub-clause 3.12.2.i in Bank Accounts**

A new sub-clause in Bank Accounts is added as 3.12.2.i.

**After the said amendment the clause 3.12 Bankers would include sub-clause 3.12.2.i as:**

“The Management Company shall not open or close or arrange to open or close any account with Banks without approval of its Board. However, where the Management Company has obtained approval for opening/arranging to open an account(s) with any particular bank, it may open accounts with any branch of that bank and shall obtain approval of its board in the subsequent meeting.”

### **23. Addition of new sub-clause 3.12.2.j in Bank Accounts**

A new sub-clause in Bankers is added as 3.12.2.j.

**After the said amendment the clause 3.12 Bankers would include sub-clause 3.12.2.j as:**

“To facilitate investment in administrative plans the Trustee, at the request of the Management Company, shall open Bank Accounts titled **“CDC-Trustee Alfalah GHP Funds”** for the Unit Trust at designated Bank(s) at Karachi (or any other city as per the instruction of the Management Company from time to time). Such accounts shall be used as temporary allocation accounts where collection (i.e. investments in Administrative Plans) shall be held prior to their being allocated and being transferred in the respective Collective Investment schemes.”

**24. Addition of new sub-clause 3.12.2.k in Bank Accounts**

A new sub-clause in Bankers is added as 3.12.2.k.

**After the said amendment the clause 3.12 Bankers would include sub-clause 3.12.2.k as:**

“The Trustee shall, if requested by the Management Company open Bank Accounts titled **“CDC – Trustee Alfalah GHP Income Multiplier Fund”** in offshore countries where the Investments are made/managed on account of the Fund, if such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP &/or Commission and the exchange control regulations, as well as any directives of the SBP and/or the Commission.”

**25. Addition of new sub-clause 3.12.2.1 in Bank Accounts**

A new sub-clause in Bank Accounts is added as 3.12.2.1.

**After the said amendment the clause 3.12 Bankers would include sub-clause 3.12.2.1 as:**

“The Management Company will exercise due caution and diligence in appointing and arranging of such Bank, brokerage houses and custodian/sub-custodian in offshore countries. The Management Company and the Trustee shall be indemnified out of the Fund Property for any losses, costs and expenses that may be suffered, sustained or incurred by the Management Company /Trustee and against all consequences arising from and out of:

3.12.2.1i the execution by the Management Company/Trustee of the account opening forms/documents with all particulars as may be required by such Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s),

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

- 3.12.2.1.ii the opening of such account(s) with the offshore Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s),
- 3.12.2.1.iii the Investments made in offshore countries on account of the Trust,
- 3.12.2.1.iv the appointment of Bank(s), Financial Institution(s), broker(s) and/or custodian(s)/sub-custodian(s) for the Funds' Investments, securities and other assets internationally; and
- 3.12.2.1.v all other related or incidental activities of the Management Company/Trustee in relation to the above. Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to negligence on their respective part. For the purpose of making such arrangements in offshore countries, the Management Company may in consultation with the Trustee retain the services of advisors and professionals to ensure legal and regulatory compliances on part of the Management Company and the Trustee. However, the cost of such advisors and professional fees shall not be charged to the Fund.”

### **26. Amendments in sub-clause 4.3.8 Types of Units**

In sub-clause 4.3.8 in the forth line after the full stop “.” the following sentence is added:

“However the Management Company on its discretion may waive condition of payment of fee for issuance of Certificate of any denomination per Certificate.”

**After the said amendment, sub-clause 4.3.8 reads as under:**

“Only Regular Unit Holder(s) may obtain Certificates representing the Units they hold by paying a nominal fee of Rupees (Rs. 50/-) per Certificate, subject to revision from time to time by the Management Company. Requests for redemption, transfer or transmission of Units shall be processed only on the production of the Certificate(s) if issued earlier. However the Management Company on its discretion may waive condition of payment of fee for issuance of Certificate of any denomination per Certificate. In the event of loss or defacing of Certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Management Company/Trustee/Registrar and the associated cost if any will be borne by the Unit Holder.”

### **27. Addition of new sub-clause 4.3.14 in Types of Units**

A new sub-clause in Types of Units is added as 4.3.14.

**After the said amendment the clause 4.3 Types of Units would include sub-clause 4.3.14 as:**

“No issuance and redemption of units of the scheme (including redemption and reissuance of units to the same unit holders on different NAVs) shall be allowed other than cash settlement transaction, based on the processing of formal redemption and issuance request by Unit Holder(s), unless permitted otherwise by the commission under the Regulations. This shall not apply to Bonus and transfer of Units.”

**28. Addition of new sub-clause 4.3.15 in Types of Units**

A new sub-clause in Types of Units is added as 4.3.15.

**After the said amendment the clause 4.3 Types of Units would include sub-clause 4.3.15 as:**

“The Management Company will ensure that all applications of purchase, redemption, conversion etc will be acknowledged by mentioning appropriate date and time through time stamping machine at designated location of acceptance of these applications and formally forward to the Trustee within 24 hours of the receipt of such requests.”

**29. Addition of new sub-clause 4.3.16 in Types of Units**

A new sub-clause in Types of Units is added as 4.3.16.

**After the said amendment the clause 4.3 Types of Units would include sub-clause 4.3.16 as:**

“The Management Company may announce different administrative plans under different administrative arrangements with differing levels of Front-end/Back-end Load, as disclosed in the Supplemental Offering Document(s). Consequently, the Offer/Redemption Price may differ for Units issued under different administrative arrangements and for different investors.”

**30. Addition of new sub-clause 4.5.2.1 in Account Opening Application Procedure**

A new sub-clause in Procedure for Purchase of Units is added as 4.5.2.1.

**After the said amendment the clause 4.5 Procedure for Purchase of Units would include sub-clause 4.5.2.1 as:**

“Cut off time for acceptance of application for issuance, redemption, swap, transfer, pledge and conversion of units is 9:00 am to 5:00 pm from Monday to Friday and on Saturday from 9:00 am to 1:00 pm during business day. The place of receiving application forms is attached in Annexure “C” of this supplementary document. Cut off timing during the Holy Month of Ramazan will be adjusted accordingly and announced separately by Management Company through its website and same will be communicated to Distributors.”

**31. Addition of new sub-clause 4.6.6 in Procedure for Redemption of Units**

A new sub-clause in Procedure for Redemption of Units is added as 4.6.6

**After the said amendment the clause 4.6 Procedure for Redemption of Units would include sub-clause 4.6.6 as:**

“The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.”

**32. Addition of new sub-clause 4.8.6 in Procedure for Transfer of Units**

A new sub-clause in Procedure for Transfer of Units is added as 4.8.6.

**After the said amendment the clause 4.8 Procedure for Transfer of Units would include sub-clause 4.8.6 as:**

“A Unit Holder may convert the Units held by him in a Collective Investment Scheme/Administrative Plan managed by the Management Company into units of another Collective Investment Scheme /Administrative Plan managed by the Management Company or vice versa subject to the terms of the respective Offering Documents or the terms stated in the Supplementary Offering Document(s) relating to the respective Administrative Plan(s). The Registrar shall carry out the conversion after satisfying himself that all the requisite formalities have been completed and payment of the applicable taxes and fees, and back-end load if any, has been received. However no front-end load and/or back-end load shall be charge in case of conversion of Units into Administrative Plan or vice versa in the same fund.”

**33. Amendments in sub-clause 4.10.1 Temporary change in the method of dealing**

The wording of sub-clause 4.10.1 is deleted and replaced with following wordings:

“Under the circumstances mentioned in 4.10.2, 4.10.3 and 4.10.4 below, the Management Company with the prior approval of its board of directors and consent of Trustee in the interest of unit holder(s) make temporary changes in the method of dealing in Units. Such approval shall not be unreasonably withheld.”

A new paragraph is added as:

“Under extraordinary circumstances the Management Company may, at any stage, suspend the dealing of Units and for such periods, it may so decide with the prior approval of its board of directors and with the consent of the Trustee and intimation to the SECP.”

**After the said amendment, sub-clause 4.10.1 reads as under:**

“Under the circumstances mentioned in 4.10.2, 4.10.3 and 4.10.4 below, the Management Company with the prior approval of its board of directors and consent of Trustee in the interest of unit holder(s) make temporary changes in the method of dealing in Units. Such approval shall not be unreasonably withheld.

Under extraordinary circumstances the Management Company may, at any stage, suspend the dealing of Units and for such periods, it may so decide with the prior approval of its board of directors and with the consent of the Trustee and intimation to the SECP.”

**34. Amendments in sub-clause 4.10.2 Suspension of redemption of Units**

The wording of sub-clause 4.10.2 is deleted in clause 4.10 Dealing, suspension and deferral of dealing and re-worded & re-arranged as follows.



## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

**After the said amendment the sub-clause 4.10.2 Suspension of redemption of Units would read as:**

- a The Management Company may suspend/defer with the approval of the board of directors of the Management Company redemption of Units during extraordinary circumstances including:
  - .i. Closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed;
  - .ii. During the existence of a state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders; or
  - .iii. During a break down in the means of communication normally employed in determining the price of any investment or when for any reason the price of any such investment cannot be promptly and accurately ascertained; or
  - .iiii. During any period when remittance of money can not be carried out in reasonable time; and
  - .v. During any period where Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price so determined in accordance with the Net Asset Value;
  - .vi. During an event of war (declared or otherwise), or natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and/or the banking system or strikes or other events that render the Management Company or the Distributors unable to function.
- b The Management Company may announce a deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event redemption requests accumulate in excess of ten percent (10%) of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. Details of the procedure are given in this Offering Document.
- c Such suspension or queue system shall end on the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Trust Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Management Company shall immediately notify the SECP and Trustee and publish the same in newspapers in which the Fund's prices are normally published.

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

- d The Management Company shall ensure that in case of suspension of redemption of units due to extraordinary circumstances in terms of the Regulations (as amended or replaced) and the constitutive documents, the issuance of fresh units to the public shall also be kept suspended until redemption of units is resumed.

### **35. Amendments in sub-clause 4.10.3 Suspension of fresh issue of Units**

The wording of sub-clause 4.10.3 is deleted in clause 4.10 Dealing, suspension and deferral of dealing and re-worded & re-arranged as follows.

**After the said amendment the sub-clause 4.10.3 Suspension of fresh issue of Units would read as:**

- a The Management Company may at any time, subject to the Regulations, as may be modified from time to time, suspend issue of fresh Units. These circumstances may include:
  - .i. A situation in which the Management Company has decided to terminate the Scheme subject to regulatory approval;
  - .ii. A situation in which it is not possible to invest the amount received against issuance of fresh units e.g. closure of money markets and/or scheduled banks etc;
  - .iii. A situation in which the Management Company has suspended the redemption of units; or
  - .iv. Any other situation in which issuance of fresh units is, in Management Company's opinion, against the interests of the existing/remaining unit holders.
- b Such suspension may however not affect existing subscribers for the issue of bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units.
- c The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced.
- d The Management Company shall immediately notify the SECP if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

### **36. Amendments in sub-clause 4.11.2 Frequency of Valuation, Dealing and Mode of the Price Announcement**

In sub-clause 4.11.2 in the second line after the words "Prices daily" and before the comma "," and words "calculated on the basis" following words are added;

"latest by 18:30 hours(or such time as modified by SECP from time to time) to the public at the office and branches of the Authorized Distributor(s) and on

## **Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document**

the website of the company ([www.alfalahghp.com](http://www.alfalahghp.com)) as of the close of each Business day”

In the third line after the full stop following sentence is added;

“However, the announcement of prices may be delayed after 18:30 hours in case of extraordinary circumstances beyond the control of Management Company including delays in announcement of valuation prices by Stock Exchanges, MUFAP, etc or if there is breakdown of means of communication normally employed in the announcement of NAV prices of the Fund by the Management Company.”

**After the said amendment, sub-clause 4.11.2 reads as under:**

“Subsequent to the Initial period of Offer, the Management Company shall announce the Purchase (Offer) and Redemption (Repurchase) Prices daily latest by 18:30 hours (or such time as modified by SECP from time to time) to the public at the office and branches of the Authorized Distributor(s) and on the website of the company ([www.alfalahghp.com](http://www.alfalahghp.com)) as of the close of each Business day, calculated on the basis of the Net Asset Value and adjusted for such load, transaction costs, charges and duties as are described herein. However, the announcement of prices may be delayed after 18:30 hours in case of extraordinary circumstances beyond the control of Management Company including delays in announcement of valuation prices by Stock Exchanges, MUFAP, etc or if there is breakdown of means of communication normally employed in the announcement of NAV prices of the Fund by the Management Company. The method of calculation shall be cleared to the Trustee's satisfaction that such method is adequate for ensuring accurate calculation of the prices.”

### **37. Amendments in sub-clause 5.9 Closure of Register**

In sub-clause 5.9 in first line after the words “close the Register” and before the words “by giving at least” following words are added:

“with intimation to the Trustee”

And, In sub-clause 5.9 in the second line after the words “not exceeding” and before the words “forty five” following words are added

“six (6) working days at a time and”

**After the said amendment, sub-clause 5.9 reads as under:**

“The Management Company may close the Register with intimation to the Trustee by giving at least seven (07) days notice to Unit Holders and for period not exceeding six (6) working days at a time and forty-five (45) days in a calendar year. During the period the Register is closed for the purchase and redemption of Units, including transfer applications, will be suspended.”

### **38. Addition of new paragraph in sub-clause 6.2.1.b Remuneration of the Management Company**

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

A new sixth paragraph inserted at end in sub clause 6.2.1.b of Fees and Charges payable by Alfalah GHP Income Multiplier Fund, Remuneration of the Management Company.

**After the said amendment the sub-clause 6.2.1 Fees and Charges payable by Alfalah GHP Income Multiplier Fund, Remuneration of the Management Company would include new sixth paragraph which reads as:**

“The Management Company with prior approval of SECP and consent of the Trustee may charge performance fee based or fixed fee or the combination of both which shall not exceed the limit prescribed in the Regulations and such fee structure shall be disclosed in the Offering Document or in supplementary Offering Document.”

### **39. Amendments in sub-clause 6.4.14 Other costs and expenses to be charged to and borne by the Scheme**

The wording of sub-clause 6.4.14 is deleted in clause 6 Fee and Charges and replace with revise wording.

**After the said amendments, sub-clause 6.4.14 reads as under:**

“Any cost associated with sales, marketing and advertisement of collective investments scheme shall not be charged to the collective investment schemes”

### **40. Addition of new sub-clause 8.1.4 in Financial Year of Alfalah GHP Income Multiplier Fund**

A new sub-clause in clause 8 Reports and Accounts is added as 8.14.

**After the said amendment the clause 8 Reports and Accounts would include sub clause 8.1.4 as under:**

“However, the Management Company in future may change annual accounting period dates of the Scheme subject to prior approval of its Board and under intimation to the Trustee and after complying with all regulatory requirements in this regard.”

### **41. Amendments in sub-clause 9.3.6 Book Closure**

In sub-clause 9.3.6 in the first line after the words “close the Register” and before the words “by giving at least seven (07) days” following words are added:

“with intimation to the Trustee”

In sub-clause 9.3.6 in the second line after the words “not exceeding” and before the words “forty five (45) days” following words are added

“six (6) working days at a time and”

**After the said amendment, sub-clause 9.3.6 reads as under:**

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

“The Management Company may close the Register with intimation to the Trustee by giving at least seven (07) days notice to Unit Holders and for period not exceeding six (6) working days at a time and forty-five (45) days in any Accounting period. During the period the Register is closed, no application will be entertained.”

### **42. Amendments in sub-clause 9.5.2 Certificates**

In sub-clause 9.5.2 at the end of paragraph after the full stop “.” the following sentence is added:

“However, the Management Company on its discretion may waive condition of payment of fee for issuance of Certificate of any denomination per Certificate.”

**After the said amendment, sub-clause 9.5.2 reads as under:**

“Unit Holders can apply for the issue of Certificate by completing the prescribed form and submitting it to the relevant Distribution Company and to Management Company or to the Management Company through an Investment Facilitator together with a fee at the rate of Rupees Fifty (Rs. 50/-) per Certificate or any other amount as determined by the Management Company from time to time. However, the Management Company on its discretion may waive condition of payment of fee for issuance of Certificate of any denomination per Certificate.”

### **43. Addition of new Definition 15.2.A as Administrative Plan**

A new Definition “Administrative Plan” is included after the Definition of “Accounting Period”.

**After the said amendment, Definitions would include 15.2.A as:**

“Administrative Plan” means investment plan/saving plans offered by Management Company, where such plan allow investor a focused investment strategy in any one or more combination of collective investment schemes managed by the Management Company.”

### **44. Addition of new Definition 15.12.A as Business Hours**

A new Definition “Business Hours” is included after the Definition of “Business Day”.

**After the said amendment, Definitions would include 15.12.A as:**

“Business Hour” means the time period for dealing in Units in a Business Day from 9:00 am to till 5:00 pm from Monday to Friday and from 9:00 am to 1:00 pm on Saturday or any other time interval specified by the Management Company from time to time. Business hour during the Holy Month of Ramazan will be adjusted accordingly and announce separately by Management Company through its website and same will be communicated to Distributors.”

### **45. Addition of new Definition 15.19.A as Cut-off Time**

A new Definition “Cut-off time” is included after the Definition of “Custodian”.

## Alfalah GHP Income Multiplier Fund – 2<sup>nd</sup> Supplementary Offering Document

**After the said amendment, Definitions would include 15.19.A as:**

“Cut-off time” means such Business Hours on a Business Day before which unit transactions shall be effectuated. Cut-off time for acceptance of application for issuance, redemption, swap, transfer, pledge and conversation of units is 9:00 am to 5:00 pm from Monday to Friday and on Saturday from 9:00 am to 1:00 pm during business day. The place of receiving application forms is attached in Annexure “C”. Cut-off timing during the Holy Month of Ramazan will be adjusted accordingly and announce separately by Management Company through its website and same will be communicated to Distributors.”

### **46. Amendments in Definition 15.41 Offering Document**

The wording of definition “Offering Document” is deleted and replaces with following revise wording

**After the said amendment, Definitions 15.41 read as under:**

““Offering Document” means the prospectus, advertisement or other document (approved by SECP), which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Regulation and is circulated to invite offers by the public to invest in the Unit Trust and includes any other Supplementary Offering Document.”

### **47. Addition of new Definition 15.52.A as Regulations**

A new Definition “Regulations” is included after the Definition of “Registrar Functions”.

**After the said amendment, Definitions would include 15.52.A as:**

““Regulations” mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the “Regulations”) and the Schedules and Forms attached to it, as amended from time to time.”

### **48. Amendments in Annexure “B”**

In Annexure B the percentage of front-end load is changed from 0.00% to 3.00% and percentage % of back-end load is added

**After the said amendment, the percentage of Front-end load read as under:**

Type of Load	Class A Units	Class B Units
Front-end Load	0%	3%
Back-end Load	0%	0%

**49. Amendments in Annexure “C”**

List of Distribution Offices of Bank Alfalah Limited is deleted and replaced with following branches:

After the said amendment, the Annexure “C” read as under:

**Annexure C**

**LIST OF DISTRIBUTOR OFFICES**

<b>Distributor Offices</b>	
<b>Bank Alfalah Limited – Priority Banking And Wealth Management Limited</b>	
<b>North</b>	
<b>Islamabad</b>	<b>Rawalpindi</b>
<b>F-10 Markaz Branch</b> Priority Banking & Wealth Management Bank Alfalah Ltd,4-D, Urfi Center, F-10 Markaz, Islamabad. Tel: 051-32102871-74 Fax: 051-32102870	<b>Peshawar Main Branch</b> Priority Banking & Wealth Management Bank Alfalah Ltd, 6-B, Islamia Road, Peshawar Cantt. Tel: 091-35284761-2 Fax: 091-35284723
<b>Central</b>	
<b>Lahore</b>	
<b>Gulberg Branch</b> Priority Banking & Wealth Management Bank Alfalah Ltd, 125, E/I, Main Boulevard, Gulberg-III, Lahore. Tel: 042-5870911-4 Fax: 042-5870915	<b>Defense Main Branch</b> Priority Banking & Wealth Management Bank Alfalah Ltd, G9 Commercial Area, Main Boulevard, DHA, <b>Lahore.</b> Tel: 042-35741777, 35745222 Fax: 042-35748110
<b>South</b>	
<b>Karachi</b>	
<b>Karachi Main Branch</b> Priority Banking & Wealth Management Bank Alfalah Ltd, Mezzanine Floor, B.A. Building I.I. Chundrigar Road Karachi. Tel: 021 – 32425502, 32425504 Fax: 021 – 32425503	