

**First (1st) Supplemental to the
Offering Document
Of
Alfalah Islamic Sovereign Fund
OPEN END SHARIAH COMPLIANT SOVEREIGN INCOME SCHEME**

(Wakalatul Istithmar Based Fund)

Duly Vetted By Shariah Advisor

**Mufti Shaikh Noman
&
Mufti Javed Ahmad**

Category of Fund	Risk Profile	Risk of PrincipalErosion
Sovereign Income Scheme	Medium	Principal at Medium Risk

MANAGED BY

Alfalah Asset Management Limited

Dated: December 13, 2023

**First (1st) Supplement dated December 13, 2023 to the
Offering Document of Alfalah Islamic Sovereign Fund
[Managed by **Alfalah Asset Management Limited**]**

**[An Asset Management Company Licensed under the Non-Banking Finance Companies
(Establishment and Regulation) Rules, 2003]**

The Alfalah Islamic Sovereign Fund (the Fund/the Scheme/the Trust/the Unit Trust/AISF) has been established through a Trust Deed (the Deed) dated August 02, 2023 under the Sindh Trust Act, 2020 entered into and between Alfalah Asset Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee.

SECP has approved the First (1st) Supplement to the Offering Document, under Regulation 44(8) of the NBFC & NE Regulations 2008 vide letter no. SCD/ AMCW/AISF/343/2023 dated December 12, 2023.

Objective of the Supplementary Offering Document

Alfalah Asset Management Limited is introducing **Alfalah Islamic Sovereign Plan-II** under Alfalah Islamic Sovereign Fund via this Supplementary Offering Document, in compliance with the relevant regulations and as stated in Clause 2.2.3 of the Offering Document of AISF.

1. Amendment in Clause 1.4 “Duration”

The Clause 1.4 of the Offering Document has been amended to its entirety and a new Plan has been added. The amended clause shall be read as follows:

Duration of the Fund and the first plan offered under the Fund will be perpetual. Management Company may introduce new Plans via supplemental offering document which will be of limited time maturity. SECP or the Management Company may wind it up or revoke it on the occurrence of certain events as specified in the Regulations or in the offering document.

The Duration of Plan(s) are as under:

<i>Name of Plan</i>	<i>Duration</i>
<i>Alfalah Islamic Sovereign Plan-I</i>	<i>The Duration of the Plan is Perpetual.</i>
<i>Alfalah Islamic Sovereign Plan-II</i>	<i>The Duration of the Plan is 3 years from the close of initial period</i>

2. Amendment in Clause 1.9 “Structure of the Scheme”

Point no. 2 under clause 1.9 of the Offering Document has been amended to its entirety and shall be read as follows:

The duration of the Fund and the first allocation plan offered under the Fund is perpetual; however, the underlying Allocation Plan(s) launched thereafter may be of limited time maturity.

3. Amendment in Clause 1.10 “Initial Offer and Initial Period”

The Clause 1.10 of the Offering Document has been amended and a sub-para has been added to the clause, which shall be read as follows:

“1.10.2 “Alfalah Islamic Sovereign Plan-II”

Initial Offer is made during the Initial Period, which will be 01 Business Day, begins at the start of the banking hours on December 13, 2023, and shall end at the close of the banking hours on December 13, 2023. During the initial period, the Units shall be issued at the Initial Price of Rs. 100 per Unit and subsequently at the price calculated and announced by the Management Company for every Dealing Day. No units shall be redeemable during the initial period of offer.

4. Amendment in Clause 2.2 “Allocation Plans”

The Clause 2.2 of the Offering Document has been amended to its entirety and shall be ready as follows:

The Alfalah Islamic Sovereign Plan-I (AISP-I) is offered under this Offering Document. The Management Company may provide additional Allocation Plans with prior approval of the Commission, and may announce the same through Supplementary Offering Documents.

Following Allocation Plan(s) are offered under the Fund:

<i>S.No.</i>	<i>Allocation Plan(s)</i>
<i>1.</i>	<i>Alfalah Islamic Sovereign Plan-I</i>
<i>2.</i>	<i>Alfalah Islamic Sovereign Plan-II</i>

5. Amendment in Clause 2.2.1 “Investment Objectives of Allocation Plans”

The Clause 2.2.1 has been amended to add the investment objective of new Plan to be offered under the Fund and now the amended clause shall be read as follows:

<i>Plan Name</i>	<i>Investment Objective</i>
<i>Alfalah Islamic Sovereign Plan-I</i>	<i>The Investment Objective of the plan is to generate a competitive return with low risk, by investing primarily in Shariah Compliant Government Securities, Shariah Compliant Short term Sukuks / commercial papers and Islamic Banks and licensed Islamic Banking Windows of Conventional Banks.</i>
<i>Alfalah Islamic Sovereign</i>	<i>The Investment Objective of the plan is to generate a competitive return</i>

<i>Plan-II</i>	<i>with low risk, by investing primarily in Shariah Compliant Government Securities, Shariah Compliant Short term Sukuks / commercial papers and Islamic Banks and licensed Islamic Banking Windows of Conventional Banks.</i>
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6. Amendment in Clause 2.2.2 “Benchmark”

The Benchmark of Alfalah Islamic Sovereign Plan -II has been added to the table under clause 2.2.2 which shall be read as follows:

<i>Allocation Plan</i>	<i>Benchmark</i>
<i>Alfalah Islamic Sovereign Plan-II (AISP-II)</i>	<i>Six (6) months PKISRV rates</i>

7. Amendment in Clause 2.2.4 “Asset Allocation in Allocation Plans ”

The Clause 2.2.4 of the Offering Document has been amended to its entirety and the amended clause shall be read as follows:

“For all Plans launched under the Fund from time to time, the Management Company shall actively manage the allocations of asset classes, from time to time, subject to the specified limits as per Clause 2.2.9”. ”

8. Amendment in Clause 2.2.9 “Investment Policy of the Allocation Plan”

Under the heading “Investment Policy of the Allocation Plan”, name of new plan has added along with the name of existing plan, now the same shall be read as:

- a) Alfalah Islamic Sovereign Plan-I*
 - b) Alfalah Islamic Sovereign Plan-II*
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After the above mentioned change, under the heading “Authorized Investment Table”, a new investment avenue has been specified in order to accommodate term based plans WATM & Time to maturity of single asset details for the purpose of clarity. The authorized Investment Table shall be read as entirety as follows:

No.	Description	Minimum Entity Rating	Minimum Instrument Rating	Maximum Exposure	Minimum Exposure
1	Shariah compliant Government Securities (including Sukuks).	N/A	N/A	100%	* 70%
2	Cash in Bank Accounts of Islamic Banks and licensed Islamic Banking windows of conventional Banks (Excluding TDR) plus GOP Ijara Sukuk having maturity not exceeding 90 days.	A+	N/A	30%	10%
3	Shariah Compliant non-traded securities including reverse repo, Bank Deposits, certificate of investments (COI), certificate of musharakahs (COM) and anything over 6 month's maturity which is not a marketable security.	A-	A-	15%	0%
4	Term Deposits, PLS Savings Deposits, money market placements and other clean placements of funds with Microfinance Banks, NBFC & Modarabas	A-	A-	25%	0%
5	Short Term Islamic Commercial Papers / Sukuks with maturity up to six (06) months	AA-	A2 (short term rating)	30%	0%
6	Authorized Shariah compliant investment outside Pakistan including Islamic Sovereign mutual funds shall be subject to prior approval and guidelines (if any) of the SECP, SBP and Shariah advisor.	N/A	N/A	As allowed by SECP & SBP	0%
7	Any other Shariah Compliant instruments/securities that may be permitted or approved by the SECP and Shariah Advisor of the Scheme from time to time	-		As allowed by SECP	0%

Notes:

- Investments shall be made as per the authorized investment limits given above and shall be made according to the following mode of Shariah Transaction such as; principles of Bai'-Mu'ajjal, Bai'- Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.
- If the instrument or security is guaranteed / backed by the Government of Pakistan, the instrument/security will be considered as Government security for meeting minimum 70% requirement, however, all other limits as given in the Regulations shall be applicable on all securities other than Government Securities issued by Federal Government.
- *At least 70% of net assets shall remain invested in Government Securities on monthly average basis calculated at the end of each month. In the event of any breach in the same due to increase or decrease in net assets due to issuance or redemption, the breach shall be regularized within one month of the breach.
- ^ In the event of any breach in the same due to increase or decrease in net assets due to issuance or redemption, the breach shall be regularized within one month of the breach.

However, minimum exposure limit shall be 10% of net assets calculated on the basis of the average for each calendar month.

	<i>AISP-I</i>	<i>AISP-II</i>
<i>Time to maturity of any single asset in the portfolio</i>	<i>N/A</i>	<i>3 Years**</i>
<i>WATM</i>	<i>4years**</i>	<i>3 Years**</i>
<i>**This restriction shall not apply to Government Securities</i>		

9. Amendment in Clause 2.3 “Basic Features of the Plans”

The Clause 2.3 has been amended in order to accommodate the details of the new Plan, now the amended clause shall be read as follows:

<i>Plan Name</i>	<i>Duration</i>	<i>IPO Date</i>	<i>Maturity Date</i>	<i>Front End Load</i>	<i>Back End Load</i>	<i>Contingent Load</i>
<i>Alfalah Islamic Sovereign Plan I</i>	<i>Perpetual</i>	<i>September 26, 2023</i>	<i>N/A</i>	<i>up to 3%</i>	<i>0%</i>	<i>0%</i>
<i>Alfalah Islamic Sovereign Plan II</i>	<i>3 Years</i>	<i>December 13., 2023</i>	<i>December 13, 2026</i>	<i>up to 3%</i>	<i>0%</i>	<i>0%</i>

10. Amendment in Clause 3.12.1 “Bank Accounts”

The Clause 3.12.1 of the Offering Document has been amended to incorporate the bank account details of the new Plan at relevant place:

- *For Alfalah Islamic Sovereign Plan-II (AISP-II)*

“CDC- Trustee Alfalah Islamic Sovereign Plan-II”

11. Amendment in Clause 4.2 “Classes of Units”

The Clause 4.2 of the Offering Document has been amended and after the first bullet point, name of the new Plan is added, now the same shall be read as:

- *For Alfalah Islamic Sovereign Plan-I (AISP-I)*
- *For Alfalah Islamic Sovereign Plan-II (AISP-II)*

12. Amendment in Clause 5.2.4 “Purchases of Units”

The Clause 5.2.4 of the Offering Document has been amended to incorporate the details of the new Plan.

For Alfalah Islamic Sovereign Plan-II:

- *Demand draft, Pay order, Online transfer, RTGS and cheque in favor of “CDC- Trustee Alfalah Islamic Sovereign Plan-II”*

13. Amendment in Clause 5.6.3 “Transfer, Nomination & Transmission”

The Clause 5.6.3 of the Offering Document has been amended to incorporate a new bullet after the last bullet, now the following new text shall be read as follows:

Unit Holder may, subject to the law, transfer any Units of fund/allocation plan(s) held by them either in case of succession (Transmission) or as a gift (blood relation or spouse). The transfer as a gift shall be carried out after the Management Company/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.

14. Amendment in “Annexure B”

Annexure B has been amended to incorporate the details of new plan as per following details:

<i>Allocation Plan</i>	<i>Front End Load (%)</i>	<i>Contingent Load (%)</i>	<i>Backend Load (%)</i>	<i>Management Fee (%)</i>
<i>Alfalah Islamic Sovereign Plan II</i>	<i>Up to 3%</i>	<i>Nil</i>	<i>Nil</i>	<i>Up to 2% of Average Annual Net Assets</i>
