

**SECOND SUPPLEMENTAL  
TO THE  
OFFERING DOCUMENT OF  
ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND  
(ALHIAAF)  
OFFERING  
ALHAMRA ISLAMIC ACTIVE ALLOCATION PLAN-  
II**

**MANAGED BY  
MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED**

**Dated: 24 May, 2017**

This Second Supplemental dated 24 May, 2017 to the Offering Document of Alhamra Islamic Active Allocation Fund which was approved on December 23, 2016.

**Managed by MCB Arif Habib Savings and Investments Limited, an Asset Management Company managing Collective Investment Schemes, registered with the Securities and Exchange Commission of Pakistan (SECP) and regulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008)**

Alhamra Islamic Active Allocation Fund (the Fund/the Scheme/the Trust/the Unit Trust/ALHIAAF) has been established in Pakistan as an Open-ended unit trust scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the “Regulations”) and registered under the Trust Act 1882 (11 of 1882) by a Trust Deed dated November 24, 2016, entered into and between MCB Arif Habib Savings and Investments Limited, as the Management Company and the MCB Financial Services Limited, as the Trustee of the Scheme.

Sub-clauses in the Offering Document are revised with regard to the addition of Alhamra Islamic Active Allocation Plan-II

**1. Amendment in Sub-clause 1.5:**

The Sub-clause 1.5 of the Offering Document is amended and read as follows;

**1.5 Initial Offer and Initial Period**

**a) Alhamra Islamic Active Allocation Plan-I**

Initial Offer is made during the Initial Period which will be **two Business Days** and begins at the start of the banking hours on **December 27, 2016** and shall end at the close of the banking hours on **December 28, 2016**. During this period, Units will be issued at Initial Price and accordingly, no Unit shall be redeemable during the Initial Period of Offer.

**b) Alhamra Islamic Active Allocation Plan-II**

Initial Offer is made during the Initial Period which will be eleven **Business Days** and begins at the start of the banking hours on **1<sup>st</sup> June, 2017** and shall end at the close of the banking hours on **15<sup>th</sup> June, 2017 both days inclusive**. During this period, Units will be issued at Initial Price and accordingly, no Unit shall be redeemable during the Initial Period of Offer.

**2. Amendment in Sub-clause 2.2:**

The Sub-clause 2.2 of the Offering Document is amended and read as follows;

**2.2 Allocation Plans**

The following Allocation Plans are offered under this Offering Document:

- 1. Alhamra Islamic Active Allocation Plan-I**
- 2. Alhamra Islamic Active Allocation Plan-II**

Other plans may be offered under the Alhamra Islamic Active Allocation Fund in the future through supplemental(s) to this Offering Document as covered in Clause 2.2.7.

**3. Addition in Sub-clause 2.2.1:**

Addition of Alhamra Islamic Active Allocation Plan-II in Sub-clause 2.2.1 of the Offering Document read as follows;

**2.2.1 Investment Objectives of Allocation Plans**

**Alhamra Islamic Active Allocation Plan-II**

The Alhamra Islamic Active Allocation Plan-II is a Shari’ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari’ah Compliant Islamic Schemes based on the Fund Manager’s outlook of the asset classes.

**4. Addition of Alhamra Islamic Active Allocation Plan-II in table and Amendment in Note of Sub-clause 2.2.2:**

The sub-clause 2.2.2 of the Offering Document is amended and read as follows;

**2.2.2 Allocation Plans and underlying allocations to Mutual Funds**

The Allocation Plans under this Scheme shall invest only in permissible Shari’ah Compliant Collective Investment Schemes (clause 2.2.3) or in cash and/ or near cash instruments as allowed under Circular 7 of 2009, as per the CIS categories and percentages defined in table in this clause , and as approved by the Commission and Shari’ah Advisor.

Initially the Scheme shall offer for Allocation Plans as described above. The indicative minimum allocation of the different Allocation Plans to the underlying Mutual Funds shall be as stated below:

Allocation Plan	Indicative Minimum % allocation invested in each CIS Category		
	Islamic Equity Scheme(s) Category	Islamic Income Scheme(s) Category	Cash and near Cash Instruments
<b>Alhamra Islamic Active Allocation Plan-II</b>	0% to 95%	0% to 95%	5%-10%

Note:

- I. The actual allocation percentages may vary on account of market factors and investments in Cash in bank accounts as permitted for the Fund of Funds Category, as per SECP directive from time to time.
- II. Upper Limit of 10% in case of cash and near cash instruments may go up in order to meet redemption requirements.

**5. Amendment in Sub-clause 2.2.3:**

The Sub-clause 2.2.3 of the Offering Document is amended and read as follows;

### 2.2.3 Authorized Investments

Allocation Plans shall invest in any Shari’ah Compliant Islamic Schemes of the Management Company and Shariah Compliant Islamic Schemes of other Asset Management Companies subject to the prior approval of the Commission and the Shariah Advisor , Islamic Bank and/ or Islamic Banking windows of conventional bank account and GoP Ijara Sukuk of not exceeding ninety (90) days maturity.

### 6. Addition of Alhamra Islamic Active Allocation Plan-II in Sub-clause 2.2.4:

Addition of Alhamra Islamic Active Allocation Plan-II in Table of sub-clause 2.2.4 of the Offering Document read as follows;

<b>Allocation Plan</b>	<b>Benchmark</b>
<b>Alhamra Islamic Active Allocation Plan-II</b>	KMI-30 Index and six (6) months average deposit rates of three (3) “A” rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme.

### 7. Deletion of Sub-clause 2.2.8:

- Sub-clause No. 2.2.8 of the Offering Document stands deleted;
- Sub- clauses 2.2.9 to 2.2.13 are renumbered as 2.2.8 to 2.2.12.

### 8. Addition of Alhamra Islamic Active Allocation Plan-II in Sub-clause 2.2.13 renumbered as 2.2.12:

Sub-clauses 2.2.12.3 and 2.2.12.4 in the Offering Document are added and read as follows;

#### 2.2.12 Investment Policy:

##### 2.2.12.3 Alhamra Islamic Active Allocation Plan-II (ALHIAAP-II):

- a) The allocation plan will be actively allocated between Shari’ah Compliant Equities (Equity component) and Shari’ah Compliant Income (Income Component) based Collective Investment Schemes.
- b) Active Allocation means that the Management Company may, from time to time, change the allocations to Equity Scheme(s), and Income Scheme(s), cash and/or near cash instruments which include cash in bank accounts (excluding TDRs), and GOP Ijara Sukuk not exceeding 90 days maturity as allowed under SECP Circular 7 of 2009 based on the Fund Manager’s outlook for the asset-classes and will not use CPPI or any related methodology.
- c) Initially, the Management Company may seek to invest in the following Collective Investment Schemes.

<b>Islamic Income</b>	<b>Islamic Equity</b>
Alhamra Islamic Income Fund	Alhamra Islamic Stock Fund

- d) The Management Company may invest or divest in/ from above tabulated Collective Investment Schemes (CIS). The Management Company may also invest in any other Islamic Equity and Islamic Income Schemes managed by any other Asset Management Companies available to it subject to prior approval of the Commission or in cash and/or near cash instruments which include cash in bank accounts (excluding TDRs), and GOP Ijara Sukuk not exceeding 90 days maturity allowed under SECP Circular 7 of 2009.

#### **2.2.12.4 Basic features of ALHIAAP-II**

- a) **Term/ Duration of the allocation plan:** The Maturity of the allocation plan shall be two (2) years from the close of the Initial Period/ IOP period.
- b) **Subscription Period after Initial Offer Period:** The allocation plan will be open for subscription from 16<sup>th</sup> June, 2017 to 31<sup>st</sup> August, 2017, both days inclusive. Subscription for the allocation plan is for limited time period only. Only Type “B” Units shall be issued at Offer Price to the investors during subscription period. The units shall be subject to Front-end Load, Back End Load and a Contingent Load as disclosed in Annexure ‘B’.
- c) **Front-end Load:** up to 3% for Individual and Nil for corporate  
**Back End Load:** Nil  
**Contingent Load / Early exit fee:**
- 3% if redeemed within twelve months from the date of Investment.
  - 1% if redeemed after twelve months and before twenty four months from the date of Investment.
- Contingent load shall be applicable in case of redemption/ conversion before the completion of the Maturity of the allocation plan of two (2) years. This contingent load becomes the part of the Trust Property.
- d) At the time of maturity of Alhamra Islamic Active Allocation Plan-II, the units available will be paid in cash and/or converted to Alhamra Islamic Income Fund- Class A- Growth Units at the preference of the Unit Holder(s) in writing articulated at time of investment during initial offering period and/or subscription period.  
The Units Holder(s) are allowed to revise the above said preference in writing till maturity of ALHIAAF Plan-II. No Front End Load/ Back End Load will be charged on conversion of units of Alhamra Islamic Active Allocation Plan-II to Alhamra Islamic Income Fund- Class A- Growth Units, at maturity.

### **9. Amendment in Sub-clause 2.3:**

The Sub-clause 2.3 of the Offering Document is amended and read as follows;

#### **2.3 Investment outside Pakistan**

The Trustee shall, if requested by the Management Company, open Bank Accounts titled “MCBFSL – Trustee Alhamra Islamic Active Allocation Fund- Plan-I” and “MCBFSL – Trustee Alhamra Islamic Active Allocation Fund- Plan-II” in foreign countries where investments are made on account of the Fund, if such investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks. The opening, operation and maintenance of such Bank Accounts in foreign countries shall always be subject to the approval of the SBP and SECP and the exchange control regulations, as well as any directives of the SBP and the Commission. Any such proposal by the Management Company shall be submitted to the Commission and SBP with the prior consent of the Trustee. While opening and operating any type of account and/or making investments in outside Pakistan countries on the instructions of the Management Company, if the Trustee is

required to provide any indemnities to outside Pakistan parties then Trustee and the Fund would be counter indemnified by the Management Company to such extent.

**10. Amendment in Sub-clause 3.14.1(a):**

The Sub-clause 3.14.1(a) of the Offering Document is amended and read as follows;

**3.14.1(a) Bank Accounts**

- (a) The Trustee, at the request of the Management Company, shall open Shari'ah compliant Bank Account(s) titled "**MCBFSL-Trustee Alhamra Islamic Active Allocation Fund- Plan-I**" and "**MCBFSL-Trustee Alhamra Islamic Active Allocation Fund- Plan-II**" 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.

**11. Amendment in Sub-clause 4.2:**

The Sub-clause 4.2 of the Offering Document is amended and read as follows;

**4.2 Types of Units**

**I. Alhamra Islamic Active Allocation Plan-I**

- a. Type "A" (Pre-IPO Units) shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company.
- b. Type "B" Units shall be issued to the investors and may be charged a Front-end Load during and after the Initial Offering Period at the discretion of the Management Company. The Units after Initial Offer Period shall be issued at the Offer Price till 28<sup>th</sup> February, 2017; after that no issuance of units shall be allowed.
- c. Type "C" (re-investment of Cash Dividend): are the Units, which will issued to the Unit Holders in case of reinvestment of any Cash Dividends from time to time, net of any applicable taxes.

Type A and B units will be charged a Contingent Load/ Back End Load if redeemed/ converted before the maturity of the scheme, as disclosed in the annexure B of this offering document

**II. Alhamra Islamic Active Allocation Plan-II**

- a. Type "A" (Pre-IPO Units) shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company.
- b. Type "B" Units shall be issued to the investors and may be charged a Front-end Load during and after the Initial Offering Period at the discretion of the Management Company. The Units after Initial Offer Period shall be issued at the Offer Price till 31<sup>st</sup> August, 2017; after that no issuance of units shall be allowed.
- c. Type "C" (re-investment of Cash Dividend): are the Units, which will issued to the Unit Holders in case of reinvestment of any Cash Dividends from time to time, net of any applicable taxes.

Type A and B units will be charged a Contingent Load/ Back End Load if redeemed/ converted before the maturity of the scheme, as disclosed in the annexure B of this offering document

Irrespective of the different types of Units as set out above, all Units of an Allocation Plans issued from time to time shall rank pari passu inter se and shall have such rights as are set out in the Trust Deed and this Offering Document unless stated otherwise.

If a Unit Holder does not state his preference between getting a cash dividend or reinvesting the dividend during the account opening stage, he will automatically be put in the cash dividend category. However, before a dividend is announced the Unit Holder can change this, opting for a dividend reinvestment using a “Special Instruction Form”

**12. Amendment in Sub-clause 4.4.4 (b):**

The Sub-clause 4.4.4(b) of the Offering Document is read as follows;

**4.4.4(b)**

Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company together 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” as specified below;

- Demand draft or Pay order in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-I**
- Online transfer to Bank Account(s) of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-I**
- Cheque (account payee only marked in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-I**)
- Demand draft or Pay order in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-II**
- Online transfer to Bank Account(s) of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-II**
- Cheque (account payee only marked in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-II**)
- MCBFSL Trustee MCBAH Funds (for collection accounts)

**13. Amendment in Sub-clause 10.6:**

The Sub-clause 10.6 of the Offering Document is read as follows;

**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.
- At the time of maturity of Alhamra Islamic Active Allocation Plan-II, the units available will be paid in cash and/or converted to Alhamra Islamic Income Fund- Class A-Growth Units at the preference of the Unit Holder(s) in writing articulated at time of investment during initial offering period and/or subscription period and/ or as amended till maturity of Alhamra Islamic Active Allocation Plan-II. No Front End Load/ Back End Load will be charged on conversion of units of Alhamra Islamic Active Allocation Plan-II to Alhamra Islamic Income Fund- Class A- Growth Units, at maturity.

**14. Amendment in Sub-clause 11.40:**

The Sub-clause 11.40 of the Offering Document is read as follows;

**11.40 “Maturity”** means 24 months from the close of IOP of Alhamra Islamic Active Allocation Plan-I and Alhamra Islamic Active Allocation Plan-II.

**15. Amendment in Annexure B with regard to Contingent Load:**

**Alhamra Islamic Active Allocation Plan-I**

Front end load is Front end load 3%

For corporate\* Front end load Nil

\*Corporate includes all the Unit Holders other than the individuals who hold valid National Identity Card/ Pakistan Origin Card or valid passport including foreigners.

Back End Load Nil

Contingent Load: 3%

**Alhamra Islamic Active Allocation Plan-II**

Front end load is Front end load 3%

For corporate\* Front end load Nil

\*Corporate includes all the Unit Holders other than the individuals who hold valid National Identity Card/ Pakistan Origin Card or valid passport including foreigners.

Back End Load Nil

Contingent Load:

- 3% if redeemed within twelve months from the date of Investment.
- 1% if redeemed after twelve months and before twenty four months from the date of Investment.

Note: An AMC shall ensure that no sales load is charged if the investor approaches directly for investment or where transactions are done online through a website.