

# **CONSOLIDATED SUPPLEMENTAL OFFERING DOCUMENT**

**For the Change in Management Fee**

**MANAGED BY**

**ALFALAH ASSET  
MANAGEMENT LIMITED  
(AAML)**

**Dated: , 2024**

**[Managed by Alfalah GHP Investment Management Limited. an Asset Management Company Licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2008)]**

**Objective of the Consolidated Supplemental Offering Document**

The purpose of this document is to incorporate the changes proposed by AAML in the management fee of following funds.

Effective from \_\_\_\_\_, 2024 the following clauses of the Offering Document have been amended to read in as follows in below mentioned funds:-

Fund Name	SOD #	Clause	Existing	New				
Alfalah GHP Value Fund	9 <sup>th</sup> Sup	Annexure "A"	Management Fee: The Current level of fee is "up to 3.00% p.a". of the average daily NAV of AGVF	Management Fee: The Current level of fee is <b>"up to 4.00% p.a"</b> . of the average daily NAV of AGVF				
Alfalah GHP Islamic Stock Fund	9 <sup>th</sup> Sup	Annexure "A"	Management Fee: The Current level of fee is "up to 3.00% p.a". of the average daily NAV of AGVF	Management Fee: The Current level of fee is <b>"up to 4.00% p.a"</b> . of the average daily NAV of AGVF				
Alfalah GHP Income Multiplier Fund	11 <sup>th</sup> Sup	Annexure "A"	<table><tr><td>**Management Fee</td><td>Up to 1.50%</td></tr></table> ** Management Company may have an option to charge the fee from 0% up to 1.50%.	**Management Fee	Up to 1.50%	<table><tr><td>**Management Fee</td><td><b>Up to 2%</b></td></tr></table> ** Management Company may have an option to charge the fee from 0% up to <b>2%</b> .	**Management Fee	<b>Up to 2%</b>
**Management Fee	Up to 1.50%							
**Management Fee	<b>Up to 2%</b>							
Alfalah GHP Alpha Fund	8 <sup>th</sup> Sup	Annexure "A"	Management Fee: The Current level of fee is up to 3.00% p.a. of the average NAV of AGAF	Management Fee: The Current level of fee is <b>up to 4.00% p.a.</b> of the average NAV of AGAF				
Alfalah GHP Income Fund	10 <sup>th</sup> Sup	Annexure "A"	Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to 1.5% of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme	Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to <b>2%</b> of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme				
Alfalah GHP Stock Fund	9 <sup>th</sup> Sup	Annexure "A"	Management Fee: The Current level of fee is up to 3.00% p.a. of the average daily NAV of AGSF	Management Fee: The Current level of fee is <b>up to 4.00% p.a.</b> of the average daily NAV of AGSF				
Alfalah GHP Islamic Income Fund	9 <sup>th</sup> Sup	Annexure "A"	Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to 1.5% of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.	Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to <b>2%</b> of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.				
Alfalah GHP Sovereign Fund	8 <sup>th</sup> Sup	Annexure "A"	Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to 1.5% of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.	Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to <b>2%</b> of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.				

Alfal​ah GHP Islamic Dedicated Equity Fund	7 <sup>th</sup> Sup	Annexure “B”	Class of Units	Management Fee	Class of Units	Management Fee
			Class “A” units (for Schemes managed by Alfalah GHP Investment Management Limited)		Up to 3%	
			Class “B” units	Class “B” units		
Alfal​ah GHP Islamic Value Fund	6 <sup>th</sup> Sup	Annexure “B”	Class of Units	Management Fee	Class of Units	Management Fee
			Class “A” units (for Schemes managed by Alfalah GHP Investment Management Limited)		Up to 3%	
			Class “B” units			
Alfal​ah Consumer Index Exchange Traded Fund	1 <sup>st</sup> Sup	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.			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 2% of the net assets of The Fund calculated on a daily basis subject to maximum expense ratio as allowed under NBFC regulations.
Alfal​ah GHP Dedicated Equity Fund	3 <sup>rd</sup> Sup	Annexure “B”	Units Details	Management Fee	Units Details	Management Fee
			Class “A” units (for Schemes managed by Alfalah GHP Investment Management Limited)		Up to 3%	
			Class “B” units	Class “B” units		
Alfal​ah Islamic Money Market Fund	5 <sup>th</sup> Sup	Annexure “B”	Management Company shall be entitled to an accrued remuneration equal to an amount up to 1% of Average Annual Net Assets, within allowed expense ratio limit.			Management Company shall be entitled to an accrued remuneration equal to an amount up to 1.5% of Average Annual Net Assets, within allowed expense ratio limit.
Alfal​ah Islamic Stable Return	4 <sup>th</sup> Sup	Annexure “B”	Management Fee: Up to 1%			Management Fee: Up to 1.5%
Alfal​ah GHP Prosperity Planning Fund	5 <sup>th</sup> SUP	Annexure “B”	Allocation Plan	Management Fee* (%)	Allocation Plan	Management Fee* (%)
			Alfal​ah GHP Conservative Allocation Plan	1%	Alfal​ah GHP Conservative Allocation Plan	2%
			Alfal​ah GHP Moderate Allocation Plan	1%	Alfal​ah GHP Moderate Allocation Plan	2%
			Alfal​ah GHP Active Allocation Plan	1%	Alfal​ah GHP Active Allocation Plan	2%
			Capital Preservation Plan 4	1.25%	Capital Preservation Plan 4	2%

Alfal​ah GHP Islamic Prosperity Planning Fund	11 <sup>th</sup> Sup	Annexure “B”	Allocation Plan		Management Fee* (%)	Allocation Plan		Management Fee* (%)
			Alfal​ah GHP Islamic Balanced Allocation Plan		1.25%	Alfal​ah GHP Islamic Balanced Allocation Plan		2%
			Alfal​ah GHP Islamic Moderate Allocation Plan		1.25%	Alfal​ah GHP Islamic Moderate Allocation Plan		2%
			Alfal​ah GHP Islamic Active Allocation Plan -2		1.25%	Alfal​ah GHP Islamic Active Allocation Plan -2		2%
Alfal​ah GHP Islamic Prosperity Planning OFund 2	5 <sup>st</sup> Sup	Annexure “B”	Allocation Plan		Management Fee** (%)	Allocation Plan		Management Fee** (%)
			Alfal​ah KTrade Islamic Plan 7		Up to 1.25%	Alfal​ah KTrade Islamic Plan 7		Up to 2%
			**No Management Fee will be charged if the Fund invests in CIS managed by the Management C0ompany. Further, Management Company may have an option to charge the fee from 0% upto 0.5%.		**No Management Fee will be charged if the Fund invests in CIS managed by the Management Company. Further, Management Company may have an option to charge the fee from 0% upto 2%.			
Alfal​ah GHP Pension Fund	5 <sup>th</sup> Sup	Annexure “D”	Management Fee		Management Company may charge up to 1.25% per annum of the average daily net assets of the scheme	Name of Sub-Fund		Management FEE
						AGPF Equity Sub-Fund		2% per annum of the average daily net assets of the schem
						AGPF Debt Sub-Fund		1.25% per annum of the average daily net assets of the schem
						AGPF Money Market Sub-Fund		1.25% per annum of the average daily net assets of the schem
Alfal​ah GHP Islamic Pension Fund	4 <sup>th</sup> Sup	Annexure “D”	Management Fee		Management Company may charge up to 1.25% per annum of the average daily net assets of the scheme	Name of Sub-Fund		Management FEE
						AGIPF Equity Sub-Fund		2% per annum of the average daily net assets of the schem
						AGIPF Debt Sub-Fund		1.25% per annum of the average daily net assets of the schem
						AGIPF Money Market Sub-Fund		1.25% per annum of the average daily net assets of the schem

#### Rationale for Raise in Management Fee & Front End Load:

- **Enhanced Service and Expertise:** With the rising competition within the Industry, Service and Customer Satisfaction has become an important tool. In order to compete, AMC has to carry out capital expenditures such as employing talented staff etc. Increasing the management fee can provide Alfalah Investment with additional resources to attract and retain highly skilled professionals. This, in turn, can lead to improved investment strategies, research capabilities, and overall fund performance.
- **Rising Costs:** As you are aware that managing Investment funds involves various operational and administrative expenses. These costs may include research and analysis, compliance, technology infrastructure, regulatory requirements, and legal obligations. Rising cost of doing business has hurt most of the business.

- **Investment in Technology and Innovation:** The financial industry is evolving rapidly, with advancements in technology playing a crucial role. Increasing the management fee will enable Alfalah Investment to invest in innovative technologies, such as data analytics tools, ERP system which is already in deployment, and other technical services. We anticipate that these investments can lead to improve the overall efficiency and effectiveness of AMC and potentially generate better returns for investors.
- **Sales Support and Training:** We understand that with the rise in FEL, sales employees will receive higher compensation for their efforts in promoting and selling funds. This increased compensation can motivate them to provide better sales support, cultivate stronger client relationships, and engage in ongoing training to enhance their knowledge and sales skills. It aligns their interests with the company's objectives, encouraging them to actively promote the funds and generate more sales.

**Conclusion:** We understand that all the changes suggested are within the Regulatory limits, and our concern of rising inflation are also felt by Honorable SECP due to which in its recent NBFC amendment SECP Fee revision is also carried out.