

**Risk Disclaimer: All Investments in Exchange Traded Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in Clause 2, Risk Factors mentioned in clause 2.8, Taxation Policies mentioned in Clause 7 and Warnings in Clause 9 before making any investment decision. The Fund is not sponsored, endorsed, sold or marketed by Exchange, its affiliates or third-party suppliers. Therefore, Alfalah GHP Investment Management Limited while publishing all such statements shall make a disclaimer/ disclosure to this effect by including the sentence that the Fund is not sponsored, endorsed, sold or marketed by Pakistan Stock Exchange to any extent.**

## OFFERING DOCUMENT OF

# Alfalah Consumer Index Exchange Traded Fund (ACIETF)

(An Open Ended Exchange Traded Fund)

**Open for subscription: XX-XX-2021**

Fund Category	Risk Profile as per Circular 2 of 2021	Risk of Principal Erosion
Open-Ended Exchange Traded Fund	High	Principal at very high risk

**MANAGED BY**

**Alfalah GHP Investment Management Limited**

***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

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OFFERING DOCUMENT OF  
**Alfalah Consumer Index Exchange Traded Fund (ACIETF)**  
(An Open End Exchange Traded Fund)  
Managed By  
**Alfalah GHP Investment Management Limited**  
[An Asset Management Company Registered under the Non-Banking Finance  
Companies (Establishment and Regulation) Rules, 2003]

Date of Publication of Offering Document Dated 26-11-2021

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The Alfalah Consumer Index Exchange Traded Fund (the Fund/the Scheme/the Trust/the Unit Trust/ ACIETF) has been established through a Trust Deed (the Deed) dated 24-08-2021, under the Sindh Trust Act, entered into and between Alfalah GHP Investment Management Limited, the Management Company, Central Depository Company of Pakistan Limited, the Trustee.

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## **REGULATORY APPROVAL AND CONSENT**

### **Approval of the Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of Alfalah Consumer Index Exchange Traded Fund (ACI ETF) and registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") vide Letter No. SCD/AMCW/AGIETF/122/2021/MF-NE-57 dated **November 4, 2021**, SECP has approved this Offering Document, under the Regulations vide Letter No. SCD/AMCW/AGIETF/152/2021 dated **November 25, 2021**.

**It must be clearly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document.**

### **Offering Document**

This Offering Document sets out the arrangements covering the basic structure of the **ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND** (the "Fund", the "Scheme"). It sets forth information about the Fund that a prospective investor should know before investing in any class of Units. The provisions of the Trust Deed, the Rules, the Regulations, circulars, directives etc. as specified hereafter govern this Offering Document.

Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors, Warning and Disclaimer. If the prospective investor has any doubt about the contents of this Offering Document, he/she/it should consult their investment advisers, legal advisers, bank managers, stockbrokers, or financial advisers to seek independent professional advice before investing.

**Investors must recognize that the investments involve varying levels of risk. The portfolio of the Fund consists primarily of investments in listed securities that are subject to market fluctuations and other risks inherent in all such investments. Neither the value of the Units in the Fund nor the dividend declared by the Fund is, or can be, assured. Investors are**

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

requested to read the Risk Disclosure and Warnings statement contained in Clause 2.8 and Clause 9 respectively in this Offering Document.

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### **Filing of the Offering Document**

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with SECP. Copies of the following documents can be inspected at the registered office of the Management Company or the place of business of the Trustee:

License No. AMCW/12/AGIML/IAS/06/2020 dated May 04, 2020 granted by SECP to **Alfalah GHP Investment Management Limited** to carry out Asset Management Services and Investment Advisor;

(1) Trust Deed (the Deed) of the Fund dated August 24, 2021;

(2) SECP's Letter No SCD/AMCW/AGIETF/122/2021/MF-NE-57 dated November 4, 2021 registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;

(3) Letters from Auditors of the Fund, consenting to the issue of statements and reports;

(4) SECP's letter No. SCD/AMCW/AGIETF/152/2021 dated November 25, 2021 approving this Offering Document.

(5) Letter from legal adviser of the fund, consequently to act as adviser.

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## **1. CONSTITUTION OF THE SCHEME**

### **1.1 Constitution**

The Fund is an open-end Fund and has been constituted by a Trust Deed entered into at Karachi on August 24, 2021 between:

**Alfalah GHP Investment Management Limited**, a Non-Banking Finance Company incorporated under the Companies Ordinance 1984 and licensed by SECP to undertake asset management services, with its principal place of business at **8-B, 8<sup>th</sup> Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi - Pakistan, as the Management Company**; and

**Central Depository Company of Pakistan Limited** incorporated in Pakistan under the Companies Ordinance, 1984, and licensed by SECP to act as a Trustee of the Collective Investment Scheme, having its registered office at **CDC House, 99-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Pakistan**, as the Trustee.

### **1.2 Trust Deed (the "Deed")**

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, Securities Act 2015, Companies Act 2017 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Offering Document and the Deed the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules or Regulations and Circulars issued by SECP, the latter shall supersede and prevail over the provisions contained in the Deed.

### **1.3 Modification of Trust Deed**

The Trustee and the Management Company, acting together and with the approval of SECP, shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Deed to such extent as may be required to ensure compliance with any applicable laws, Rules and Regulations.

Where the Deed has been altered or supplemented, the Management Company shall duly notify to the Unit Holders and shall be posted on their official website.

### **1.4 Duration**

The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause 10.4 of this document.

### **1.5 Trust property**

It is hereby irrevocably and unconditionally declared that:

- a) The Trustee shall hold and stand possessed the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking *pari passu inter se*, according to the number of Units held by each Unit Holder(s);
- b) The Trust Property shall comprise of the Portfolio Deposit and cash component received from all the Creation Units issued, as specified in this Document and the conditions stipulated in Trust Deed, the Regulations and the requirements prescribed by the Commission, as amended or substituted from time to time ("SECP Requirements");
- c) The Management Company shall offer Creation Units or multiples thereof to Authorized Participants in exchange of underlying Portfolio in term of provision contains in this Document; and
- d) The Management Company shall track the Index of Securities which comprises basket of Equity securities as specified in clause 2.2.1 of this Document .

## **1.6 Issuance, Buying and Selling of ETF Units**

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof, as specified in the Creations and Redemptions section of this document. Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund.

Once created, units of the Fund generally trade in the secondary market in multiplier of Marketable lot size which can be less than a Creation Unit lot size. Units of the Fund are listed on Pakistan Stock Exchange for trading. Units can be bought and sold throughout the trading day like shares of other publicly-traded companies. The Trust does not impose any minimum investment for units of the Fund purchased on an exchange in the secondary market **however PSX may impose certain restrictions on LOT size of ETF to be traded at the Exchange**

Buying or selling Fund shares on an exchange in secondary market generally involves two types of costs that may apply to all securities transactions. When buying or selling units of the Fund through a broker, you may incur a brokerage commission and other charges.

In addition, you may incur the cost of the "spread," that is, any difference between the bid price and the ask price. The spread varies over time for shares of the Fund based on the Fund's trading volume and market liquidity, and is generally lower if the Fund has high trading volume and market liquidity, and higher if the Fund has little trading volume and market liquidity. The Fund's spread may also be impacted by the liquidity of the underlying securities held by the Fund, in instances of significant volatility of the underlying securities.

The Pakistan Stock Exchange, on which the Fund's shares are listed is open for trading Monday through Friday and is closed on weekends and the holidays as specified and announced by the PSX.

### **Difference between ETF and open end fund;**

An ETF is one way to invest in the stock or bond market without buying individual stocks or bonds. An exchange-traded fund is much like a regular mutual fund in that when you buy a share of an exchange-traded fund each share represents a tiny slice of all of the funds' underlying investments, allowing you to diversify across a pre-determined set of stocks or bonds by owning one single fund.

Most exchange-traded funds function like an index fund. For example, let's say you buy a KMI-30 Index exchange-traded fund; that fund will own all 30 stocks listed in the KMI-30 index. It will not trade in and out of those stocks (except for rebalancing caused by any changes in KMI 30 Index or corporate actions in the ETF underlying constituents) - it simply owns the stocks listed in the index. By buying a share of the fund your money is instantly diversified across all of the underlying stocks.

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Exchange traded funds differ from regular mutual funds in the way they are priced and in the way they trade, which means you can apply certain trading strategies with an exchange-traded fund which you cannot do with a regular mutual fund.

**Pricing of an Exchange Traded Fund;** a regular mutual fund sets its price once each day after the market has closed. The actual price you trade at is unknown because orders are placed during or before a market close and then "filled" at the closest new market value. The closing value will be repriced based on the number of shares bought and sold and the net asset value of the total fund.

An exchange-traded fund prices just like a stock with fluctuations in value throughout the trading period. Since exchange trade funds price throughout the day, you can purchase or sell them mid-day, buy on a dip in the market, or sell on a rally. Because the stock market prices are influenced by current news and worldwide opinions, the prices are prone to sudden and frequent impulse changes.

Because the calculating of share value is automated, it is fascinating to watch the changing prices. One advantage ETF's have over regular mutual funds is typically a lower operating expense fee which means you are paying less to own the fund.

**Trading of an Exchange Traded Fund;** When you buy or sell shares of a regular mutual fund you buy or sell them directly to and from the investment company that issues them, so you cannot trade them mid-day, nor can you use trading strategies like limit orders. You will buy shares of mutual funds in cash, which means you may end up with an odd number of shares, including fractions. When you sell a mutual fund, it will be in shares, not Rupees.

An exchange-traded fund, however, trades like a stock, pricing throughout the day however there may be situations where Exchange Traded Funds may not have liquidity as the management company does not monitor or provide liquidity in the secondary market.

### **Parties to an ETF**

Subject to the NBFC Regulation, Rule book of PSX and agreements created under this arrangement, following parties are directly associated with the Creation Redemption and trading of ETF securities and are defined in this document;

- Assets Management Company of the scheme,
- Trustee of the scheme,
- Authorized Participants of the scheme,
- Market Maker of the scheme, and
- The Pakistan Stock Exchange

### **Advantages and Disadvantages of ETF**



## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Apart from the risk associated with the ETF fund as specified in this document, following are the advantages and disadvantages of ETF. Investors should note that these are general advantages/ disadvantages of ETF and may vary from one ETF to another and may not be applicable on Alfalah Consumer Index Exchange Traded Fund

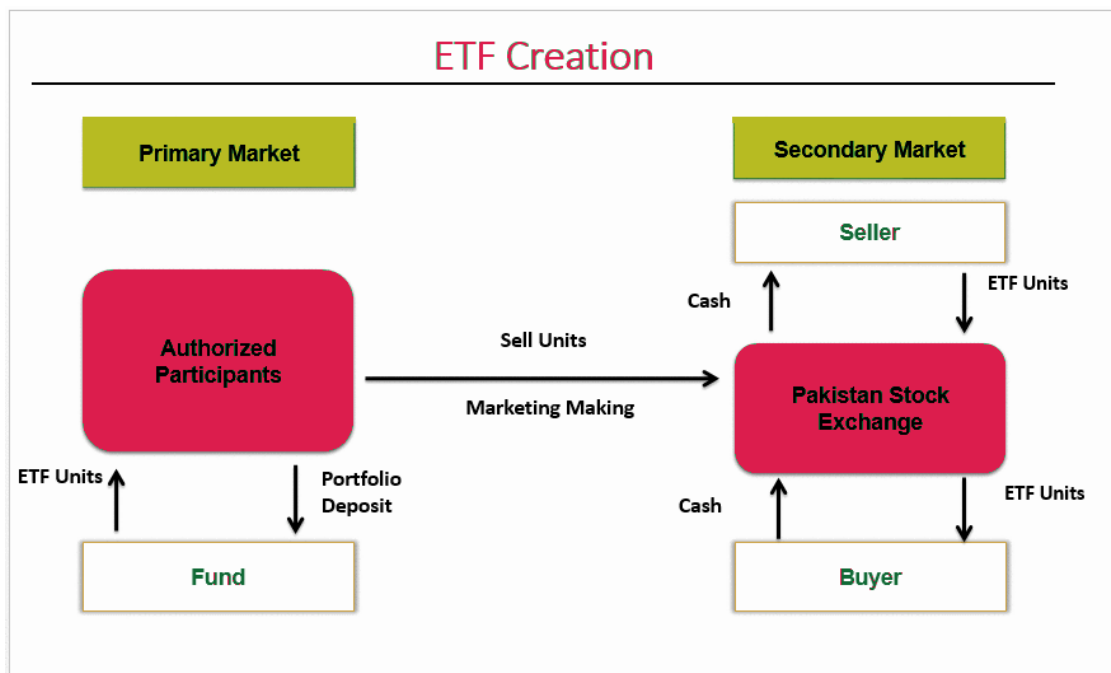
### **Advantages**

- They have lower fees than managed funds.
- Investors are able to diversify more broadly with an ETF. You can buy the market and get instant diversification with the purchase of one ETF. You can have a portfolio of different stocks and not have to manage all the stocks yourself.
- There is less administration required with ETFs. An application form is required when buying units in a managed fund and a redemption form is required when selling units. With an ETF, you can just buy and sell at the Exchange.
- ETFs are traded on the stock exchange and so pricing is in real time, with managed funds pricing is not as regular.

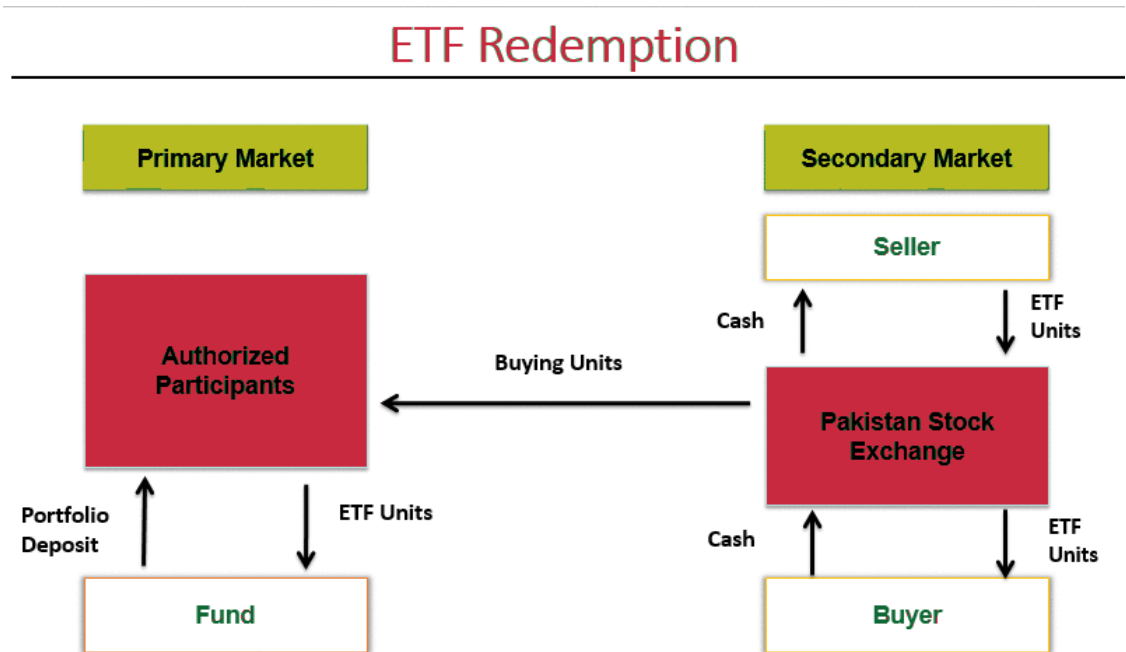
### **Disadvantages**

- ETFs track an index offering a passive strategy. These particular types do not actively try and beat the market. With managed funds, you can select different trading strategies. Investors have more choice of finding an actively traded fund with managed funds.
- Trading volumes with ETFs may be low so there may be a wide bid ask spread. This means liquidity may be low.

### **ETF Creation Flow:**



**ETF Redemption Flow:**



**1.7 Offering Document**

The provisions of the Trust Deed, the Rules, the Regulations, circulars and the Directives issued by the Commission govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in any Unit. Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors and Warning and Disclaimer and should also consult their legal, financial and/or other professional adviser before investing.

**1.8 Modification of Offering Document**

This Offering Document will be updated to take account of any relevant material changes relating to the Fund. Such changes shall be subject to prior consent of the Trustee and approval from the Securities and Exchange Commission of Pakistan (SECP) and shall be circulated to all Unit Holders and/ or publicly notified by advertisements in the newspapers subject to the provisions of the Rules and the Regulations and duly posted on official website of the Management Company. These changes shall also be notified to PSX within due time as per the requirement of PSX Rule Book.

**1.9 Responsibility of the Management Company for information given in this Document**

Management Company accepts the responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

## **2. INVESTMENT OBJECTIVES, INVESTMENT POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER**

### **2.1 Investment Objective**

Alfalah Consumer Index Exchange Traded Fund (ACIETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of the Benchmark index. The index shall be periodically re-balanced & reconstituted as specified in this document in order to provide long-term capital appreciation and dividends yield to the investors.

### **2.2 Investment Policy**

The Index strategy would be consumer focused and would comprise of a maximum of 20 stocks. The ETFs focuses on sectors which are direct beneficiaries of growing consumer demand in the country which is anticipated to strengthen further in wake of economic recovery, low interest rate environment & various packages announced by the Government etc. Pakistan's GDP growth has always been driven by strong local demand due to very favorable demographics where a young and robust population takes the driving seat on consumption side. The ETF therefore will provide as concentrated avenue to investors that are planning to play the consumer demand story of the country.

The Fund invests in a particular basket of the equity securities with a view to track the performance of the benchmark index. The benchmark index is called Alfalah Consumer Index and shall be constituted by the Management Company and periodically managed by PSX.

The performance of the Fund may vary from the underlying index for a number of reasons, including transaction costs, asset valuations, corporate actions (such as mergers and spin-offs), timing variances and differences between the Fund's portfolio and the Underlying Index resulting from the non-availability of any specific security at any given time period. These factors shall result in Tracking Error; the "Tracking error" is the divergence of the performance (return) of the funds' portfolio from that of the underlying index. . AMC expects that, over time, the Fund's tracking error will not exceed 5%.

The AMC shall use a replication indexing strategy. "Replication" is an indexing strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the underlying benchmark index.

The AMC has appointed PSX to determine and maintain the Index on its behalf. For that purpose the AMC has entered into an agreement with PSX.

The AMC shall ensure that at all times, at least 85% of the Assets of the ETF remain invested in the component securities of the Benchmark Index being tracked by it, while the remaining assets may comprise of cash or cash equivalents.

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

### **2.2.1 The Benchmark of Fund**

The benchmark of the fund shall be to track the performance of index based on weighted average cumulative performance of all securities included in the index. The Management Company shall disseminate the Fund's performance with this Benchmark to the unit holders and/or PSX with certain intervals as specified by the Commission.

The Management Company shall immediately notify the Commission, the Exchanges on which it registered the ETF Unit Holders and the Trustee upon rebalancing/ reconstitution of the benchmark index based on the process agreed with PSX relating to intimation of rebalancing/ reconstitution, announcement of INAV during that period etc. Notice to the Exchange and a notice on the Website of Management Company would be sufficient to comply with the notice requirements

The AMC shall ensure that per party, per group and sector exposure limits and restrictions in relation to the securities held by the ETF are in accordance with their weightage in the Benchmark index.

### **Alfalah Consumer Index Exchange Traded Fund Benchmark Index**

<b>Security Selection</b>	
<b>Free Float Market Cap</b>	Top companies among pre-defined sectors that have the highest free float based market cap in the sector on index rebalancing and/or Addition/deletion dates i.e. 30th June and 31st December of each year.
<b>One (1) year daily average trading volume</b>	Stocks with a 1 year daily average trading volume of 100,000 shares or above

### **Determination of weight**

<b>Based on free float Market Capitalization</b>	
<b>Minimum 0%, maximum 10%</b>	Maximum weight of a single stock in the index will be 10%. Index weight in excess of 10% of any single stock shall be distributed to the remaining stocks based on their respective weight in the index and subject to maximum limit.
<b>Fractional Shares Rounded Down</b>	Weights adjusted for fractional shares after rounding off will result in the cash component in addition to 1% allocated on the onset.

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### **Rebalancing**

<b>Quarterly weight adjustment</b>	Weight will be realigned to fall at or under 10% as maximum exposure of single security*
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- **Addition Deletion every six months**
- **Corporate actions may trigger reallocation / rebalancing**

<b>Rebalancing/Reconstitution</b>		
<b>Basis</b>	<b>Implementation</b>	<b>*****</b>
Last working day of March	5th working day of April	Rebalancing
Last working day of June	5th working day of July	Reconstitution
Last working day of September	5th working day of October	Rebalancing
Last working day of December	5th working day of January	Reconstitution

\* The event of rights issue shall trigger rebalancing of weights to account for additional capital issue. Moreover deletion & addition could also be triggered in the event of any other special corporate events such as merger, acquisition & buy back etc.

- Fund is required to comply with clause 55(7), hence is not allowed to buy a share in excess of 25% of the paid up capital of Investee Company for all its Funds including ETFs combined
- Detailed methodology shall be available at the Website of Management Company and the PSX. However it is clarified that cash component will not become part of the index.
- Based on above criteria we have selected following sectors and the number of representative companies from each sector:

<b>Sector</b>	<b>No of Companies</b>
CEMENT	4
ENGINEERING	4
TEXTILE COMPOSITE	4
AUTOMOBILE ASSEMBLER	2
FOOD & PERSONAL CARE PRODUCTS	2
OIL & GAS MARKETING COMPANIES	2
PHARMACEUTICALS	2
<b>Total</b>	<b>20</b>

**Benchmark index shall be a total Return Index: Return calculation for the benchmark index shall be based on Total Return Methodology. This means that for any given period, the return of the Benchmark Index shall constitute the Price Return plus any payouts announced by the constituent stocks of the Benchmark Index.**

### **2.3 Risk Control in the Investment Process**

In line with the investment objective of the scheme, the Management Company shall specify the equity security with proportion of individual security which comprises the index.

While selecting the security, the management company will consider the index methodology only.

### **2.4 Changes in Investment Policy**

The investment policy will be governed by the Regulations and/or SECP directives. Any Fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and inform the PSX within due time as specified in the PSX Rule Book.

### **2.5 Investment Restrictions**

The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, and this Offering Document of the Fund, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP subsequently in writing. Management Company shall ensure that per party, per group and per sector exposure limits in accordance with the weightage in the benchmark index. . The Fund will be relocating its weights on a quarterly basis accordingly the changes in weights will be adjusted after the quarter rebalancing. Fund is also required to do a six-monthly reconstitution as per the index methodology. Accordingly management company shall ensure to realign the portfolio as per revised index within the time allowed under clause 55(13) of the NBFC Regulations.

#### **2.5.1** The Management Company on behalf of the Scheme shall not:

- i.** Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulation;
- ii.** Acquire twenty five percent (25%) or more of the voting rights or control of a company on behalf of the Collective Investment Schemes.
- iii.** Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company.
- iv.** Invest in securities of the Management Company

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

- v. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission
- vi. apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission.
- vii. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or take over.
- viii. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts.
- ix. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company.
- x. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations.
- xi. accept deposits
- xii. make a loan or advance money to any person from the assets of the Scheme
- xiii. Rating of Bank with which Funds are placed shall be as per Investment Grade & Above.

**Management Company may however enter into SLB mechanism to lend shares on such terms and to such extent allowed under NBFC rules, Regulations or through circulars issued by the Commission from time to time.**

Requirements of circular 552/2017 dated 28<sup>th</sup> April shall not be applicable on this Fund.

Requirements of clause 37(7) (h) of the NBFC Regulations relating to brokerage to a single broker will not be applicable on this Fund,

Requirements of circular 13 of 2017 dated April 28, 2017 relating to criteria for investing in equity shares will not be applicable on this Funds.

**2.5.2** The Management Company in managing the Fund shall abide by all the provisions of the Trust Deed, the Offering Document, the Regulations and any other applicable laws.

### **2.6 Exemption to Investment Restrictions**

In order to protect the right of the Unit Holders, the Management Company may take an Exposure in any unauthorized investment due to recovery of any default proceeding of any counter party of any Authorized Investment with the approval of the Commission.

### **2.6.1 Transactions Relating to Investment/Portfolio Management**

In case of Issuance of Creation Units, the Trustee shall ensure that, Portfolio Deposit and Cash Component is received (where Cash Component is a positive value) against Creation of Units.

In case of redemption of Units, the Trustee shall ensure that the requisite Units of ETF equaling the Creation Unit size have been transferred to the Fund's Depository account and the Cash Component. There may be situation where the Authorized Participant has to pay cash component at the time of redemption. For example if the FUND NAV is below the value of portfolio deposit.

The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government regulator, stock or other exchange or any other party having any connection with the transaction.

The Management Company shall also advise the Trustee, of the details of amounts to be paid and to deliver Portfolio Deposit to respective Authorized Participants against redemption requests. Such transfer of Portfolio Deposit/payments shall be effected by the Trustee out of the respective accounts of the Unit Trust by way of transfer to the appropriate account of the Authorized Participant.

The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts, from time to time.

There may be situations where Management Company may decide to allow creation and redemption in cash/partial cash on such terms and conditions as announced by the management company. There may be certain charges imposed by the management company in such situation at its discretion.

### **2.7 Restriction of Transactions with Connected Persons**

2.7.5 All transactions carried out by or on behalf of the Scheme with connected person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.

### **2.8 Risk Disclosure**

Investors must realize that all investments in mutual Funds, Exchange Traded Funds and securities are subject to market risks. Our target return / dividend range 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 since ETF is traded at the Exchange, it may have other risks including secondary market liquidity etc. which are generally not there in a typical open end mutual Fund



### **Authorized Participant/ Market Maker Concentration Risk**

Only an Authorized Participant/ Market Maker may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that may act as Authorized Participants/ Market Maker. To the extent that Authorized Participants/ Market maker exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant/ Market maker is able to step forward to create or redeem Creation Units, Fund shares may be more likely to trade at a premium or discount to NAV and possibly face trading halts or delisting. Since the Fund is starting with one authorized participant/Market maker that risk is currently high and will reduce overtime as the number of Authorized participants/Market makers increase.

### **Concentration Risk**

The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class. The Fund may be more adversely affected by the underperformance of those securities, may experience increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting those securities.

### **Equity Securities Risk**

The Fund invests in equity securities, which are subject to changes in value that may be attributable to market perception of a particular issuer or to general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than investments in other asset classes. The Underlying Index is comprised of common stocks, which generally subject their holders to more risks than preferred stocks and debt securities because common stockholders' claims are subordinated to those of holders of preferred stocks and debt securities upon the bankruptcy of the issuer.

### **Market Trading Risk**

Although shares of the Fund are listed for trading on one or more stock exchanges, there can be no assurance that an active trading market for such shares will develop or be maintained by Market Makers or Authorized Participants.

### **Tracking Error Risk.**

The Fund may be subject to tracking error, which is the divergence of the Fund's performance from that of the Underlying Index. Tracking error may occur because of differences between the securities and other instruments held in the Fund's portfolio and those included in the Underlying Index, differences in transaction costs, the Fund's holding of un-invested cash, differences in timing of the accrual of or the valuation of dividends or interest, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, changes to the Underlying Index or

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the costs to the Fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also result because the Fund incurs fees and expenses, while the Underlying Index does not. It may also be due to the inability of the FUND to not timely rebalance the portfolio after the index rebalancing

### **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.

### **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.

### **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.

### **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.

### **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.

### **Investor Concentration Risk –**

The Risk that the performance and liquidity of the Portfolio is adversely impacted due to a few large investors investing-in or redeeming from the fund over a short-time period.

### **Disclosure**

***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. Investors 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 Management Report as per the format prescribed by the Mutual Funds***

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**Association of Pakistan (MUFAP) and financial statements of the scheme are available on the website of the Management Company and can be obtained by calling/ writing to the Management Company.**

### **2.9 Disclaimer**

The Units of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by SECP, any Government agency, the Trustee (except to the extent specifically stated in this document and the Deed) or any of the shareholders of the Management Company or any other bank or financial institution.

## **3. OPERATORS AND PRINCIPALS**

### **3.1 Management Company**

Alfalah GHP Investment Management Limited (AGIM) is as an Asset Management and Investment Advisory Company, licensed by SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The company was incorporated on October 18, 2004 as a public limited company under the Companies Ordinance, 1984. The certificate of commencement of business was obtained on March 10, 2005.

Alfalah GHP Investment Management Ltd. is an Abu Dhabi Group Company led by His Highness Sheikh Nahayan Mubarak Al Nahayan, the current Federal Education Minister in the UAE Government. The group is the single largest foreign investor group in Pakistan. The group is one of the largest in the Middle East and has diversified business interests across the Middle East, Africa and Asia comprising oil and gas exploration, hospitality services, communications, banking, financial services, automobile industry and property development.

Currently AGIM has been rated as '**AM2+** Outlook "**Positive**" by Pakistan Credit Rating Agency (PACRA). The rating reflects the company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

Alfalah GHP Investments plays an important role in promoting investment opportunities in Pakistan by utilizing its financial engineering expertise. The company provides a comprehensive range of investment products and services tailored to meet its investors' individual requirements. These investment solutions include 15 Open-Ended Mutual Funds, 2 Pension Funds and several Investment Advisory Portfolios / Separately Managed Accounts

### **3.2 Organization**

#### **Principle Shareholders**

<b>Authorized Capital</b>	<b>Rupees 400,000,000</b>
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<b>Issued, Subscribed and Paid-up Capital</b> (32,445,970 shares of Rs. 10/- each)	<b>324,459,700</b>
<b>Sponsor's Equity:</b>	
Bank Alfalah Limited	130,490,700
MAB Investments Inc.	135,361,500
GHP Beteiligungen Limited	46,604,500
Muhammad Shoib	12,000,000
Abdul Aziz Anis	1,000
Mr. Abid Naqvi	1,000
Mr. Tufail J. Ahmed	1,000
	<b>324,459,700</b>

### **Main Sponsors**

The sponsor of Alfalah GHP Investment Management Ltd. is Bank Alfalah Limited and MAB Investment Inc. both sponsors have nominated two Directors each on the Board. Other institutional investor include GHP Beteiligungen Limited.

The following is the current shareholding structure of the company:

<b>Sponsors</b>	<b>Shareholding Percentage</b>
Bank Alfalah Limited	40%
MAB Investments Inc.	42%
GHP Beteiligungen Limited	14%
Individuals	4%

#### **a. Bank Alfalah Limited**

Bank Alfalah is one of the largest banks in Pakistan, with a network of 698 branches across more than 200 cities in the country and international presence in Afghanistan, Bangladesh, Bahrain and Dubai. The Bank also has a representative office in the UAE. Bank Alfalah is owned and operated by the Abu Dhabi Group.

Incorporated as a public limited company on 21st June, 1992 under the Companies Act, 2017, Bank Alfalah commenced its banking operations in the same year. The Bank provides financial solutions to consumers, corporations, institutions and governments through a broad spectrum of products and services, including corporate and investment banking, consumer banking and credit, securities brokerage, commercial, SME, agri-finance, Islamic and asset financing solutions.

#### **b. GHP Beteiligungen Limited**

GHP Beteiligungen Limited is a premier portfolio management and investment counseling company with its head office in Switzerland. The company is a member of the Swiss Association of Asset Managers (SAAM). GHP prides itself on providing its investors with a long term view on investments and aims to achieve sustainable returns for investors with active risk management. Besides portfolio management and investment counseling the company is also engaged in private equity funding and investments, direct project investments, formation and administration of companies and trusts, mergers and acquisitions advisory and real estate investments and counseling. In addition to being a securities trader, GHP

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Beteiligungen Limited is an associated member of the Swiss Exchange and a member of the Swiss Bankers Association.

### **c. MAB Investments Inc.**

MAB represents the private investment holding company of His Highness Sheikh Nahayan Mabararak Al Nahayan, he is a prominent member of the ruling family of Abu Dhabi, United Arab Emirates. Currently, His Highness is UAE Cabinet Member and Minister of State for Tolerance. Prior to his current responsibility, he served as Minister of Culture and Knowledge Development; Culture, Youth, and Social Development and Minister of Higher Education and Scientific Research. Besides his ministerial responsibilities, he has been playing a leading and distinguished part in the educational advancements, focusing on the role of education in achieving development and progress. His Highness owns substantial business interests, hotels and other investments in UAE, Pakistan, Africa, US and Central Asia. His Highness also holds various offices as Chairman and Director at Board and Trusts along with Patronship of various local and foreign organizations and affiliates. His direct and indirect business interest spread throughout various industry sectors such as banking, telecom, insurance, hospitality, healthcare, construction, project financing and investment management. Moreover, he supports many charitable institutions and devotes special attention to the disabled children as the Honorary President of Abu Dhabi Future Rehabilitation Center, formerly known as Future Center for Special Needs. His Highness is also recipient of Pakistan's highest civilian award, the "Hilal-e-Pakistan", which was conferred upon him in 2005 for his contribution to the economic growth of Pakistan. His Highness received his education from the British Midfield School until the high secondary level before joining Magdalen College at Oxford University-UK.

MAB is one of the investment vehicles through which the global investments of H.H. Sheikh Nahayan are managed.

### **3.3 Board of Directors of the Management Company**

<b>Name</b>	<b>Position</b>	<b>Other Directorships</b>	<b>Current Occupation</b>	<b>Address</b>
Mr. Tanveer Hussain Awan	Director (Nominee - MAB Investment Inc)	- Alfalah Insurance - Wateen Telecom Limited	Chief Executive at Dhabi Holdings PJSC	Dhabi Holdings PJSC, 18th Floor, Al Neem Tower, Khalifa Street, Abu Dhabi, UAE
Mr. Nabeel Malik	Chief Executive / Director	Nil	CEO - Alfalah GHP Investment Management Limited	8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi

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Mr. Tufail J. Ahmad	Director (Non-Executive)	Nil	-	8 - B, 8th floor, Executive Tower, Dolmen City Building, Block 4, Clifton, Karachi
Mr. Abid Naqvi	Director (Non-Executive)	-Associated Construction Limited - Atlas Honda Limited - ACL Capital (Pvt.) Ltd - Pie in the Sky (pvt.) Ltd - Cherat Packaging Ltd - Pakistan Mortgage Refinance Co. Limited - Quintet Properties Limited	COO-Associated Construction Limited	1103-1104, Mehdi Towers, 115/A, S.M.C.H.S, Share Faisal, Karachi.
Mr. Hanspeter Beier	Director (Nominee-GHP Beteiligungen Limited)	- GHP Beteiligungen Limited - APB Services AG	Portfolio Manager - GHP Beteiligungen Limited	Galgerain 21, CH-6233 Büron

### **3.4 Profile of Directors**

#### **Mr. Tanveer Hussain Awan – Chairperson of the Board of Directors**

Tanveer Awan brings 15+ years of experience with focus on large-scale transformations including financial, commercial, and operational transformations in GCC and Europe. He has transformed multiple family businesses focused on overall portfolio restructuring, governance, performance improvement of select assets, and investments/divestments. He has been involved in 20+ M&A transactions for global and regional private equity funds, corporates, and family businesses. His most notable employers include Alvarez & Marsal (Managing Director), Bain & Company, and Schlumberger in GCC and Europe. Academically, Mr. Awan completed a master's degree in engineering from the Norwegian University of Science and Technology in Trondheim, Norway, and an MBA from IMD in Lausanne, Switzerland.

#### **Mr. Hanspeter Beier**

Mr. Hanspeter Beier is currently Client Relationship Manager, Portfolio Manager focusing on European Equities, macroeconomic Analyst, and Member of the Executive Committee.

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As an acknowledged authority on the European stock market, Mr. Hanspeter Beier joined the Executive Committee of GHP Arbitrium in 2004. Previously Mr. Hanspeter Beier was head of portfolio management and Chief Financial Officer with a subsidiary of a major European bank before being appointed CEO of a Swiss private bank.

### **Mr. Abid Naqvi**

Mr. Naqvi is presently the Director Investments and New Business Startups in Associated Constructors Limited and has almost twenty five (25) years of professional experience in the financial services industry. Mr. Naqvi started his career with Citibank, Pakistan in 1982 and his subsequent assignments include, Head of Economics for the National Development Finance Corporation (NDFC) where he was in close liaison with government economic, planning and finance ministries as well as a permanent representative of the CDWP, five (5) Year Plan Expert Working Groups. He was also the Managing Director, Deputy Managing Director and Head of Research for Taurus Securities from 1997 to 2004. He was a member of various committees of the Karachi Stock Exchange and played an active role in promoting the cause of capital markets.

Mr. Naqvi served on IGI Funds Limited Board between January 21, 2006 to October 14, 2013 and Chairman of IGI Funds Audit Committee during October 16, 2012 to October 14, 2013. Throughout his tenure with IGI Funds, he was an active member of the Board and Audit committee especially with regards to strengthening the role and scope of Risk Management at the company. Mr. Naqvi holds a Bachelor's degree in Economics from the University College London, United Kingdom.

### **Tufail J. Ahmad**

Tufail J. Ahmad has been a successful seasoned banker with rich diversified multinational banking experience spanning over Middle Eastern & South Asian Markets. Presently, Mr. Ahmad serving as Chief Risk Officer at NIB Bank, a majority owned subsidiary of Fullerton Financial Holding, Singapore where he is overseeing enterprise wide risk management and represented the Bank from 2015-2016 on the Board of Directors of its wholly owned subsidiary PICIC Asset Management Company. Prior to this he served National Bank of Fujairah (a local UAE based entity) from 2005-2007 in the role of Head of Risk Management and later re-joined SCB Group in 2007 representing SCB on the Board of Directors of Standard Chartered Modaraba and Standard Chartered Leasing Company.

Mr. Ahmad is a former Chairman of various Credit, Risk and ALCO Committee(s) of the Bank and also served as member of two separate and independent Audit & Risk Committees of Standard Chartered Leasing Company and Standard Chartered Service (Private) Limited, the management company for Standard Chartered Modaraba. Member HR Board Committee of PICIC Insurance Company, Chairman Board Investment Committee, and Member Board Audit Committee of PICIC Asset Management Company. By profession, he has done his MBA from reputable institution in addition to completing several credit courses including AOP of Citibank, credit and risk courses with SCB in Dubai, Singapore and London. Received Credit Skill Accreditation from Moody's Risk Management Services for ANZ Banking Group besides receiving Credit Skill, Core Credit Curriculum, and Senior Credit & Risk accreditation from Standard Chartered Group.

### **Nabeel Malik – Chief Executive Officer – Director and CEO**

See details as stated below.

### **3.5 Profile of the Management**

#### **Nabeel Malik – Chief Executive Officer**

Mr. Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of Alfalah GHP team, he was associated with IGI Funds Ltd, and earlier at Pak-Oman Asset Management Co. he had led POAMCL's Fixed Income Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Mr. Malik has done his MBA from SZABIST and holds a B.Sc. degree in Computing & I.T from Staffordshire University U.K.

#### **Noman Soomro – Chief Operating Officer**

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP) and has been with Alfalah GHP Investment Management Limited since May 2014. Prior to joining AGIML, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited between September 2007 to April 2014. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company.

Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, Modaraba, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.

#### **Muddasir Ahmed Shaikh – Head of Equities**

Mr. Shaikh's experience in the financial services industry spans over more than 10 years of which he has served 7 years as portfolio manager and investment advisor. He has been with Alfalah GHP Investment Management Limited since October, 2013. Prior to his current association, he served at the asset management arm of IGI Financial Service group (acquired by AGIML) for more than six years. During his career, he has also served other reputable institutions such as National Investment Trust Limited, JS Investments and Atlas Asset Management in the capacities of investment analyst and deputy fund manager.

Currently serving the company as Lead SMA Advisor, Mr. Shaikh is also a vital part of the portfolio management team and a senior member of the investment committee for the mutual funds. During his career as portfolio manager and investment advisor, he has managed various mutual funds schemes and advisory portfolios having diversified



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exposures in equities as well as fixed income instruments. His success in portfolio management, with a track record of successfully outperforming the benchmarks on continuous basis, has distinguished him from his peers.

Mr. Shaikh holds a Master's degree in Business Administration from Institute of Business Administration, Karachi.

### **Mustafa Kamal- Head of Fixed Income**

Mr. Mustafa Kamal has more than 18 years of work experience as investment management profession out of which he has been associated to the Mutual Fund Industry for over 15 years. Prior to joining Alfalah Investments, he was working as a Chief Investment Officer with Pak Oman Asset Management Limited. Over the years, he has worked at companies like Askari Investments, National Fullerton Asset Management, Crescent Leasing & ORIX Investment Bank. He is an MBA with Majors in Finance.

### **Shariq Mukhtar Hashmi – Head of Compliance**

Mr. Hashmi holds a diversified experience of over 15 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance. Mr. Hashmi is a Fellow Member of Association of Chartered Certified Accountants (FCCA) and holds MBA degree.

### **Syed Hyder Raza Zaidi – Chief Financial Officer**

Mr. Hyder Raza is serving as Head of Finance of Alfalah GHP Investment Management Limited. He is responsible for supervising and monitoring the finance function and related reporting requirements, liaising with the regulatory authorities, trustee, internal & external auditors and tax consultants and ensuring compliance with relevant laws and regulations.

Mr. Hyder Raza is an associate member of the Institute of Cost and Management Accountants of Pakistan (ICMAP) and brings with him over 12 years of working experience mostly in the mutual fund industry. Prior to joining AGIML he worked in a multinational shipping company.

### **Mr. Ali Abbas Devjiani – Head of Operations & Registrar Services**

Mr. Devjiani has been awarded with the "Pakistan Market Regulations" (PMR) & "Fundamental of Capital Markets" (FCM) Certifications by Institute of Capital Markets. He also had an association with Institute of Cost and Management Accountants of Pakistan (ICMAP). He has been associated with asset management industry for the past 14 years, last serving as Head of Operations at MCB Arif Habib Savings and Investments Limited. Mr. Devjiani worked with founding teams in the industry and has experience in settlement, fund accounting, investor services, and transfer agent and operations functions. He was instrumental in fund launching, merger and conversion of numerous funds managed by the company. He has diversified experience to look after conventional, Shariah compliant and Pension funds.

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Mr. Devjiani holds two master degrees in the disciplines of Economics and International Relations respectively. His excellence and remarkable performance was acknowledged by CEO and he was awarded with certificate of appreciation for system development and he also holds recognized Diploma in Information Technology. Having a deep insight of the industry he has implemented numerous process changes to bring transparency, efficiency and effectiveness with his prudence.

### **Mr. Ashfaq Ahmed – Head of IT**

Mr. Ashfaq Ahmed brings a wealth of 25+ years of professional experience in the field of information technology from diversified banking and non-banking organizations. He has worked for conglomerates likes Unilever, Tapal Tea and past 14 years he has been engaged with banking sector of Pakistan.

He has played key roles in major banking transformation projects and successfully spearheaded IT operations for various banks in Pakistan.

Mr. Ashfaq is has a master's degree and PGD in Computer Sciences, as well as ITIL certification. He has also attended several technical and soft skills courses.

### **Mr. Waheed Khatri - Head of Marketing & Digital Transformation**

Mr. Khatri has planned & executed over 100 projects of technology, digital and conventional advertising for local and international clients. Being an MBA and holding key certifications in the digital arena, he can develop and execute conventional, digital & technology project with a healthy bottom line. He has worked for several industries of Pakistan, Middle East, and Europe & USA and have lead several multi-dimensional teams.

## **3.6 Existing Schemes under Management and their performance**

Alfalah GHP Investment Management Ltd. is currently managing fourteen (14) open end mutual funds namely:

1. Alfalah GHP Value Fund (AGVF)
2. Alfalah GHP Income Multiplier Fund (AGIMF)
3. Alfalah GHP Islamic Stock Fund (AGISF)
4. Alfalah GHP Cash Fund (AGCF)
5. Alfalah GHP Alpha Fund (AGAF)
6. Alfalah GHP Income Fund (AGIF)
7. Alfalah GHP Stock Fund (AGSF)
8. Alfalah GHP Money Market Fund (AGMMF)
9. Alfalah GHP Islamic Income Fund (AGIIF)
10. Alfalah GHP Sovereign Fund (AGSOF)

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11. Alfalah GHP Prosperity Planning Fund (AGPPF)
12. Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF)
13. Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF)
14. Alfalah GHP Islamic Value Fund (AGIVF)
15. Alfalah Islamic Rozana Amdani Fund (AIRAF)

### **Existing Schemes under Management and their performance**

#### **1. Alfalah GHP Value Fund (AGVF)**

Alfalah GHP Value Fund (AGVF) is an Open End Asset Allocation Fund which was launched on October 29, 2005. The objective of the fund is to invest in a broad range of asset classes so as to diversify Fund risk and to optimize potential returns. The Fund can invest up to a maximum limit of 80% of its NAV in equity securities or debt / money market securities with per company and per sector imitations as prescribed in the NBFC Regulations. Out of the total investment minimum 50% of assets shall remain invested in the listed securities. These asset allocations are changed from time to time in order to maximize investor returns and manage risk.

Fund Name	Alfalah GHP Value Fund (AGVF)
Fund Type	Open End
Nature of Fund	Asset Allocation Fund
Date of Launching	October 29, 2005
Fund Size as at September 30, 2021	Rs. 572.767 million
Par Value	Rs. 50/-
NAV per unit September 30, 2021	Rs. 55.1835/-
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

#### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	2.74%	Rs. 10.64 /-	19.7329
2010	17.36%	Rs. Nil /-	Nil
2011	7.20%	Rs. 4.25 /-	8.2486
2012	4.17%	Rs. 2.75 /-	5.4369
2013	30.11%	Rs. 10.77 /-	20.3509
2014	19.52%	Rs. 9.94 /-	18.1966
2015	25.50%	Rs. 7.7634/-	-
2016	18.30%	Rs. 1.6239/-	7.2725
2017	26.20%	Rs. 9.4960/-	-
2018	-12.0%	Rs. 6.5187/-	-

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<b>2019</b>	-8.8%	-	-
<b>2020</b>	0.94%	-	-
<b>2021</b>	28.45%	Rs. 7.7114/-	-

\* Fund launch on 29-10-2005

### **2. Alfalah GHP Income Multiplier Fund (AGIMF)**

Alfalah GHP Income Multiplier Fund (AGIMF) is an Open End Income Fund which was launched on June 15, 2007. The objective of the Fund is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements. The Investment Portfolio of the Fund comprises of fixed, floating and hybrid rate instruments. The allocation between various investment classes depends on prevailing market conditions and opportunities. The Fund allows the investors to participate in the overall performance of fixed income / money market and to take advantage of a diversified and actively managed portfolio.

Fund Name	Alfalah GHP Income Multiplier Fund (AGIMF)
Fund Type	Open End
Nature of Fund	Aggressive Income Fund
Date of Launching	June 15, 2007
Fund Size as at September 30, 2021	Rs. 55.724 million
Par Value	Rs. 50/-
NAV per unit on September 30, 2021	Rs. 53.3778/-
Credit Rating	"A+ (f)" by PACRA
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Medium
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
<b>2009</b>	3.24%	Rs. 4.24 /-	8.3307
<b>2010</b>	-0.04%	Nil /-	Nil
<b>2011</b>	2.83%	Rs. 1.59 /-	3.2610
<b>2012</b>	-8.75%	Nil /-	Nil
<b>2013</b>	6.81%	Rs. 3.86 /-	8.1582
<b>2014</b>	12.35%	Rs. 5.04 /-	10.4743
<b>2015</b>	14.20%	Rs. 4.248/-	-
<b>2016</b>	8.38%	Rs. 1.8738/-	-
<b>2017</b>	5.90%	Rs. 2.8811/-	-
<b>2018</b>	4.90%	Rs. 2.6124/-	-
<b>2019</b>	6.30%	Rs. 3.3186/-	-
<b>2020</b>	15.26%	Rs. 8.1534/-	-
<b>2021</b>	-0.31%	-	-

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\* Fund launch on 15-06-2007

### **3. Alfalah GHP Islamic Stock Fund (AGISF)**

Alfalah GHP Islamic Stock Fund (AGISF) is an open end Shariah Compliant Islamic Equity scheme and was launched on September 4, 2007. The investment objective of the Fund is to achieve long term capital growth by investing primarily in Shariah compliant equity securities. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisory Board of the Fund.

Fund Name	Alfalah GHP Islamic Stock Fund (AGISF)
Fund Type	Open End
Nature of Fund	Islamic Equity Scheme
Date of Launching	September 4, 2007
Fund Size as at September 30, 2021	Rs. 2,040.916 million
Par Value	Rs. 50/-
NAV per unit on September 30, 2021	Rs. 43.1607/-
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	8.63%	Rs. 9.34 /-	16.2445
2010	11.79%	Rs. 2.00 /-	3.5236
2011	3.34%	Rs. 7.50 /-	13.7468
2012	11.32%	Rs. 5.75 /-	10.7396
2013	36.25%	Rs. 13.47 /-	23.6718
2014	18.42%	Rs. 14.99 /-	27.8751
2015	23.80%	Rs. 7.3107/-	-
2016	20.33%	Rs. 6.0806/-	2.0266
2017	24.80%	Rs. 6.9204/-	-
2018	-14.40%	Rs. 12.2629/-	-
2019	-18.80%	-	-
2020	-1.34%	-	-
2021	36.75%	Rs. 9.5717/-	-

\* Fund launch on 04-09-2007

### **4. Alfalah GHP Cash Fund (AGCF)**

Alfalah GHP Cash Fund (AGCF) is an open end Money Market Fund. The primary investment objective of the fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of mostly money market securities and placements. Investment is made in high quality and liquid money market securities and placements with a weighted average time to maturity of the net assets not exceeding 90 days. The fund principally invest in cash and cash instruments which includes

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cash in bank accounts (excluding TDRs), government securities, treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of Musharaka (COM), TDRs, commercial papers and reverse repo.

Fund Name	Alfalah GHP Cash Fund (AGCF)
Fund Type	Open End
Nature of Fund	Money Market Fund
Date of Launching	March 12, 2010
Fund Size as at September 30, 2021	Rs. 6,437.851 million
Par Value	Rs. 500/-
NAV per unit on September 30, 2021	Rs. 511.7886/-
Credit Rating	"AA (f)" by PACRA
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Very Low
Listing	Pakistan Stock Exchange

### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2010	8.14%	Rs. 27.10 /-	5.3938
2011	11.56%	Rs. 42.91 / -	8.5819
2012	11.02%	Rs. 51.93 /-	10.3858
2013	9.06%	Rs. 43.91 /-	8.7818
2014	8.09%	Rs. 33.72 /-	6.7456
2015	8.60%	Rs. 44.80/-	-
2016	5.17%	Rs. 31.3261/-	-
2017	6.80%	Rs. 32.8400/-	-
2018	4.70%	Rs. 23.3600/-	-
2019	9.00%	Rs. 42.6500/-	-
2020	12.67%	Rs. 60.6186/-	-
2021	9.21%	Rs. 34.1728/-	-

\* Fund launch on March 12, 2010

### **5. Alfalah GHP Alpha Fund (AGAF)**

Alfalah GHP Alpha Fund (AGAF) is an open end Equity Fund which was launched on September 09, 2008. The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. AGAF will primarily invest in equity and equity related securities. If the Management Company expect the stock market to perform adversely during any period of time, based on its analysis of macroeconomic factors such as interest rates, economic growth rates, corporate earnings, stock market valuations, or based on political or any other factor(s), the management company may then temporarily allocate assets to other asset classes, subject to the prescribed limits, such as money markets, continuous funding system, ready future spread transactions, etc.

Fund Name	Alfalah GHP Alpha Fund (AGAF)
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## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Fund Type	Open End
Nature of Fund	Equity Fund
Date of Launching	September 09, 2008
Fund Size as at September 30, 2021	Rs. 769.393 million
Par Value	Rs. 50/-
NAV per unit on September 30, 2021	Rs. 56.94/-
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

**Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	14.34%	Rs. 28.29 /-	51.1249
2010	12.07%	Rs. 0.50 /-	0.8861
2011	15.70%	Rs. 7.00 /-	12.6789
2012	2.67%	Rs. 2.00 /-	3.6677
2013	39.80%	Rs. 18.00 /-	32.0779
2014	29.55%	Rs. 15.93 /-	27.9069
2015	27.40%	Rs. 7.0466/-	-
2016	14.12%	Rs. 1.57/-	6.06
2017	29.00%	Rs. 2.9418/-	-
2018	-14.20%	Rs. 5.3568/-	-
2019	-17.50%	-	-
2020	-3.37%	-	-
2021	39.27%	Rs. 14.9200/-	-

\* Fund launch on 09-09-2008

### **6. Alfalah GHP Income Fund (AGIF)**

The investment objective of Alfalah GHP Income Fund is to minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders. The management team ensures the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

The investment policy of the Fund is constructed to ensure the overall compliance with the above mentioned investment objective. As such, the investment policy shall focus on selecting instruments, executing transactions and constructing portfolio exposures to match the investment objective stated.

Fund Name	Alfalah GHP Income Fund (AGIF)
Fund Type	Open End
Nature of Fund	Income Scheme
Date of Launching	14 April 2007
Fund Size as at September 30, 2021	Rs. 2,423.979 million
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 115.7734/-

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Credit Rating	A+ (f) by PACRA
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Medium
Listing	Pakistan Stock Exchange

### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2009	6.47%	Rs. 2.64 /-	2.6479
2010	11.12%	Rs. 11.27 /-	11.2389
2011	11.33%	Rs. 13.07 /-	12.736
2012	11.16%	Rs. 13.11 /-	12.9969
2013	9.95%	Rs. 7.75 /-	7.7056
2014	8.00%	Rs. 7.79 /-	7.7621
2015	12.30%	Rs. 7.3777/-	
2016	7.56%	Rs. 2.6173/-	-
2017	5.20%	Rs. 4.5031/-	-
2018	4.80%	Rs. 5.3659/-	-
2019	7.70%	Rs. 8.1115/-	-
2020	14.83%	Rs. 16.4172/-	-
2021	6.96%	Rs. 7.2642/-	-

\* Fund launch on 14 April 2007

### **7. Alfalah GHP Stock Fund (AGSF)**

The Scheme shall seek long-term capital growth by investing primarily in a diversified pool of equities and equity related investments.

The Scheme shall construct a diversified portfolio of equity and other Authorized Investments. At least 70% of the Net Assets of the Scheme shall remain invested in listed equity securities during the year on quarterly average investment calculated on daily basis. The remaining Net Assets shall be invested in cash and/or near cash instruments which shall include cash in bank account (excluding TDRs) and treasury bills not exceeding 90 days maturity. The Scheme shall not take exposure to Continuous Funding System (CFS).

The equity stocks shall be evaluated based on a combination of growth and value parameters. The best companies shall then be chosen from each sector. The final portfolio shall be determined taking into consideration the relative attractiveness of each sector. The Benchmark for Alfalah GHP Stock Fund is KSE- 100 Index. The performance of AGSF will be compared against KSE- 100 Benchmark. If the Fund Manager makes correct decisions on timing and selection of stocks, the Fund Manager should outperform the Benchmark and vice versa.

The Fund shall invest in the asset classes mentioned in the Offering Document under the heading Authorized Investment.

Fund Name	Alfalah GHP Stock Fund (AGSF)
Fund Type	Open End

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## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Nature of Fund	Equity Scheme
Date of Launching	15 July 2008
Fund Size as at September 30, 2021	Rs. 2,117.806 million
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 107.0542/-
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
<b>2009</b>	32.90%	-	-
<b>2010</b>	26.09%	Rs. 23.52 /-	25.311
<b>2011</b>	30.32%	Rs. 34.58 /-	34.2173
<b>2012</b>	13.34%	Rs. 24.57 /-	22.9360
<b>2013</b>	66.38%	Rs. 18.75 /-	18.2666
<b>2014</b>	24.58%	Rs. 45.45 /-	44.5620
<b>2015</b>	27.70%	Rs. 14.4405/-	-
<b>2016</b>	14.88%	Rs. 0.5001/-	7.2129
<b>2017</b>	28.70%	Rs. 5.3760/-	-
<b>2018</b>	-14.60%	Rs. 14.9984/-	-
<b>2019</b>	-17.40%	-	-
<b>2020</b>	-3.74%	-	-
<b>2021</b>	38.89%	Rs. 18.6001/-	-

\* Fund launch on 15 July 2008

### **8. Alfalah GHP Islamic Income Fund (AGIIF)**

The Scheme shall be Shariah based. The Scheme shall seek to provide good total return through a combination of current income and long term capital appreciation, consistent with reasonable investment risk in a Shariah Compliant manner. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance with applicable laws.

The Scheme has been categorized as Shariah Compliant (Islamic) Income Scheme. The investment policy of the Scheme is constructed to ensure overall compliance with investment objective mentioned in the Offering Document. The Scheme shall invest in a blend of short, medium and long term Shariah Compliant Islamic Income instruments. The investment policy shall focus on selecting instruments, executing transactions and constructing a portfolio to match the investment objective, subject to the Regulations and the directives and circulars issued by the Commission from time to time.

The investment policy of the Scheme shall select instruments from within the specified Shariah Compliant Authorized Investments and invest only in asset classes mentioned in the Offering Document.

Fund Name	Alfalah GHP Islamic Income (AGIIF)
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Fund Type	Open End
Nature of Fund	Shariah Compliant (Islamic) Income Scheme
Date of Launching	3 December 2009
Fund Size as at September 30, 2021	Rs. 5,535.045 million
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 102.1835/-
Credit Rating	"AA- (f)" by PACRA
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Medium
Listing	Pakistan Stock Exchange

### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2010	9.03%	Nil	Nil
2011	10.20%	Rs. 2.19 /-	11.5181
2012	9.68%	Rs. 10.16 /-	10.1071
2013	7.35%	Rs. 7.33 /-	7.2977
2014	6.02%	Rs. 5.31 /-	5.2878
2015	6.90%	Rs. 7.5632/-	-
2016	4.91%	Rs. 4.8198/-	-
2017	5.35%	Rs. 4.7495/-	-
2018	4.22%	Rs. 4.2713/-	-
2019	7.60%	Rs. 9.7164/-	-
2020	11.56%	Rs. 11.2168/-	-
2021	6.40%	Rs. 6.2236/-	-

\* Fund launch on 3 December 2009

### **9. Alfalah GHP Money Market Fund (AGMMF)**

As an open-ended money market Fund, the Scheme shall seek to generate competitive returns consistent with low risk from a portfolio constituted of short term instruments including cash deposits and government securities. The Fund will maintain a high degree of liquidity, with time to maturity of single asset not exceeding six months and with weighted average time to maturity of Net Assets not exceeding 90 days.

The Scheme has been categorized as Money Market Scheme. The investment policy of the Scheme is constructed to ensure overall compliance with investment objective mentioned above. Alfalah GHP Money Market Fund will strive to earn Benchmark returns, by investing in short term instruments consistent with low risk and high liquidity. The Fund seeks to maintain a high degree of liquidity by investing in short-term instruments, whereby the time to maturity of any asset shall not exceed six months and weighted average time to maturity of net assets shall not exceed 90 days. The Fund will invest primarily in the money market specifically in cash and near cash instruments such as cash in bank accounts (excluding TDRs), Government Securities, money market placements, and deposits, certificate of deposits, certificate of Musharaka (COM), TDRs, commercial papers and reverse repos. The Fund will not take any direct or indirect exposure to equities. The Fund aims to mitigate risk by following prudent investment criteria and investing solely in high

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quality instruments and entities. With respect to entity ratings, rating of any NBFC or Modaraba shall not be lower than AAA (Triple A) and rating of any bank or DFI shall not be lower than AA (Double A Category). Furthermore, rating of any security in the portfolio shall not be lower than AA (Double A Category). The Fund's portfolio will therefore be firmly committed to high quality assets associated with low levels of risk.

Allocation among various instruments will be based on analysis of macro and micro economic variables such as interest rates, economic growth rates, political climate and analysis of the sector and entity in which the Fund intends to take exposure.

All investments made will be within the limits prescribed in the NBFC Regulations, as amended from time to time, or as otherwise specified by the SECP.

Fund Name	Alfalah GHP Money Market Fund (AGMMF)
Fund Type	Open End
Nature of Fund	Money Market Scheme
Date of Launching	27 May 2010
Fund Size as at September 30, 2021	Rs. 27,768.996 million
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 98.2812/-
Credit Rating	"AA+ (f)" by PACRA
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Very Low
Listing	Pakistan Stock Exchange

### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2010	10.71%	Nil	Nil
2011	11.89%	Rs. 10.65 /-	10.6002
2012	11.79%	Rs. 7.01 /-	6.9914
2013	9.46%	Rs. 5.85 /-	5.8329
2014	8.18%	Rs. 7.40 /-	7.3744
2015	8.70%	Rs. 8.8576/-	-
2016	5.37%	Rs. 8.0288/-	-
2017	5.70%	Rs. 6.3483/-	-
2018	5.50%	Rs. 8.5683/-	-
2019	9.10%	Rs. 10.8407/-	-
2020	12.64%	Rs. 11.5341/-	-
2021	9.21%	Rs. 6.4258/-	-

\* Fund launch on 27 May 2010

### **10. Alfalah GHP Sovereign Fund (AGSOF)**

The investment objective of Alfalah GHP Sovereign Fund (AGSOF) is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term Government Securities and other debt instruments. The management team ensures the active implementation of

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prudent investment practices, the highest professional standards and compliance with applicable laws.

During the year, at least 70% of the net assets shall remain invested in Government Securities transactions based on quarterly average investment to be calculated on a daily basis, with the remainder invested in bank deposits or cash balance, money market placements, reverse repo, spread transactions, corporate bonds, Sukuks, and other authorized investments.

Fund Name	Alfalah GHP Sovereign Fund (AGSOF)
Fund Type	Open End
Nature of Fund	Income Scheme
Date of Launching	9 May 2014
Fund Size as at September 30, 2021	Rs. 1,017.405 million
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 109.8500/-
Credit Rating	'AA- (f)' by PACRA
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Medium
Listing	Pakistan Stock Exchange

### **Distribution Details are as under:**

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2014	8.70%	Rs. 1.16 /-	1.1634
2015	16.60%	Rs. 13.6802/-	-
2016	7.42%	Rs. 4.6776/-	-
2017	5.50%	Rs. 5.8914/-	-
2018	5.00%	Rs. 5.2464/-	-
2019	7.70%	Rs. 7.4448/-	-
2020	16.16%	Rs. 16.7887/-	-
2021	11.53%	Rs. 6.6680/-	-

\* Fund launch on 9 May 2014

### **11. Alfalah GHP Prosperity Planning Fund (AGPPF)**

AGPPF is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the investor.

#### **Allocation Plans**

The following Allocation Plans are offered:

1. Alfalah GHP Conservative Allocation Plan
  2. Alfalah GHP Moderate Allocation Plan
  3. Alfalah GHP Active Allocation Plan
- a) The "Alfalah GHP Conservative Allocation Plan" is an Allocation Plan under the "Alfalah GHP Prosperity Planning Fund" and primarily aims to provide stable returns.

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This Allocation Plan is suitable for investors that have a relatively low risk tolerance and / or wish to save for the short to medium term.

- b) The “Alfalah GHP Moderate Allocation Plan” is an Allocation Plan under the “Alfalah GHP Prosperity Planning Fund” and primarily aims to provide a mix of capital appreciation and stable returns. This Allocation Plan is suitable for investors that have a relatively moderate risk tolerance and / or wish to save for the medium to long term.
- c) The “Alfalah GHP Active Allocation Plan” is an Allocation Plan under the “Alfalah GHP Prosperity Planning Fund” with the objective to earn a potentially high return through active asset allocation between Equity scheme(s) and Income scheme(s) based on the Fund Manager's outlook on the asset classes.

Fund Name	Alfalah GHP Prosperity Planning Fund (AGPPF)		
Fund Type	Open End		
Nature of Fund	Fund of Funds Scheme		
Date of Launching	September 11, 2015		
Par Value	Rs.100/-		
Fund Size as at September 30, 2021	Alfalah GHP Conservative Allocation Plan	Rs. 195.85 M	
	Alfalah GHP Moderate Allocation Plan	Rs. 175.20 M	
	Alfalah GHP Active Allocation Plan	Rs.175.07 M	
NAV per unit on September 30, 2021	Alfalah GHP Conservative Allocation Plan	Rs. 105.5575	
	Alfalah GHP Moderate Allocation Plan	Rs. 99.2203	
	Alfalah GHP Active Allocation Plan	Rs. 97.8686	
Trustee	CDC Pakistan Limited		
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants		
Risk Profile	Plan Specific		
Listing	Pakistan Stock Exchange		

**Distribution Details are as under:** Alfalah GHP Prosperity Planning Fund (AGPPF) –Active Allocation Plan

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	7.78%	Rs. 0.2449/-	-
2017	16.65%	Rs. 8.0227/-	-
2018	-8.88%	Rs. 0.7619/-	-
2019	-6.88%	-	-
2020	-0.75%	Rs. 0.918/-	-
2021	27.74%	Rs. 25.5514/-	-

\* Fund launch on 11 September 2015

**Distribution Details are as under:** Alfalah GHP Prosperity Planning Fund (AGPPF) –Moderate Allocation Plan

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Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	7.60%	Rs. 2.7502/-	-
2017	12.07%	Rs. 10.5442/-	-
2018	-2.63%	Rs. 4.3645/-	-
2019	-1.77%	Rs. 6.7166/-	-
2020	7.25%	Rs. 9.1594/-	-
2021	13.42%	Rs. 13.6649/-	-

\* Fund launch on 11 September 2015

**Distribution Details are as under:** Alfalah GHP Prosperity Planning Fund (AGPPF) – Conservative Allocation Plan

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	5.53%	Nil	-
2017	8.46%	Rs. 4.5144/-	-
2018	0.989%	Rs. 7.6612/-	-
2019	3.74%	Rs. 4.5499/-	-
2020	9.48%	Rs. 9.542/-	-
2021	9.71%	Rs. 9.1594/-	-

### **12. Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF)**

Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) is an Open-ended Shariah Compliant Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah compliant Mutual funds in line with the risk tolerance of the investor.

#### **Allocation Plans**

The following Allocation Plans are offered:

1. Alfalah GHP Islamic Balance Allocation Plan
  2. Alfalah GHP Islamic Active Allocation Plan
  3. Alfalah GHP Islamic Active Allocation Plan-2
- a) The “Alfalah GHP Islamic Balanced Allocation Plan” is an Allocation Plan under the “Alfalah GHP Islamic Prosperity Planning Fund” and primarily aims to provide stable returns. This Allocation Plan is suitable for investors that have a relatively low risk tolerance and / or wish to save for the short to medium term.
- b) The “Alfalah GHP Islamic Active Allocation Plan” is an Allocation Plan under the “Alfalah GHP Islamic Prosperity Planning Fund” with the objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s) based on the Fund Manager’s outlook on the asset classes.

Fund Name	Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF)
Fund Type	Open End

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Nature of Fund	Shariah Compliant Fund of Funds Scheme		
Date of Launching	June 09, 2016		
Par Value	Rs.100/-		
Fund Size as at September 30, 2021	Alfalah GHP Islamic Balanced Allocation Plan		Rs. 212.75 M
	Alfalah GHP Islamic Moderate Allocation Plan		Rs. 67.85 M
	Alfalah GHP Islamic Active Allocation Plan 2		Rs. 380.55 M
	Alfalah GHP Islamic Active Allocation Plan 3		Rs. 75.91 M
	Alfalah GHP Islamic Capital Preservation Plan-4		Rs. 50.24 M
	Alfalah GHP Islamic Capital Preservation Plan-5		Rs. 25.17 M
NAV per unit on September 30, 2021	Alfalah GHP Islamic Balanced Allocation Plan		Rs. 104.5238
	Alfalah GHP Islamic Moderate Allocation Plan		Rs. 112.2730
	Alfalah GHP Islamic Active Allocation Plan 2		Rs. 93.7283
	Alfalah GHP Islamic Active Allocation Plan 3		Rs. 90.2906
	Alfalah GHP Islamic Capital Preservation Plan-4		Rs. 100.1015
	Alfalah GHP Islamic Capital Preservation Plan-5		Rs. 99.4751
Trustee	CDC Pakistan Limited		
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants		
Risk Profile	Plan Specific		
Listing	Pakistan Stock Exchange		

**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) – Balanced Allocation Plan

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	0.10%	Rs. 0.0696/-	-
2017	7.80%	Rs. 2.9251/-	-
2018	0.52%	Rs. 6.0074/-	-
2019	3.18%	Rs. 3.3133/-	-
2020	9.04%	Rs. 8.8238/-	-
2021	10.06%	Rs. 9.1196/-	-

\* Fund launch on 09 June 2016

**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) – Moderate Allocation Plan

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Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	-0.86%	Nil	-
2017	7.43%	Rs. 7.2592/-	-
2018	-8.05%	-	-
2019	4.94%	Rs. 4.5953/-	-
2020	5.94%	Rs. 5.4490/-	-
2021	17.00%	Rs.12.0278/-	-

\* Fund launch on 09 June 2016

**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) – Active Allocation Plan 2

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	-	Nil	-
2017	0.84%	Rs. 6.4865/-	-
2018	-8.36%	-	-
2019	-1.93%	-	-
2020	1.26%	Rs. 0.3125/-	-
2021	24.50%	Rs. 15.0438/-	-

\* Fund launch on 01 Nov 2016

**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) – Active Allocation Plan 3

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	-	Nil	-
2017	-0.31%	Rs. 0.0716/-	-
2018	-4.44%	-	-
2019	-2.41%	-	-
2020	1.12%	Rs. 12.6758	-
2021	23.91%	Rs. 13.2285/-	-

\* Fund launch on 21 June 2017

**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) – Capital Preservation Plan 4

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2018	-	-	-
2019	3.91%	Rs. 3.7162/-	-
2020	7.43%	Rs. 7.3595/-	-
2021	4.49%	Rs. 5.0917/-	-

\* Fund launch on 13 July 2018

**Distribution Details are as under:** Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF) – Capital Preservation Plan 5



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Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2018	-	-	-
2019	3.60%	Rs. 3.4161/-	-
2020	7.94%	Rs. 7.8755/-	-
2021	4.36%	Rs. 5.0202/-	-

\* Fund launch on 14 Dec 2018

### **13. Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF)**

Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF) is an Open-end Shariah Compliant Islamic Equity Fund. The objective of AGIDEF is to provide other 'Fund of Funds' Schemes an avenue for investing in Shariah Compliant Equities.

Fund Name	Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF)
Fund Type	Open End
Nature of Fund	Shariah Compliant Equity Scheme
Date of Launching	23 May 2017
Fund Size as at September 30, 2021	Rs. 0.0
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 74.8834/-
Trustee	CDC Pakistan Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

**Distribution Details are as under:** Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF)

Period End	Annualized Return (p.a.)	Payout	
		Cash	Stock
2016	-	-	-
2017	-3.12%	-	-
2018	-12.50%	0.00	-
2019	-24.00%	-	-
2020	-0.80%	-	-
2021	38.03%	Rs. 8.6173/-	-

\* Fund launch on 23 May 2017

### **14. Alfalah GHP Islamic Value Fund (AGIVF)**

Alfalah GHP Islamic Value Fund (AGIVF) is an Open-end Shariah Compliant Islamic Asset Allocation Fund. The objective of AGIVF is to earn a potentially high return through allocation of assets between Shari'ah Compliant Equity Instruments, Shari'ah Compliant Fixed Income Instruments and any other Shari'ah Compliant instrument as permitted by the SECP and Shari'ah

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Fund Name	Alfalah GHP Islamic Value Fund (AGIVF)
Fund Type	Open End
Nature of Fund	Shariah Compliant Asset Allocation Scheme
Date of Launching	12 October 2017
Fund Size as at September 30, 2021	Rs. 2,336.31 million
Par Value	Rs.100/-
NAV per unit on September 30, 2021	Rs. 91.2997/-
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	High
Listing	Pakistan Stock Exchange

### **15. Alfalah Islamic Rozana Amdani Fund (AIRAF)**

Alfalah Islamic Rozana Amdani Fund (AIRAF) is an Open-ended Shariah Compliant Money Market Scheme which primarily invests in Shariah Compliant Authorized Investments. The Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time. The Fund will make daily pay out to the unit holders, which will be reinvested.

Fund Name	Alfalah Islamic Rozana Amdani Fund (AIRAF)
Fund Type	Open End
Nature of Fund	Shariah Compliant Money Market Scheme
Date of Launching	18 September 2020
Par Value	Rs.100/-
Trustee	CDC Pakistan Limited
Auditor	A.F Ferguson & Co. Pakistan, Chartered Accountants
Risk Profile	Very Low
Listing	Pakistan Stock Exchange

### **3.7 Role and Responsibilities of the Management Company**

The Management Company shall manage, operate and administer the Scheme, in accordance with the Rules, Regulations directives, circulars and guidelines issued by SECP and the Deed and this Offering Document.

#### **3.7.1 Administration of the Scheme**

The Management Company shall administer the Scheme in accordance with the Rules, the Regulations, the Deed and this Offering Document and the conditions (if any), which may be imposed by the Commission from time to time.

#### **3.7.2 Management of Fund Property**

The Management Company shall constitute the Index and manage the Fund

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Property in the interest of the Unit Holders in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons and group companies or its officers, and subject to the restrictions and limitations as provided in the Deed and the Rules and Regulations. Any purchase or sale of investments made under any of the provisions of the Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Deed or the Rules and Regulations. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to elements or circumstances beyond its reasonable control. Management Company may outsource some of its functions.

The Management Company shall comply with the provisions of the Regulations, the Deed and this Offering Document of the Scheme for 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 Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of the Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by willful act and / or omission or of its officers, officials or agents.

### **3.7.3 Maintenance of Accounts and Records**

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, portfolio received by the Scheme in respect of issuance of Units, portfolio transfer from the Scheme on redemption of the Units. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

The Management Company shall clearly specify Cut-Off Timings (for acceptance of application forms of issuance, and redemption of Units of the Scheme) in this Offering Document, on its web site and at designated points.

### **3.8 Maintenance of Unit Holders Register**

#### **3.8.1** The Register of Unit Holders will be maintained by CDC Share Registrar Limited.

The office of the Transfer Agent is located at CDC House, 99-B, Block "B", S.M.C.H.S, Shahrāh-e- Faisal, Karachi , where Register of Unit Holder will be maintained.

#### **3.8.2** Only authorized participants are required to transact with the FUND, all other investor can buy and sell ETF in the secondary market. Accordingly all details of ETF unit holders will be available with CDC Share registrar Limited.

### **3.8.3 Other Responsibilities of the Management Company**

- The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme. Management Company has outsourced the maintenance and dissemination of the INAV to the PSX through an agreement.
- The Management Company may from time to time, with the consent of the Trustee, frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that such procedures are not inconsistent with the provisions of the Rules and the Regulations any directives, circulars and guidelines issued by SECP and the Deed.
- The Management Company has constituted the Index of the Fund as per methodology given above. Once the methodology is finalized, PSX will be responsible for the maintenance, determination, rebalancing and dissemination of the index.
- The Management Company shall endeavor to maintain the Tracking Error at minimum level as specified in Offering Document.
- The Management Company shall be responsible to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing request in this regard.
- The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations, the Deed and this Offering Document, nor shall the Management Company (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 managers 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 Deed and this Offering Document, the Management Company shall not be under any liability thereof 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 Management Company shall nominate and notify to the Trustee one or more of its officer(s) to act as authorized persons for interacting with and giving instructions to the Trustee. Any instruction or notice given by such authorized persons shall be deemed to be the instruction or notice given by the Management Company. Any change in such authorized persons shall promptly be notified to the Trustee.
- The Management Company shall, from time to time, advise the Trustee of any settlement instructions relating to any transactions, including issuance of Creation Unit in exchange of Portfolio securities and cash (if any), entered into by it on behalf of the Trust. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement. The Management Company shall ensure that all the requests for dealing in Creation Units, duly time and date stamped as specified in the Offering Documents.

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- The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance / conversion of Creation units in the Offering Document of the Scheme and on its website.
- The Management Company shall provide the Trustee with regular reports indicating profits/ interest income and other forms of income or inflows, relating to the investments that are due to be received.
- The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to 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 at the cost of the Fund.
- The Management Company shall appoint eligible institutional investors as Authorized Participants for creation and redemption in kind units from the Fund under the Authorized Participant Agreement to be signed among the Management Company, Trustee and Authorized Participant.
- The Management Company shall ensure that entry and exit to the Scheme (including redemption and re-issuance of Creation Units to Authorized Participants) shall be allowed only in the form of Portfolio Deposits and Cash Component, as may be the case unless specified otherwise in this offering document
- The Management Company may, from time to time appoint, remove or replace one or more Authorized Participants, on terms and conditions to be incorporated in the Agreement(s) to be entered into among the Authorized Participant(s) Trustee and the Management Company. The names and credentials of the Authorized Participants shall be disclosed in this Document and/or at PSX and AMC website.
- The Management Company shall disclose the names and Credentials of the Market Makers in the Offering Document and their website, who perform Market Making activities under Market Making Regulation of PSX.
- The Management Company may delegate to a third party any of its functions except core functions which includes investment decision making, risk management and compliance functions. However, the Management Company shall be fully responsible for such functions of third party. The cost incurred in relation to such functions will be borne by the Management Company.
- The Management Company shall establish and maintain sufficient risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in the best interest of the Unit Holders of the Scheme.
- The Management Company shall announce the Net Asset Value (NAV) of the Scheme within such time period and at such frequency as prescribed by SECP from time to time and shall disclose such time period and frequency in the Offering Document. However, PSX will calculate and discriminate the INAV of the Fund as described below.

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- While the transactions with Authorized participants will be in Kind as explained above, there may be situations where the management company may have to buy and sell Shares directly at the market. Such situations includes rebalancing of index, reconstitution of index, and utilization of excess cash component.

### **3.8.4 Disclaimer**

The Management Company 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 Management Company (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 or omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Management Company 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.

### **3.9 Role of the Trustee**

The trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, the Deed and this Offering Document.

The Trustee shall nominate one or more of its officers to act as authorized persons for performing the Trustee's functions and for interacting with the Management Company. Any change in such authorized persons shall be promptly notified to the Management Company.

The Trustee shall under prior intimation to the Management Company appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be entered into between the Trustee and the Custodian(s), except where the Trustee itself is acting as a Custodian.

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 Trust for any loss in value of the Trust Property where such loss has been caused by gross negligence or any reckless act or omission of the Trustee or any of its directors, officers, nominees or agents.

The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under the Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of the Trust Deed or the Rules and

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

Regulations. Whenever pursuant to any provision of the Trust Deed, any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:

- a) a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and
- b) any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s).

The Trustee 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.

In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However, the trustee shall not be under any liability thereof 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 Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.

The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(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 pleadings 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 director(s) and officer(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust 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 gross negligence or breach of its duties in connection with the Trust under the Deed or the Rules and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided) all such losses, claims, damages and other liabilities shall be borne by the Trust.

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and the Trust Deed nor shall the

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Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or gross negligence or that of its agents in relation to any custody of the Trust Property forming part of the Deposited Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed, the Trustee shall not be under any liability thereof 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 Trustee shall promptly forward to the Management Company within one Business Day any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock exchange or any other exchange.

The Trustee shall ensure that Creation Units are not issued until the payment (portfolio deposit and cash component) has been received and upon completion of transfer of title of the Portfolio Deposit and Cash Component in the name of the Fund.

The Trustee shall issue or redeem Creation Units only upon the instructions of the Management Company, subject to compliance with the procedures specified in the Rules, the Regulations, the Authorized Participant Agreement and the Constitutive Documents.

The Trustee shall ensure that issuance and redemption of Creation Units is done on Historic price basis and any transfer of underlying securities into and out of the Fund is also based on the valuation used in determining the Fund's NAV. In situation such as rebalancing, reconstitution or due to any other reason as determined appropriate by the management company, creation and redemption may be processed on a forward NAV as determined and announced by the management company with the prior intimation to the trustee.

### **3.9.1 Disclaimer**

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and the Deed nor shall the Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Trustee 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.

### **3.9.2 Role of Authorized Participants**

Authorized participant is bind to perform its functions and duties as specified in the Authorized Participant Agreement and change therein from time to



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time signed between AMC, Trustee and Authorized Participant. Management Company has appointed JS Global as the Authorized participant on a non-exclusive basis. Other Authorized Participants may be appointed in future. Details of such participants will be available at the website of the Management Company.

Authorized Participants are authorized under the agreement to create and to redeem Creation Units in Creation Unit size or multiples thereof, directly with the Fund. The Management Company may authorize any brokerage house or any eligible Institutional Investor as Authorized Participant. The Authorized Participants shall have sufficient resources and capabilities to satisfactorily fulfill their roles and obligations and comply with the SECP Requirements. For avoidance of doubt, it is clarified that the Creation Units shall be issued only by the Management Company and neither the Authorized Participants nor any other person shall be empowered to issue Creation Units.

The Authorized Participant shall, at all time, comply with the applicable regulatory and contractual obligations as specified in the Authorized Participant Agreement duly signed between AMC, AP and Trustee.

The Authorized Participant(s) shall, effectively make arrangements either through Broker or Market Maker to market the Units in smaller lots through Exchanges to attract the general investors by putting bid and offer prices on KATS at Stock Exchange, fully abiding by the Exchange Regulations.

**Market Maker, who may be an Authorized Participant, shall maintain a sufficient inventory (as may be considered reasonable) for market making activities subject to the requirements stipulated in its agreement with the Exchange.**

### **3.9.3 Role of Market Maker**

Role and responsibilities of the Market Maker shall be governed by the Market Maker Regulation of the PSX and through Market Maker Agreement signed between PSX and Market Maker.

PSX has appointed JS Global as a non-exclusive authorized Market Maker, who will perform their functions in accordance with the terms and conditions specified in the Market Maker Agreement and/or Market Making Regulations of the Exchange. The Market Maker may withdraw his bid and offer price in the secondary market for any period of time in a circumstances specified in the Market Maker Regulation and /or Market Maker Agreement. Management Company does not control or govern market maker as this function is governed by PSX Rules book based on the agreement between PSX and Market Maker.

The Market Maker shall quote prices during Designated Market Making Period as mentioned in the Market Maker Agreement and/or Market Making Regulation of the Pakistan Stock Exchange.

The Market Maker shall be obliged to make available both buy and sell orders or quotes during the Designated Market Making Period as specified in the market making agreement

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The Market Maker shall be obliged to replenish its orders or quotes within time specified in the Market Maker Agreement, subsequent to execution of already queued orders/quotes, within the Designated Market Making Period as specified in the market making agreement

The Market Maker shall keep its market making activities separate from other trading activities as governed by the Market Maker Regulation. For this purpose, the Market Maker shall:

- Register separate Trading code(s) for market making activities;
- Maintain separate ledger account(s) for recording trades pertains to Market Making activities including detail records of Blank sale of **ACI ETF**; and
- Ensure that any of its authorized agent(s)/ trader(s) for Market Making activities shall not indulge in normal trading activities during designated Market Making period.

### **3.10 Transfer Agent**

The Management Company has outsourced the Transfer Agent Function to CDC Share registrar Limited who 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.

### **3.11 Trustee/ Custodian**

**Central Depository Company of Pakistan Limited**, having its office at "CDC House, 99-B, S.M.C.H.S., Main Shahr-e-Faisal, Karachi", will also be performing the functions of the custodian of the Trust Property. The salient features of the custodial function are:

- (a) Segregating all property of the Fund from Custodian's own property and that of its other clients.
- (b) Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- (c) Ensuring that the benefits due on investments are received and credited to the Fund.

The Trustee may, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and agreed by the Management Company for the safe keeping of any portion of the Trust Property.

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### **3.12 Market Maker**

Currently JS Global Capital Limited is the Market Maker of the Fund. In future, the Market Maker may change or additional Market Makers may be appointed/ assigned for the Fund without making any changes to this Offering Document.

### **3.13 Authorized Participant**

Currently JS Global Capital Limited is the Authorized Participant of the Fund. In future, the Authorized Participant may change or additional Authorized Participants may be appointed/ assigned for the Fund without making any changes to this Offering Document.

### **3.14 Auditors**

**A.F. Ferguson & Co.,**  
Chartered Accountants

- I. They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Act, as amended from time to time. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.
- II. The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- III. The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- IV. The Auditors shall prepare a written report to the Unit Holders 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 Unit Holders' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.
- V. The contents of the Auditors report shall be as mentioned in the Regulations.

### **3.15 Legal Advisors**

The legal advisors of the Fund are:

**MSB Consultants**

F-66/2, Park Lane, Block 5 Clifton, Karachi.

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### **3.16 Bank Accounts**

- I. The Trustee, at the request of the Management Company, shall open Bank Account(s) titled "CDC Trustee – Alfalah Consumer Index Exchange Traded Fund" for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds. Trustee may open a collection account titled as "CDC Trustee Alfalah Investment".
- II. The Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
- III. All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
- IV. All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.

### **3.17 Minimum Fund Size**

Minimum Fund size and provisions relating to maintenance of minimum Fund size and other conditions as specified under regulation 54 (3a) of the NBFC&NE Regulations, 2008 would not apply to this Fund.

## **4. CHARACTERISTICS OF UNITS**

### **4.1 Units**

All Units thereof represent an undivided share in the Fund and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Fund proportionate to the Units held by such Unit Holder.

The Fund is divided into creation of units' lot size of 10,000 units having a Face value of Rs. 10/- each unit. During initial offer which may be a PRE IPO and or IPO, Management Company may invest or arrange to invest from an investor in cash or against portfolio deposit as determined by the management company. Such investor may not necessarily be the Authorized participant.

### **4.2 Creation and Redemptions**

Shares of the Fund may be acquired or redeemed directly from the Fund only in Creation Units or multiples thereof, as discussed in the Creations and Redemptions section of this document. Only an Authorized Participant or eligible investor may engage in creation or redemption transactions directly with the Fund.

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Management Company in the interest of unit holders may allow some Authorized participants and other unit holders of the Fund to deal directly with the FUND for creation and redemption in cash fully or partly or against a portfolio deposit and cash component on such terms and conditions as deemed fit and announced by the management company. Management Company may impose certain charges while allowing the unit holders/AP for creation and redemption in cash/part cash.

**4.4.1 Purchase and sale of shares in Secondary Market:** Once created, shares of the Fund generally trade in the secondary market in multiples of Marketable lot size which will be less than a Creation Unit lot size similar to the trading shares of the listed companies. Units of the Fund are listed on a Pakistan Stock Exchange for trading. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. The Trust does not impose any minimum investment for shares of the Fund purchased on an exchange or otherwise in the secondary market. **However the Exchange may impose a minimum lot size for transactions in ETF.**

Authorized Participant can purchase the Units at the Offer Price and redeem at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in this Offering Document.

During the period the register is closed, the sale and redemption of Units may not be suspended.

Management Company will be responsible to complete KYC/AML/EDD etc. for only authorized participants accordingly conditions mentioned under Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020, and any other rules and regulations that may be issued from time to time by whatever name called shall not apply to management company for unit holders who have bought/sold/transacted in the units of the Fund in secondary market since the management company has no control on such transactions.

### **4.4.2 Account Opening Procedure**

The units shall only be issued in Depository Account in dematerialized form therefore account opening with AMC is not required. However, Authorized Participant before requesting for creation units open CDS account either with broker or IAS or in his own account maintained as CDS Participant. While opening a CDS account, the investor shall follow the procedure as specified by the Central Depository Company in its Regulation.

### **4.4.3 CREATION OF UNITS**

- a. After opening an account an Authorized Participant may purchase Units of Fund using the UNIT CREATION APPLICATION FORM. Cash component must also accompany the form.
- b. Application for Purchase of Units shall be made by completing the prescribed Investment Application Form along with "CDS Securities Movement Report" and submitting it to the authorized branches of the Management Company together

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" in favor of "CDC Trustee – Alfalah Consumer Index Exchange Traded Fund"

Or the collection account maintained by the Trustee. For convenience management company may require the Authorized participant to keep some advance money in the Fund account to account for the request for Creation/redemption on a timely basis

- c. The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of Commission.
- d. Applicants must indicate their valid CDS account number in the Investment Application Form.
- e. The Management Company will make arrangements, from time to time, for receiving Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

### **4.4.4 Minimum Amount of Investment**

Units shall be issued as per clause 4.2 with a minimum investment size of 10,000 Units having a face value of Rs 10 each. The Management Company reserves the right to alter the minimum amounts stated hereinabove.

### **4.4.5 Determination of Purchase Price on creation**

- a. Units shall be offered initially at Rs.10 and thereafter at offer price declared by the Management Company from time to time for Dealing Days during the period when the Fund is open for subscription.
- b. The Purchase (Offer) Price shall be equal to the sum of:
  - i. The Net Asset Value (NAV) as of the close of the previous Business Day (Historical pricing);
  - ii. Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
  - iii. such sum shall be adjusted upward to the nearest paisa.
- c. The Purchase (Offer) Price open for subscription, shall be calculated and announced by the Management on a daily basis and be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

### **4.4.6 Pricing and Dealing**

#### **Determination of Net Asset Value**

The NAV of the Fund normally is determined once daily Monday through Friday, generally as of the regularly scheduled close of business of the Fund (normally 4:00

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p.m., Pakistan Standard Time) on each day that the Fund is open for trading, based on the closing price of securities of PSX.

The NAV of the Fund is calculated by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of outstanding shares of the Fund, generally rounded to two decimal places. The value of the securities and other assets and liabilities held by the Fund are determined pursuant to valuation policies and procedures adopted by the AMC subject to the condition specified in the NBFC Regulation or any other law for the time being enforced. This information, along with other relevant information including outstanding units of the Fund shall be available on the website of the AMC.

### **Units Prices and dissemination of INAV.**

The trading prices of the Fund's shares in the secondary market may differ from the Fund's daily NAV and are affected by market forces such as the supply of and demand for ETF shares and shares of underlying securities held by the Fund, economic conditions and other factors. Information regarding the intraday value of shares of the Fund, also known as the "indicative Net Assets Value" ("INAV"), is calculated and disseminated every **15 seconds or earlier** throughout each trading day by the PSX, the Exchange on which the Fund's shares are listed, based on the ETF basket information provided by the Fund, . The INAV is based on the current market value of the securities or other assets and/or cash required to be deposited in exchange for a Creation Unit. The INAV does not necessarily reflect the precise composition of the current portfolio of securities or other assets held by the Fund at a particular point in time or the best possible valuation of the current portfolio. Therefore, the INAV should not be viewed as a "real-time" update of the Fund's NAV, which is computed only once a day on a historical price basis.

The Management Company delegates its responsibility of determination of INAV to the Pakistan Stock Exchange. The Pakistan Stock Exchange shall carry out determination of the INAV per Unit on a current basis, within a Business Day as deemed necessary by the Management Company and as specified in the Offering Document. The Pakistan Stock Exchange shall ensure that INAV is disseminated to the Stock Exchange terminal at regular interval as mentioned above and agreed with PSX from time to time and shared with the Management Company to be displayed on the website of the management company.

The Management Company ensure that the INAV per Unit is calculated on the basis of a process and criteria which is consistently applied by the Management Company or the third-party to whom this function is delegated to ensure that the valuations are objective and independently verifiable.

SECP has clarified that the management company shall not be held responsible relating to correctness and accuracy of INAV under clause 26 of circular 20 of 2021 dated June 23, 2021 due to circumstances beyond its control such as force majeure , failure or malfunctioning of hardware/software despite the best effort by management company or the third party to which such function is delegated and virus or cyber-attack despite the fact that antivirus and other reasonable measures were in place by the management company or the third party to whom such

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function is delegated . Currently such function is outsourced to PSX. The clarification limits the liability of Management Company in such situations.

INAV may be suspended in certain situations such as rebalancing and reconstitution. In cases INAV is disseminated a notice to such effect shall be sent to the exchange for the information of all investors.

### **4.4.7 Creation Procedure**

The Authorized Participants can directly create Units with the Fund in Creation Unit Size as follows: -

The Fund creates Units in large blocks known as "Creation Units". The size of the Creation Units and multiples thereof are stated in this Document. The value of the "Creation Unit" is the basket of underlying Benchmark Index securities called as the "Portfolio Deposit" and a "Cash Component" which will be exchanged for a fixed number of Units to be issued by the Management Company. The Portfolio Deposit and Cash Component may change from time to time and will be announced through its website.

The Management Company may change Creation Unit Size after obtaining prior approval of the Trustee and the Commission. Any such change shall be intimated to the pertinent Stock Exchange within three (3) Business Days prior to the date of such change.

Authorized Participant may create units on its own behalf or on the behalf of its clients.

### **4.5 Redemption Procedure for In-Kind Redemption**

Request for Redemption of Units shall be made by completing the prescribed redemption form along with "CDS Delivery-out Report" and the same is received at the Authorized office of the Management Company on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time.

The requisite Units of the Fund equaling the Creation Unit size or multiples thereof shall be transferred to the Fund's Depository Account and the Cash Component (if applicable) shall be paid to the Trustee through bank transfer in the Bank Account titled as "CDC Trustee Alfalah Consumer Index Exchange Traded Fund". On confirmation of the same by the Trustee, Portfolio Deposit will be transferred to the CDC account of the Authorized Participant along with the payment of Cash Component (if applicable and as per arrangements between the Fund and AP). Trustee may take the proceeds in the collection account if deemed appropriate.

The redemption request can be submitted by Authorized Participants through physical or electronic form at authorized branches and office of AMC as specified in this Document and AP agreement.

Management Company may request the Authorized participant to place advance money in Fund account to incorporate the cash component



Authorized Participant may redeem units on its own behalf or on the behalf of its clients.

#### **4.5.1 Determination of Redemption (Repurchase) Price**

Investors can sell the Units of ETF at market prices at any Exchange on which Fund is listed, which may be above or below actual NAV of the Scheme. Only the Authorized Participants can directly redeem Units with the Fund in Creation Unit Size or multiples thereof. The Units shall be redeemed on all Business Days. Units can be redeemed on in-kind basis calculated on the basis of NAV determined on the Business Day prior to the day of receipt of the duly completed redemption Application Form.

The Management Company at the time of announcing the NAV of the Fund, would also announce the composition of Portfolio Deposit and the Cash Component required to be exchanged against redemption of Units.

In situation where Management Company has decided to apply forward NAV to creation and redemption, all such requests will be processed using forward NAV. As explained in this Offering document, Management Company may allow creation and redemption of units in cash/part cash to AP or unit holders. While doing that management company will announce conditions and procedure for such creation and redemption along with the reasons. Management Company may impose some charges for creation and redemption in such situation.

#### **4.6 Procedure for Requesting Change in Unit Holder Particulars**

Where the Unit Holder desires to change Unit Holder details pertinent to their respective CDS account then request should be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

##### **4.6.1 Transfer, Nomination and Transmission**

Where the Unit Holder desires to Transfer of units to any other Unit holder either through Gift or through NDM market of the PSX, the request of such Transfer shall be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

Upon death of the Principal holder the units of Funds shall be transferred in CDS account of the person specified in the Succession Certificate (act as trustee of the Principal holder) and thereafter that Person shall distribute the rights among the successors according to the Succession Certificate issued by the Court as specified in the Companies Act, 2017.

Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the CDCPL according to the procedure laid down in CDCPL Regulations.

#### **4.7 Procedure for Pledge / Lien / Charge of Units**

If Units are held in CDS account then request should be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

#### **4.8 Temporary Change in Method of Dealing, Suspension of Dealing and Queue System**

##### **4.8.1 Temporary Change in the Method of Dealing**

Subject to compliance with Regulation (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. A permanent change in the method of dealing shall be made after expiry of at least one month's notice to Unit Holders and with the approval of Trustee.

##### **4.8.2 Suspension of Fresh Issue of Units**

The Management Company may during the rebalancing of the ETF or at any time, subject to the Regulations and in the best interest of Unit Holders or under the circumstances of Force Majeure as defined in this offering Document or any other situation in which the issuance of fresh units is, in management company's opinion, against the interest of the unit holders, suspend issue of fresh Units.

Such suspension may, however, not affect the payment of cash dividend or the issue of bonus Units as a result of dividend distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission, Trustee and Exchange if dealing in Units is suspended.

Provided that the Management Company shall, at any time, terminate such suspension at the order of the Commission.

Further provided that the trading in ETF Units on the exchange may continue during the period of suspension of issuance and redemption of ETF Units.

##### **4.8.3 Suspension of Redemption of Units**

The Redemption of Units may be suspended during rebalancing of the ETF, extraordinary circumstances/ Force Majeure etc. or in any other circumstances determined by the management company to be in the interest of the unit holders. Redemption requests received on the day of the suspension shall be rejected.

##### **4.8.4 Winding up in view of Major Redemptions**

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in the Fund being run down to an unsustainable level or is of the view that the selloff of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the Queue System, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price.

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In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.

### **5. DISTRIBUTION POLICY**

#### **5.1 Declaration of Dividend**

- a) The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date / interim period whether to distribute among Unit Holders, profits, either in form of bonus Units (stock dividend) or cash dividend, if any, available for the distribution at the end of the Accounting Period and shall advise the Trustee of the amount of such distribution per Unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.
- b) The Management Company on behalf of the Fund shall, for every accounting year, distribute by way of dividend to the Unit Holders, not less than ninety per cent of the accounting income of the Collective Investment Scheme received or derived from sources other than capital gains (whether realized or unrealized) as reduced by such expenses as are chargeable to a Collective Investment Scheme under the Regulations.
- c) For the purpose of this Clause the expression "accounting income" means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Act, 2017, the Regulations and the directives issued by SECP. Wherever the requirement of Regulations or the directives issued by SECP differs with the requirement of IAS, the Regulations and the said directives shall prevail.

#### **5.2 Determination of Distributable Income**

The amount available for distribution in respect of any Accounting Period shall be the sum of all income and net realized appreciation, from which shall be deducted:

- the expenses, as stated in Clause 7.2 to 7.4 of this Offering Document; and
- any taxes of the Fund

All the receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Trust Property.

#### **5.3 Payment of Dividend**

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All payments for dividend shall be made through transfer of Funds to the Unit Holder's designated bank account and such payment shall be subject to the Regulations and any other applicable laws and taxes.

### **5.4 Bonus Units**

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of bonus / stock dividend (which would comprise of the Bonus Units of the Trust), if it is in the interest of Unit Holders. After the fixing of the rate of distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units for Bonus / Stock Dividend.

The Bonus units would rank pari passu as to their rights in the net assets, earnings and receipt of dividend and distribution with the existing units from the date of issue of these Bonus units.

### **5.5 Closure of Register**

The Management Company may close the Register by giving at least seven (7) days' notice to Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole forty five days in a Financial Year. During the closure period, the sale, redemption, be suspended. Notice for closure of register shall be published in two newspapers (Urdu and English language) having circulation in Pakistan.

## **6. FEE AND CHARGES**

### **6.1 Fees and Charges Payable by an Investor**

Issuance, Redemption and Transfer of units can only be made through CDS therefore Transaction cost would be applicable as per the Depository and Clearing House Tariffs.

#### **6.1.1 Expenses borne by the Management Company and the Trustee**

The Management Company and Trustee shall bear all expenditures in respect of their respective secretarial and office space and professional management services provided in accordance with the provisions of the Deed. Neither the Management Company nor the Trustee shall make any charge against the Unit Holders nor against the Trust Property nor against the Distribution Account for their services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Regulations and the Deed to be payable out of Trust Property.

Any cost associated with sales, marketing and advertisement of collective investments schemes shall not be charged to the collective investment schemes, unless specifically allowed by the commission in Regulation.

### **6.1.2 Remuneration of Investment Agent / Investment Facilitator**

The Investment Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources. Management Company is allowed to charge certain expense as specified in this Offering Document.

## **6.2 Fees and Charges Payable by the Fund**

The following expenses shall be borne by the Fund:

### **6.2.1 Remuneration of the Management Company and Its Authorized Participants**

The Management Company shall be entitled to prescribe and receive maximum remuneration up to the maximum rate of remuneration permitted under the Regulations and directives issued thereunder.

The remuneration shall begin to accrue from the issue of Initial Creation Units. Such remuneration is payable to the Management Company in arrears within thirty (30) Business Days after the end of each calendar month.

In consideration of the foregoing and save as aforesaid, the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and directives issued there under and the Deed to be payable out of Fund Property.

Any increase in remuneration of the Management Company, approved by the Commission shall require thirty (30) days prior notice to the Unit Holders. However, any decrease in remuneration of the Management Company shall not require such notice.

### **6.2.2 Remuneration of the Trustee**

The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with Annexure "A". The remuneration shall begin to accrue from the issue of Initial Creation Units.

Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.

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 its duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property for their services or for

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their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.

Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require such approval.

### **6.3 Formation Costs**

All preliminary expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred during and up to the start of issuance of creation units, shall be borne by the Fund subject to the audit of expenses and amortized over a period of not less than five years or within the maturity of the Fund whichever is lower. This cost shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed.

Formation Cost shall be charged to the Scheme and shall not exceed such limits as specified in the Regulations or directives issued thereunder.

### **6.4 Other costs and expenses**

The following charges shall also be payable out of the Fund Property

- i.** Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
- ii.** All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- iii.** Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
- iv.** Bank charges, financing and financial costs;
- v.** Auditors' Fees and out of pocket expenses.
- vi.** Printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports
- vii.** Fund rating fee payable to approved rating agency.
- viii.** Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- ix.** Fee pertaining to the Fund payable to the Commission.
- x.** Taxes, fees, duties if any, applicable to the Fund and on its income, turnover and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund).
- xi.** Charges and levies of stock exchanges, National Clearing and Settlement Company, and CDC Charges.
- xii.** Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.
- xiii.** Index license fee.
- xiv.** Maintenance or independent verification fee of an index by a third party.

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- Index maintenance fee
- INAV maintenance fee
- Share registrar fee
- xv.** Selling and marketing expenses
- xvi.** Ops/NAV related expenses.

### **6.5 Expenses Ratio**

The expense ratio shall be in line with the limits assigned for Exchange Traded Fund, and as defined by the Commission from time to time as specified in '**Annexure B**'.

## **7. TAXATION**

### **7.1 Taxation on the Income of the Fund**

#### **7.1.1 Liability for Income Tax**

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of the Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund is considered as a public company liable to a tax rate applicable to a public company. However, the income of the Fund will be exempted from tax if not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

Exchange Traded Fund (ETF) is a new type of Fund being launched in Pakistan. ETF is a hybrid type of fund which has features of both open end and closed end fund. Under the ETF scheme, units can only be issued to and redeemed by Authorised Participants (APs) whereas in the case of other open end schemes, issuance and redemption of units can be done by any individual by through the AMC on the applicable NAV. The ETF units are tradable in the Pakistan Stock Exchange (PSE) unlike the units of other open end mutual fund which cannot be traded in the PSE and can only be placed for redemption with the AMC on applicable NAV. The feature of tradability in PSE is only available in the case of closed end fund and this specific feature differentiates the ETF from other open end funds and has resulted in practical difficulties in determining amounts under following

**a)** Accounting treatment for refund of element of income at the time of redemption of units; and

**b)** Determining the amount of income already paid on units redeemed to be included in the "Income Statement".

The APs to whom the units are issued can either keep the units with themselves or can trade in the Pakistan Stock Exchange. Consequently, upon trading of units in the Pakistan Stock Exchange, the holder of the units keeps on changing whereas in the case of other open end schemes due to non-tradability of units, the customer remains the same.

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The SECP in the year 2017 issued SRO756 (I)/2017 dated August 3, 2017, wherein two important changes were brought in with respect to open end mutual funds which are as follow:

**1)** the definition of element was introduced for the first time by the SECP and an explanation was also added to element's definition whereby the concept of refund of element was introduced (at the time of payment of dividend) in proportion to respective investments by unit holders in order to maintain the same ex-dividend NAV on all units in issue.

**2)** Apart from other amendments, a new line item on the face of the Income Statement in respect of "income already paid on units redeemed" was introduced in order to take out due impact of income of unit holders who have exited the fund during the year /period and have taken their due share of income as dividend.

The definition of element of income is given below:

**"Element of income"** represents the difference between net asset value on the issuance or redemption date, as the case may be, of the units and the Net Asset Value (NAV) at the beginning of the relevant accounting period.

**Explanation "Element of Income"** is a transaction of capital nature and the receipt and payment of element of income is taken to the unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holder fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

Provided that in case of Exchange Traded Funds receipt and Payment of element of income relating to income statement is taken to Income Statement at the time of issuance and redemption of units.

The purpose of defining "Element of Income", adding explanation paragraph under the above SRO and introducing the concept of "income already paid on unit redeemed" was to clarify and standardize the treatment across industry for open end schemes.

It is pertinent to note that track of investor (along with investment details) is required both for determining "refund of capital" and "income already paid on units redeemed". The track of investment details is possible in the case of open end schemes except for ETF since the issuance and redemption of units is being managed by the AMC on the basis of applicable NAV and the units are not tradable in the PSE. Hence, the "refund of element" and "income already paid on units redeemed" can be matched and tracked with the investment of a unit holder.

However, in the case of ETF, the same is not possible since the units are being traded in the Pakistan Stock Exchange and the details of cost of investment of a unit holder who has purchased units from the market is not known to the AMC. The market tradability feature along with the corporate actions make it impossible for the AMC to get hold of investment details. Furthermore, the SRO is applicable to track the investment on a unit holder basis and then to account for "refund of element" and "income already paid on unit redeemed" by paying amount to the same unit



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holder who had originally got the units issued from AMC. This is not possible for the ETF unit holders since the units are originally issued to APs and the AMC do not have any track as to whether these units have been traded in the market or not and it is quite possible that units issued to one AP are redeemed by other AP by purchasing from market. The current situation presents an anomaly for ETF whereby element of income is defined as an item of capital nature and it is impossible for an AMC to calculate "Element of Income" and "Income already paid on units redeemed" based on reasons mentioned above.

Therefore, SECP has given an exemption for ETFs allowing ETFs to take receipt and payment of "element of income" both at the time of issuance and redemption of units to profit and loss account/Income statement, Hence, Ninety percent of the profit so calculated, after recording element of income on issuance less those in units redeemed, is required to be distributed to comply with the requirements of Clause 99 of part 1 of the Second Schedule of the Income Tax Ordinance, 2001 in order to claim tax exemption. The tax should be deducted on dividend so paid which includes element on issuance of units. However such treatment may result in incurring of loss on redemption to that extent which will be available for adjustment against capital gains.

### **7.2 Withholding tax**

Under the provision of Clouse 47(B) of part (IV) of second schedule of the income Tax Ordinance 2001, the Fund's income from dividend from Term finance certificates, Sukuks, return on (Riba free) deposits with banks/financial institutions, return from contracts, securities or instruments of companies, organizations and establishments will not be subject to any withholding tax.

### **7.3 Zakat on Fund**

The Fund is Saheb-e-Nisab under the Zakat and Ushr Ordinance, 1980. The balance in the credit of savings bank account, or similar account with a bank standing on the first day of Ramzan-ul-Mubarak will be subjected to Zakat deduction @ 2.5%.

### **7.4 Taxation and Zakat on Unit Holders**

#### **7.4.1 Taxation on Income from the Fund of the Unit Holder**

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of Unit Holder of the Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

#### **7.4.2 Unit Holders of the Fund will be subject to applicable Income Tax on dividend income distributed by the Fund.**

#### **7.4.3 Capital gain arising from sale/disposal of Units of the Fund in the secondary market will be subject to tax at the applicable tax rate as mentioned in Income**

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Tax Ordinance 2001 and shall be computed determined and collected by the NCCPL.

- 7.4.4** Capital Gain on Redemption by authorized participant /Institutional investor or any other unit holder through the management company will also be computed determined and collected from the AP/customer/unit holder by NCCPL, considering the ageing and price maintained by NCCPL in its system.

Further in this scenario explained above related to accounting treatment of element of income, the withholding tax deducted on Dividend distribution would be higher than any other open-end Fund however the ultimate effect of such higher deduction is adjusted against the capital gain tax at the time of redemption.

### **7.4.5 Zakat**

Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration in due course of time to the Management Company.

#### **Disclaimer**

The tax and Zakat information given above is based on the Management Company's tax advisor's interpretation of the law which, to the best of the Management Company's understanding, is correct. Investors are expected to seek independent advice so as to determine the tax consequences arising from their investment in the Units of the Fund. Furthermore, tax and Zakat laws, including rates of taxation and of withholding tax, are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

### **7.5 Liability for Income Tax if Ninety Percent of Income is distributed**

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than ninety percent (90%) of the income for the year as reduced by capital gain (whether realized or unrealized) is distributed amongst the Unit Holders as dividend.

The Fund will distribute not less than ninety percent (90%) of its income received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

## **8. REPORTS TO UNIT HOLDERS**

### **8.1 Account Statement**

The Broker and/ or the IAS Participant as the case may be shall send the Account Statement to each unit holder, maintained by them, periodically as specified in the CDC Regulation/ Procedure.

## **8.2 Financial Reporting**

- (a) The Management Company shall prepare and transmit the annual report physically in such form and manner as set out in Regulations as amended or substituted from time to time.
- (b) The Management Company shall prepare and transmit quarterly reports physically (or through electronic means or on the web subject to SECP approval) in such form and manner as set out in Regulations as amended or substituted from time to time.

## **8.3 Trustee Report**

The Trustee shall report to the Unit Holder, to be included in the annual and second quarter Financial Reports issued by the Management Company to the Unit Holders, as to whether in its opinion the Management Company has in all material respects managed the Fund in accordance with the provisions of the Regulations, the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

## **8.4 Fund Manager Report**

The Management Company shall prepare Fund Manager report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also made available at its web site at least within five working days after close of every month.

## **9. WARNING AND DISCLAIMER**

### **9.1 Warning**

- 9.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your bank manager, Legal advisor, or other financial advisor. The price of the Units and the income of the Fund (from which distributions to Unit Holders is made) may increase or decrease.
- 9.1.2 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

### **9.2. DISCLAIMER**

- 9.2.1 The Units of the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Pre-IPO

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Investors or any other bank or financial institution. The portfolio of the Fund is subject to market risks and risks inherent in all such investments.

- 9.2.2** Fund's target return/ dividend range cannot be guaranteed. Fund's Unit price is neither guaranteed nor administered/ managed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

### **10. GENERAL INFORMATION**

#### **10.1 Accounting Period / Financial Year of the Fund**

Accounting Period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

Annual Accounting Period means the period commencing on 1st July and shall end on 30th June of the succeeding calendar year.

#### **10.2 Inspection of Constitutive Documents**

The copies of constitutive documents, such as the Deed and the Offering Document, can be inspected free of charge at the addresses given below, however such documents shall also be available on the web site of the Management Company:

**Alfalah GHP Investment Management Limited**

8-B, 8<sup>th</sup> Floor, Executive Tower, Dolmen City, Block – 4, Clifton, Karachi, Pakistan.

#### **10.3 Transfer of Management Rights of the Fund**

The management rights of the Fund may be transferred to another Management Company upon the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission;-

- (i)** the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (ii)** where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Management Company;
- (iii)** If in the opinion of the Commission further management of the Fund by the existing Management Company is detrimental to the interest of the Unit

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Holders, the Commission may direct the Trustee to transfer the Fund to another Management Company.

- (iv) If the Management Company may retire voluntarily with the prior written consent of the Commission.

### **10.4 Extinguishment/Revocation of the Fund**

The Fund may be extinguished by the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission;-

- (i) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be revoked;
- (ii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;;
- (iii) in the opinion of the Management Company the scheme is not commercially viable or purpose of the scheme cannot be accomplished subject to the consent of Trustee;
- (iv) The Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust be wound up.
- (v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and
- (vi) where the Commission deems it necessary to revoke the Fund & directs either Trustee or the Management Company in the interest of Unit Holders;

### **10.5 Procedure and manner of Revocation of the Fund**

Revocation of the Fund shall be done in accordance with the procedures and in the manner as mentioned in the Regulations or through circulars / guidelines issued by the SECP from time to time.

### **10.6 Distribution of proceeds on Revocation**

**In case of Revocation of the Fund the Trustee shall according to the procedure laid down in Regulations refund the net proceeds to the Unit Holders in proportion to the number of units held by them..**

## 10.7. GLOSSARY

Unless the context requires otherwise the following words or expressions shall have the meaning respectively assigned to them:

**“Accounting Date”** means the thirtieth day of June in each year or any interim date as decided by the Management Company from time to time on which the financial statements of the Trust are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining approval from the Commission and the Commissioner of Income Tax may change such date to any other date and such change shall be intimated to the Commission.

**“Accounting Period”** means a period ending on and including an accounting date and commencing (in case of the first such period) on the date immediately after the close of IPO and (in any other case) from the next day of the preceding accounting period.

**“Annual Accounting Period”** or “Financial Year” means the period commencing on 1st July and shall end on 30th June of the succeeding calendar year.

**“Authorized Participant(s)”** means the eligible institutional investor or TREC Holder of Exchange subject to the Authorized Participant Agreement signed between the parties.

**“Authorized Participant Agreement”** means an agreement entered into between an Authorized Participant, the Trustee and the Management Company setting out the roles and responsibilities of each party and includes, among other things, the terms and procedures for the issuance and redemption of Creation Units.

**“Asset Management Company”/AMC”** means an Asset Management Company as defined in the Rules and Regulations.

**“Auditor”** means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.

**“Authorized Branches”** means those Branches of Distributors or Distribution Companies which are allowed by the Management Company to deal in Units of the Funds managed by the Management Company.

**“Authorized Investments”** means Pakistan origin investment and includes the following:

- Local Equities
- Cash and cash equivalent

**“Bank”** means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.

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**“Bank Accounts”** means those account(s) opened and maintained for the Fund by the Trustee at the instruction of the Management Company at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).

**“Benchmark Index”** means the index approved by the Commission and as defined in this Offering Document.

**“Broker”** means any person engaged in the business of effecting transactions in securities for the account of others.

**“Business Day”** means any day on which scheduled banks/stock exchanges, and the Management Company is open for business in Pakistan.

**“Cash Component”** means the difference between the applicable net asset value of a Creation Unit and the market value of the Portfolio Deposit. This difference will represent accrued dividend, accrued annual charges including management fees and residual cash in the scheme.

1. If Cash Component is positive, investor/AP has to pay while creation and will receive on redemption
2. If Cash Component is negative, investor/AP will receive on creation and will pay during redemption.

**“CIS”/“Collective Investment Scheme(s)”** means Open End Scheme(s) managed by the Management Company and/or by other Asset Management Companies (both local and international).

**“Constitutive Documents”** means the Trust Deed, Offering Document or such other documents as defined in the Regulations.

**“Creation Units”** means the specified number of ETF Units for issuance or redemption as determined by the Asset Management Company and disclosed in the Constitutive Documents.

**“Custodian”** means a Bank, a Depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee in consultation with the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee, and shall also include the Trustee itself if it provides custodial services for the Fund.

**“Cut-Off Time” / “Business Hours”** means the day time for dealing in Units of the Fund. The current Cut-Off Timing/Business Hours are mentioned in Annexure “B” of this Offering Document.

**“Distribution Account”** means the Bank Account (which may be a current, or PLS deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holder(s) may be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account from time to time, as part of the Fund Property

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**“Duties and Charges”** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any Commission payable to agents on sales and redemption of Units or any Commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

**“ETF”** means Exchange Traded Fund, which is a listed index-tracking open end fund structured as a Collective Investment Scheme. The Primary objective of the ETF is to mimic the return of a particular benchmark index by investing substantially all of its assets in the constituent securities of the benchmark index. ETF shall issue and redeem Creation Units in-kind through AP only.

**“ETF Unit”** is a unit of open end scheme that tracks a benchmark index and is listed on the stock exchange and may be bought and sold like any other share on the stock exchange.

**“Exchange Regulations” mean** the Regulations Governing Exchange Traded Funds made by a Stock Exchange on which the Units of the Fund are listed and shall include any other regulations, notifications of directives issued by the Pakistan Stock Exchange relating to Exchange Traded Funds.

**“Exposure”** shall have same meanings as provided in the Regulations.

**“Federal Government”** means the Federal Government of Islamic Republic of Pakistan.

**“Financial Institution”** means a Bank, Development Finance Institution, Nonbanking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

**“Force Majeure”** means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company 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 Deed and makes the performance of the Deed 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



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unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

**“Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the Scheme, flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of this Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period.

**“Fund”** means “Alfalah Consumer Index Exchange Traded Fund” or “Scheme”, or “Trust”, or “Unit Trust” or **“ACI ETF”**.

**“Fund Property”** means the aggregate proceeds of the sale of all Units to Authorized Participant at Offer Price and any Transaction Costs recovered in the Offer or Redemption prices, after deducting therefrom or providing there against, the value of Redemption, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units to Authorized Participant and any expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising therefrom, all cash 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 Unit Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account.

**“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.

**“Holder or Unit Holder”** means the investor for the time being entered in the Register as owner of a Unit of Fund, including investors jointly so registered pursuant to the provisions of the Trust Deed.

**“Investment”** means any Authorized Investment forming part of the Trust Property.

**“Issuance Form”** means a standardized form prescribed by the Management Company either in physical or in electronic mode to be duly filled by the Authorized Participant for creation of Units in Creation unit size or multiples thereof and will be stated in this Offering Document.

**“In-kind Creation”** means a portfolio of securities and the cash component to be delivered to the Asset Management Company, by an AP either on its own account or on behalf of its clients for creation of ETF units.

**“INAV”** means Intra-day Indicative net asset value calculated on a current basis (with regular intervals) after incorporating the price change of underlying securities throughout a business day. INAV is indicative current basis net asset value of an ETF unit that facilitates trading of ETF in the secondary market.

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**“Local Governments”** mean all the local / city governments in Pakistan.

**“Management Company”** is defined in the preamble hereto;

**“Net Assets of the Scheme”** means the excess of assets over liabilities combined together, such excess being computed in the manner as specified under Regulations.

**“Net Asset Value or NAV”** means Per Unit Value arrived at by dividing the Net Assets of Number of Unit(s) outstanding. The NAV shall be announced on each Dealing Day as per the directions of the Commission from time to time.

**“Offer Price or Purchase (Public Offer) Price”** means the sum to be paid by the investor for purchase of one Unit, such price to be determined pursuant to this document.

**“Offering Document”** means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme.

**“Par Value”** means the face value of **Rs. 10** for a Unit of the Fund.

**“Portfolio Deposit”** means a pre-defined basket of securities that represents the Benchmark Index together with a cash payment (if applicable) for the purposes of issuance and redemption of Creation Units to Authorized Participant(s) to be announced by the Management Company in the Offering Document and composition of the Portfolio Deposit may change from time to time.

**“Profit Distribution Date”** means the date on which the Management Company decides to distribute the profits (if any).

**“Provincial Governments”** mean the Provincial Governments of all four provinces of Pakistan.

**“Redemption Form”** means a standardized form prescribed by the Management Company to be duly filled by the Authorized Participant for In-Kind redemption of Units in Creation unit size or multiples thereof and will be stated in this Offering Document.

**“Redemption Price or Repurchase Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to this document.

**“Register”** means the Register of the Unit Holders kept pursuant to the Act.

**“Registrar”** means a Company that AMC may appoint for performing the Registrar Functions; provided that AMC may also itself perform the Registrar Functions.

**“Registrar Functions”** means the functions with regard to:

(a) Maintaining the Register;

## ***Alfalah Consumer Index Exchange Traded Fund (ACIETF)-Offering Document***

- (b) Receiving application for transfer/transmission of Units directly from Unit Holder or legal representatives;
- (c) Processing requests for transfer and transmission of Units with regard to the Unit Holders; and effectuating such transfers in the Register;
- (d) Issuing Units to Unit Holders;
- (e) Dispatching of dividend warrants;
- (f) Keeping record of change of addresses/ other particulars of the Unit Holders; and
- (g) CDS related activities.

**“Rules” means** Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended from time to time.

**“Regulations”** means Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it as amended/replaced 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.

**“Stock Exchange”** means any stock exchange on which securities are generally traded and quoted and shall include stock exchanges registered and operating outside Pakistan.

**“Tracking Error”** Tracking Error means the standard deviation of the difference between daily returns of the underlying Benchmark Index and the NAV of the ETF, is the divergence of the performance (return) of the Fund's portfolio from that of the Underlying Index

**“Transaction Costs”** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust's portfolio, *inter alia*, necessitated by creation or cancellation of Units. Such costs may be added to the NAV to which the costs may be applicable for determining the Purchase (Offer) Price of such Units or be deducted from the NAV to which the costs may be applicable in determining the Repurchase (Redemption) Price.

**“Trust Deed” or “Deed”** means the Trust Deed of the Fund executed between the Management Company and the Trustee along with all the exhibits appended hereto.

**“Unit”** means one undivided share in the Net Asset being offered under this Scheme and where the context so indicating a fraction thereof.

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**“UNIT CREATION FORM”** means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units and will be stated in this Offering Document.

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.

**ANNEXURE 'A'**

**REMUNERATION OF TRUSTEE AND ITS AGENT**

Trustee Fee subject to review by either party. However any upward revision shall require prior approval of SECP.

<b>New Tariff</b>
0.10% p.a. of Net Assets

**ANNEXURE 'B'**

**Expense ratio up to 2.5% p.a.** of the net assets of the fund calculated on a daily basis as allowed under the NBFC regulations. **Management fee will be 0.50%** of the net assets of the Fund calculated on a daily basis subject to maximum expense ratio as allowed under NBFC regulations.

**Cut-Off Timings:**

**I. Current Cut-off Timing & Business Hours for dealing in Units:**

Every Dealing Day – 9:00 am to 4:00 p.m.

**II. Current Cut-off Time for dissemination and announcement of NAV:**

Latest by 6:30 p.m. on the Dealing Day

**Note:**

Any change in the Cut-Off Timings/Business Hours including for the month of Ramadan shall be notified to investors/Unit-Holders via the Company's website.

Any change in the management fee, provided it is within the maximum limit, shall be notified through an addendum to this annexure and/or by publication in a widely circulated newspaper, as and how the Commission may direct.

**ANNEXURE "C"**

**Distribution Details (Addresses of Management Company Investment Centers)**

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>	<b>Contact Number</b>
1.	Alfalah Investments-Head Office	8-B, 8 <sup>th</sup> floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.	111-090-090 & (9221) 35306741 – 44
2.	Alfalah Investments-Branch Office Lahore	Office # 606-D, 6th Floor, City Towers, Main Boulevard Gulberg II, Lahore.	(92 42) 357 885 74 – 76
3.	Alfalah Investments-Branch Office Karachi	Ground floor Hameeda Markez, 106-C, Jami Commercial Street 11, Phase VII, D.H.A, Karachi.	(92 21) 353 115 71 – 74
4.	Alfalah Investments-Branch Office Islamabad	Office # 1, Situated at 1st Floor, Sardar Begum Plaza, Opposite ISE tower, Blue Area, Islamabad, Pakistan.	(92 51) 234 7267 – 68
5.	Alfalah Investments-Branch Office Multan	Office C/o. Bank Alfalah Hussain Agahi Road Branch Multan, Pakistan.	(92 61) 458 1943
6.	Alfalah Investments-Branch Office Faisalabad	Office 301 3rd Floor Wahab Center, Main Susan Road, Faisalabad, Pakistan.	(92 41) 873 2254

**List of Distributors**

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>	<b>Telephone Number</b>	<b>Registration Number</b>
1	Bank Alfalah Limited	73 Z-Block, DHA Phase III - Lahore-Pakistan	042 – 35896085	RSPC-060
2	Metro Securities (Pvt.) Limited	36-F, Block-6, P.E.C.H.S., Karachi	021-34300395	RSPC-017
3	BMA Capital Management Limited	Uni tower, Level 8, I.I. Chundrigar Road, Karachi	021- 111 262 111 Ext: 2156	RSPC-023
4	Investomate Pvt Ltd	2nd Floor, Plot No. 32-C Lane 4, Khayaban-e-Shahbaz, DHA Phase 6, Karachi - Pakistan	Tel: 021-35243578   021-35243579   M: +92 333 2548843	RSPC-077

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5	Al Hilal Securities Advisors Pvt Ltd	Horizon Tower, 807, 8th Floor, Kheyaban-e-Saadi, Block 3 Clifton, Karachi,	021-35305931	RSPC-067
6	Invest link Advisor	Office No. A/1 Ground Floor, Building No. 2C Sunset Lane No.4, Phase 2 Ext, DHA, Karachi	0346-8202104	RSPC-075
7	One Capital Pvt Ltd	4th Floor , Valika Chambers, Off I.I.Chundrigar Road - Karachi , Pakistan	021-32638956	RSPC-074
8	Ismail Iqbal Securities	C – 132 (B)• Miran Mohammed Shah Rd, KDA Scheme 1, Karachi,	021-34302181, 34302179,34302182-4	-
9	FundShop - Investment Solutions	1st Floor, 163, Street 4, Cavalry Ground, Lahore Cantt	042 - 3662 0563	-
10	IT Minds Limited	CDC House, 99-B, Block "B", S.M.C.H.S, Main Shakra-e-Faisal, Karachi-74400	021-111 111 500	-
11	Bank Alfalah DBG	B.A Building, 4 <sup>th</sup> Floor Digital Banking Group - I.I Chundrigar Road - Karachi, Pakistan	021-3615 2701	-
12	Ahmed Zaman / Sarmüz Investments Limited	Suite 18, 2 <sup>nd</sup> Floor, Al-Hafeez Tower, M.M. Alam Road, Lahore.	042-35785407	-
13	Pyramid Financial Consultants (Pvt) Ltd	518 Progressive Plaza, Beaumont Road, Karachi	-	-



**ANNEXURE "D"**

**FORMS**

All Forms are available on Management Company Website at [www.alfalahghp.com](http://www.alfalahghp.com)