

**Third (3<sup>rd</sup>) Supplemental to the**

**Offering Document**

**of**

**ALFALAH STRATEGIC ALLOCATION FUND (ASAF)**

**(An Open Ended Asset Allocation Fund of Funds Scheme)**

**MANAGED BY**

**ALFALAH ASSET MANAGEMENT LIMITED**

<b>Investment Plan</b>	<b>Risk Profile</b>	<b>Risk of PrincipalErosion</b>
Alfalah Strategic Allocation Plan-I	High	Principal at High Risk
Alfalah Strategic Allocation Capital Preservation Plan-II	Medium	Principal at Medium Risk

**Dated: February 13, 2026**

---

Alfalah Strategic Allocation Fund – Supplemental ODs Summary

SOD Referenc e/Numbe r	Effective Date of SOD	Brief Detail of Objective of SOD	Approval date of SECP (in cases where SECP Approval is mandatory)	Only Required in Case of Launch/Re-Launch of the Plans		
				Launch/tenta tive launch date (In case of Plan)	Maturity date (In case of Plan)	Current status i.e. Launched/Appro ved/Re- opening/Matured (in case of Plan)
OD	Jun 20, 2024	Offering Document & 1st Plan Approval	Jul 24, 2024	Nov 21, 2024	-	Perpetual
1 <sup>st</sup> SOD	Jan 31, 2025	Change in Benchmark as per Direction 24,2024	N/A	N/A	N/A	N/A
2 <sup>nd</sup> SOD	Jul 29, 2025	Approval of Alfalah Strategic Allocation Capital Preservation Plan-II & Key Fact Statement	Jul 22, 2025	Expired	Expired	Expired
3 <sup>rd</sup> SOD		Reapproval of Alfalah Strategic Allocation Capital Preservation Plan-II	February 13, 2026	TBA	TBA	TBA

**Key Fact Statement of**  
**Alfalalah Strategic Allocation Capital Preservation Plan-II**  
**Type:** Open-End  
**Category:** Fund of Funds Scheme  
**Managed by:** Alfalah Asset Management Company  
**Risk Profile:** Medium  
**Issuance Date:** February 13, 2026

**1. DISCLAIMER**

Before you invest, you are encouraged to review the detailed features of the Fund and its Investment Plans in the offering document and/or Monthly Fund Manager Report.

**2. KEY ATTRIBUTES**

<b>Investment objective of CIS/ Investment Plan</b>	Alfalalah Strategic Allocation Capital Preservation Plan-II (ASACPP-II) is a Constant Proportion Portfolio Insurance (CPPI) based Allocation Plan under "Alfalalah Strategic Allocation Fund" with an objective to earn a potentially high return through dynamic asset allocation between Equity Scheme and Income/Money Market Scheme based Collective Investment Schemes (CIS) using CPPI methodology, while providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager's outlook on the assets classes
<b>Authorized investment avenues</b>	All Dedicated Equity Funds managed by the Management Company. All Money Market Funds managed by the Management Company & Other AMCs All Income, Aggressive Fixed Income and Sovereign Income Funds managed by the Management Company & Other AMCs
<b>Launch date</b>	Feb 10, 2026 (Tentative)
<b>Minimum Investment Amount</b>	Rs.500
<b>Duration</b>	24 month period starting from the day following the close of the IPO
<b>Maturity Date</b>	Feb 10, 2028 (Tentative)
<b>Performance Benchmark</b>	Combination of Performance Benchmarks for Equity Index and PKRV rates for the period corresponding to the maturity of CIS, on the basis of actual proportion held by the Plan
<b>IPO/Subscription Period</b>	<b>IPO Date:</b> February 09, 2026 (Tentative) <b>Subscription Period:</b> upto 60 Days from the close of IPO date
<b>Subscription/Redemption Days and Timings</b>	Monday – Friday (9:00 am - 4:00 pm)
<b>Types/Classes of units</b>	Class "A" Units & Class "B" Units
<b>Management Fee (% Per Annum)</b>	Management fee caps are up to 3.00% per annum for the equity portion, up to 1.50% per annum for the fixed income portion, and up to 1% per annum for the money market portion based on actual

allocation of the net assets.

*\*No Management Fee will be charged if the Fund invests in schemes managed by the Management Company*

### 3. BRIEF INFORMATION ON THE PRODUCT CHARGES

1. Front End Load (FEL)	<b>Distribution Channel</b>	<b>Percentage</b>
	Direct Investment through AMC/Third Party	Upto 3%
	Digital Platform of AMC	Upto 1.5%
2.Redemption Charge	<b>Type of Charge</b>	<b>Percentage</b>
	Back end Load	Not Applicable
	Contingent Load	For First Year 2% For Second Year 1%

**Management Fee:** Investors are advised to consult the Fund Manager Report (FMR) of the respective Investment Plan for the latest information pertaining to the updated Management Fee.

**Disclaimer:** Income earned in the form of dividend or capital gain shall be charged at a rate as specified in the Income tax Ordinance 2001.

### 4. KEY STAKEHOLDERS

#### a. Management Company:

**Name:** Alfalah Asset Management Company Limited

**Address:** (Islamic Chamber of Commerce, Industry & Agriculture Building, 2nd floor, ST-2/A, Block-9, KDA Scheme 5, Clifton Karachi

**Contact No. :** (92-21) -111-090-090

**Website:** [www.alfalahamc.com](http://www.alfalahamc.com)

#### b. Trustee:

**Name:** Central Depository Company of Pakistan Limited

**Address:** CDC House, 99 – B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi

**Contact:** (92-21) 111-111-500

**Website:** [www.cdcpakistan.com](http://www.cdcpakistan.com)

**Third (3<sup>rd</sup>) Supplement dated February 13, 2026 to the  
Offering Document of Alfalah Strategic Allocation Fund  
[Managed by **Alfalah Asset Management Limited**]**

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

Alfalah Strategic Allocation Fund (ASAF) (the Fund/the Scheme/the Trust/the Unit Trust) has been established through a Trust Deed (the Deed), entered into and between Alfalah Asset Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee, and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the “Rules”) and Non-Banking Finance Companies and Notified Entities Regulation, 2008 (“Regulations”) and registered under Sindh Trust Act 2020.

SECP has approved the **Third (3<sup>rd</sup>)** Supplement to the Offering Document, under Regulation 44(8) of the NBFC & NE Regulations 2008 vide letter no. **SCD/AMCW/ASAF/246/2023** dated **February 13, 2026**.

Due to expiration of stipulated timeline of 120 days for launching Investment Plan, the Management Company is resubmitting the Offering Document via 3<sup>rd</sup> supplemental to SECP for Re-approval.

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

---

**Objective of the Supplementary Offering Document**

Alfalah Asset Management Limited is introducing **Alfalah Strategic Allocation Capital Preservation Plan-II**, a Constant Proportion Portfolio Insurance (CPPI) based Allocation Plan under Alfalah Strategic Allocation Fund (Asset Allocation based Fund of Funds Scheme) via this Supplementary Offering Document, in compliance with the relevant regulations and as stated in the Offering Document of ASAF.

---

**1. Amendment of clause 1.9 “Structure of Scheme”**

- i) Point 2 under clause 1.9 is substituted with the following clause in light with the SECP Circular 25 of 2024.
  - The Fund is being launched in shell structure. The Fund can offer maximum of three Investment Plans under the Fund. Duration of First Investment Plan is Perpetual while subsequent Investment Plans (if offered may be Perpetual or have a Fixed Maturity Period.

- ii) Following additional Point is added under the clause which shall be read as follows:

The minimum size of a single Investment Plan shall be fifty million rupees at all times during the life of the Plan.

**2. Insertion of Heading after clause 1.9 “Structure of Scheme”**

After the clause 1.9 “Structure of Scheme” a heading is specified which shall be read as follows”

---

**Initial Offer, Initial Period, Subscription Period and Transaction in Units after Subscription Period**

**3. Insertion of new sub clause after Clause 1.10**

The Clause 1.11 of the Offering Document has been added after the clause 1.10 to add the details of new Investment Plan and shall be read as follows:

**1.11 “Alfalah Strategic Allocation Capital Preservation Plan-II”**

**1.11.1 Initial Offer and Initial Period**

Initial Offer is made during the initial Period, which will be of 03 Business Day, begins at the start of the banking hours on \_\_\_\_\_, 2026, and shall end at the close of the Banking Hours on \_\_\_\_\_, 2026. During the Initial Period, the Units shall be offered at Initial Price of PKR 100. No Units shall be redeemable during the Initial Period of Offer.

**1.11.2 Subscription Period**

The Subscription Period of the Investment Plan shall begin after the expiry of Initial Period for a period of 60 days at prevailing offer price. The Units of the Investment Plan can then be redeemed at the Redemption Price (without charging any contingent load), which shall be calculated on the basis of Net Asset Value (NAV). The units will be available for redemption on each Dealing Day. Applicable NAV for each dealing day will be published on the Management Company's and MUFAP's website.

**1.11.3 Transaction in Units after Subscription Period**

Subsequent to the close of Subscription Period, the Issuance of units shall discontinue till the date of maturity of the Plan.

Further, the Units of the Investment Plans can be redeemed at the Redemption Price, which shall be calculated on the basis of the Net Asset Value (NAV) of the Investment Plan. The Units will be available for redemption on each Dealing Day however any redemption during the term of the plan will be subject to Contingent Load. NAV will be published on the Management Company's and MUFAP website.

**4. Amendment in Clause 2.2.1 “Investment Objective of Investment Plans”**

The Clause 2.2.1 has been amended to add the investment objective of CPPI based plan to be offered under Alfalah Strategic Allocation Fund and shall be read as follows:

**2.2.1.1 Investment Objective of CPPI Based Plan  
Alfalah Strategic Allocation Capital Preservation Plan-II**

The “Alfalah Strategic Allocation Capital Preservation Plan-II (ASACPP-II)” is a Constant Proportion Portfolio Insurance (CPPI) based Allocation Plan under “Alfalah Strategic Allocation Fund” with an objective to earn a potentially high return through dynamic asset allocation between Equity Scheme and Income/Money Market Scheme based Collective Investment Schemes (CIS) using CPPI methodology, while providing Capital Preservation of the Initial Investment Value at maturity of the plan based on the Fund Manager's outlook on the assets classes.

**The CPPI based Plan are based on following details.**

---

- a) Capital Preservation is envisaged to be provided through the use of CPPI methodology and the Investment structure of the Plan as detailed in Clause 2.2.7 and not through an undertaking by the Management Company or Trustee.
- b) Capital Preservation means that the Net Realizable Value of investment shall not fall below the Initial Investment Value subject to above point, provided the investment is held till maturity of the Plan as per the terms specified in this Offering Document. The Capital Preservation period shall begin from the commencement of the Life of the Plan.
- c) The investments in the Capital Preservation Segment of the Plan, as specified in Clause 2.2.7 of the Offering Document shall only be triggered, on an occurrence of the Bond Event.
- d) Capital Preservation shall not be valid if Units of the Plan are redeemed before maturity and a Contingent Load shall be charged on certain classes of units, as per details in Annexure B of this Offering Document.
- e) Any redemption of units during the Plan's tenure/Life of the Plan on a specified date would be based on the NAV of the Plan on the day redemption application is received within the cut-off time, as specified in Annexure B and will be charged a Contingent Load.
- f) The capital of the fund is protected only in terms of the base currency i.e. the Pakistani rupee. In addition, Capital Preservation is only valid in terms of the current tax and legal environment of Pakistan and is subject to force majeure factors as specified in Clause 11 "Force Majeure" of the Offering Document.
- g) Capital Preservation is also not valid in case Plan is terminated before maturity.

## 5. Amendment in Clause 2.2 "Investment Plans"

The name of new plan has been added under clause 2.2 and shall be read as follows:

Following are the Investment Plans being offered under the Fund:

S.No.	Investment Plan(s)
1.	Alfalah Strategic Allocation Plan-I
2.	Alfalah Strategic Allocation Capital Preservation Plan-II

## 6. Addition of sub-clause 2.2.7

Clause 2.2.7 has been added for CPI based Plan, which shall be read as follows:

### i) Approved Collective Investment Schemes for CPPI based Plan(s)

Following are the approved collective Investment Schemes for CPPI based Plan(s) under the Fund:

Equity Fund	Money Market Fund	Income / Aggressive Fixed
-------------	-------------------	---------------------------

Third (3<sup>rd</sup>) SOD-Alfalah Strategic Allocation Fund

		<b>Income/Sovereign Income Fund</b>
All Dedicated Equity Funds managed by the Management Company	All Money Market Funds managed by the Management Company as well as those operated by other AMC's, primarily invest in banks that are rated AA- or above	All Income, Aggressive Fixed Income and Sovereign Income Funds managed by the Management Company & Other AMC's

**ii) Investment Plans and underlying allocations to Mutual Funds”**

**Investment Segment of Plan:**

<b>Allocation Plan</b>	<b>% Allocation range in each CIS Category</b>		
	<b>Equity Component</b>	<b>Income Component</b>	
	<b>Equity Scheme</b>	<b>Income /Aggressive Fixed Income /Sovereign Income Scheme</b>	<b>Money Market Scheme / Cash &amp; Cash Equivalents in AA- &amp; Above rated Banks</b>
<b>Alfalah Strategic Allocation Capital Preservation Plan-II</b>	0% - 50%	0% - 100%	0% - 100%

**Capital Preservation Segment of Plan:**

<b>Allocation Plan</b>	<b>% Allocation range in each CIS Category</b>		
	<b>Equity Component</b>	<b>Income Component</b>	
	<b>Equity Scheme</b>	<b>Sovereign Income Scheme</b>	<b>Money Market Scheme / Cash &amp; Cash Equivalents in AA- &amp; Above rated Banks</b>
<b>Alfalah Strategic Allocation Capital Preservation Plan-II</b>	0%	0% - 100%	0% - 100%

**Note:** For the purpose of clarity, Income based CIS includes Income / Sovereign Income / Aggressive Fixed Income and Money Market Schemes and Cash & Equivalents. However, for Capital Preservation Segment, it only includes Sovereign Income/Money Market schemes and Cash & Equivalents.

**Investment Features of CPPI Based Plan:**

- 1) The investment proceeds in this Plan will be dynamically allocated between the Equity Scheme and Income/Money Market Scheme, subject to point 10 and 11, below, at Pre-defined Intervals by using the Constant Proportion Portfolio Insurance (CPPI) Methodology.
- 2) The dynamic asset allocation is aimed at providing higher returns through participation in Equity Scheme while aiming to preserve downside risk of principal erosion through participation in Income/Aggressive Fixed Income Scheme or Money Market Scheme.
- 3) The Management Company may use a maximum Multiplier of up to 5 times to arrive at exposure in risky assets including equity instruments without any cushion value percentage restrictions, subject to the condition that exposure in risky assets including equity instruments shall not exceed 50% of the net assets of Plan in line with Circulars issued by the Commission.

Further, where the management company locks-in the profit, it shall add the profit to the Bond Floor (present value of the amount on maturity date of the Plan) and recalculate the cushion value accordingly.



- 4) The Management Company will immediately rebalance the asset composition of the Plan, in accordance with its approved methodology discussed in the Offering Document of the Plan, at least on 5% decline in Portfolio Value of the Plan from the previous rebalancing or on weekly basis, whichever falls earlier.
  - 5) The Management Company shall use the actual yield of the Money Market mutual fund based on current portfolio to compute the Bond Floor on daily basis and shall incorporate a three (3) day cushion while calculating Bond floor as may be required in point 14 below.
  - 6) The Management Company may use a more conservative yield to determine a Bond Floor that is higher than the one derived after using a yield as specified in point 5 above.
  - 7) Plan's investment in the Capital Preservation Segment will only be triggered upon occurrence of the event(s) specified in Point 14 below.
  - 8) The allocation between the Equity Scheme and Income/Money Market Scheme will vary depending upon changes in the Plan Value.
  - 9) Allocation to Equity Scheme will generally increase in the case where equity markets are rising, while allocation to the Income/Money Market Scheme will generally increase if the equity markets decline.
  - 10) The initial asset allocation of the Plan, as per the CPPI methodology, is expected to be between (0% to 50%) in Equity Scheme and between (50% to 100%) in Income/Aggressive Fixed Income/Money Market Scheme.
  - 11) Subject to above point 10, the dynamic allocation mechanism will reallocate Plan's Net Assets, at Pre-Defined intervals, in such a manner that if on a given business day the Proportion of Equity allocation of the Plan is X% (ranging between 0% to 50%) then the Proportion of Income/Money Market allocation will be (100% -X%).
  - 12) The Plan may place a certain percentage of the Initial Plan Size (adjusted for redemptions, if any, during the Life of the Plan) into its Income/Money Market Scheme in order to meet the Plan Expenses.
  - 13) The Management Company, from time to time at its discretion may lock-in certain percentage of the profits (if any) from the Equity Scheme by realizing profits. The profits realized in this manner, shall be used by increasing the allocation to the Income/Aggressive Fixed Income/Money Market Scheme.
  - 14) If on any Business Day, or in case of a non-Business Day, the next immediate Business day, the Plan Value falls to a level that it triggers the Bond Floor, the entire Net Assets of the Plan will be allocated to the Capital Preservation Segment, within (3) three Business Days following the date of Occurrence of the aforementioned event(s), so as to ensure Capital Preservation to those Unit Holders who have held their investments for twenty four months (till maturity).
  - 15) The Capital Preservation Segment will be invested in Sovereign Income/Money Market Scheme, cash at bank, or a combination of the aforementioned asset classes that will potentially yield a return required to provide Capital Preservation to the Unit-Holders at maturity.
  - 16) Subsequent to occurrence of the event(s) specified in above point 14, there shall be no further allocation to the Investment Segment of the Plan (i.e. Equity) till the remaining Life of the Plan."
-

- 17) The per party exposure limits of the NBFC Regulations, 2008 shall not be applicable on money market component invested in saving accounts and term deposits in case of a CPPI based principal preservation plan in a fund of funds category.
- 18) The Board of Directors of the AMC shall formulate and approve liquidity management policy that enables timely reallocation of portfolio to effectively achieve investment objective of the Fund.
- 19) A disclosure shall be made mentioning the range (minimum and maximum) of Multiplier applied in monthly Fund Manager Report.
- 20) AMC shall exercise fair and equitable treatment of interests of direct investors of the underlying funds (through which the Fund of Funds take exposure) versus the investors of the Fund of Funds.
- 21) The Plan shall take equity exposure only through dedicated equity funds.

#### 7. Amendment in Clause 2.2.2 “Benchmark”

The clause 2.2.2 “Benchmark” is amended in its entirety to read as follows:

Plan	Benchmark
Alfalah Strategic Allocation Plan-I	Weighted average daily return of KSE -100 index for equity portion and 75% six (6) months KIBOR + 25% six (6) months average of the highest rates on saving account of three (3) AA rated scheduled Banks as selected by MUFAP for fixed income portion and 90% three (3) months PKRV rates + 10% three (3) months average of the highest rates on saving account of three (3) AA rated scheduled Banks as selected by MUFAP for money market portion, based on funds actual allocation.
<b>Alfalah Strategic Allocation Capital Preservation Plan – II</b>	Combination of Performance Benchmarks for Equity Index and PKRV rates for the period corresponding to the maturity of CIS, on the basis of actual proportion held by the Plan.

#### 8. Amendment in Clause 2.12 “Risk Disclosure”

Clause 2.12 “Risk Disclosure” is amended to add following risks in light of SECP circular 25 of 2024 and specific risks under CPPI Methodology and shall be read as follows:

- 12) **Legal Exposure Risk** - In case of initiation of any legal proceeding or any case is filed against the Fund impacting any Investment Plan(s), it may also affect the unit holders of other Investment Plan(s) under the same Fund.
  - 13) **CPPI Plan Specific Risks**
    - 1.) **Mismatch Risk**  
This risk pertains to the event where in case of a Bond Event there is no risk free CIS available for the Plan to invest that offers the same yield as required for Capital Preservation at maturity.
    - 2.) **Gap Risk**
-

- i. This risk pertains to the Gap event where the Portfolio Value falls below the Present Value (bond floor) of the capital preservation amount required at maturity.
- ii. The Plan, in its endeavor to seek Principal Preservation, may allocate the entire portfolio to underlying investments in the Principal Preservation Segment under the Authorized investments in clause 2.2.5 and Units of the Plan may remain invested in such underlying investments for the entire tenure of the Plan without any participation in the equity component of the Investment Segment.
- iii. At times of high volatility in the equity markets or any other circumstances, it may not be possible to carry out the portfolio rebalancing. In such a case, the reallocation may take place on the next business day or on a business day as deemed appropriate by the Management Company. Such circumstances may affect the Plan's ability to seek Principal Preservation.
- iv. As the allocation of portfolio changes from equity to income market component consequent to steep fall in equity markets, there may be no participation in subsequent upward movement in the equity component while the Plan remains invested entirely in the income component.

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

- i. In line with the Investment Objective of Plans, the Investment Committee shall seek to maximize returns and preserve the Initial Plan Size (adjusted for redemptions, if any, during the Life of the Plan) through careful assessment of prevailing market risk (s), credit risk, and macro-economic risk.
- ii. Furthermore the exposure to the Equity Scheme under the Authorized Investments shall be determined by a Multiplier.
- iii. The Multiplier shall be selected based on the Investment Committee view on the macro economic scenario, equity market performance, and prevailing market risks thereof. The Management Company may, at its discretion, change the Multiplier from time to time based on the prevailing market conditions and the limits defined in NBFC Rules, 2003 and NBFC & NE Regulations 2008.

#### **9. Amendment in Clause 3.11.1 "Bank Accounts"**

First Para under the clause 3.11.1 has been amended to its entirety in order to accommodate the bank details of **Alfalah Strategic Allocation Capital Preservation Plan-II**, now the amended clause shall be read as follows:

- The Trustee, at the request of the Management Company, shall open Bank Account(s) of the Fund at designated Banks and above inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trusts Funds. The Banks Accounts shall be titled:
- For Alfalah Strategic Allocation Plan-I  
"CDC-Trustee Alfalah Strategic Allocation Plan-I"
- **For Alfalah Strategic Allocation Capital Preservation Plan-II**  
"CDC-Trustee Alfalah Strategic Allocation Capital Preservation Plan-II"

#### **10. Amendment in Clause 4.4.4 "Purchase of Units"**

---

First para under clause 4.4.4 has been amended in order to accommodate the bank details of new plan for purchase of units, now the added text shall be read as follows:

**For Alfalah Strategic Allocation Capital Preservation Plan-II:**

Demand draft, Pay order, online transfer and cheque in favor of “CDC-Trustee Alfalah Strategic Allocation Capital Preservation Plan-II”

**11. Amendment in Clause 11 “Glossary”**

In the Glossary Section, new definitions relating to CPPI methodology have been introduced in relevant places:

**Bond Event**” means a trigger point, whereby Plan’s Net Assets is about to hit or actually hits the Bond Floor, which if reached will cause the Plan’s Net Assets to be invested hundred percent (100%) in the Capital Preservation Segment till the remaining Life of the Plan. From thereon, there shall be no further exposure in the Investment Segment of the Plan.

**“Bond Floor”** means the present value of the Initial Plan Size (adjusted for redemptions, if any during the Life of the Plan). It can be defined as the minimum value the Plan should have on a given day, to be able to provide Capital Preservation of the Initial Investment Value, if investments are held for twenty four months in the plan. The Bond Floor value shall be calculated using yield of authorized investment(s) from the Capital Preservation Segment of Plan, that potentially yields a return higher than or at least equal to the yield required to provide Capital Preservation to the Unit Holders.

**“Capital Preservation”** means that the investment strategy of the Plan in which the Net Realizable Value of investment should not fall below the Initial Investment Value at maturity, subject to the Offering Document, if the Units are held till twenty four months in the plan. The Management Company envisages the provision of Capital Preservation through the use of the Constant Proportion Portfolio Insurance (CPPI) Methodology.

**“Capital Preservation Segment”** is the segment occurred upon trigger of Bond Floor, where Plan will invested in Sovereign Income/Money Market Scheme, cash at bank, or a combination of the aforementioned asset classes that will potentially yield a return required to provide Capital Preservation to the Unit-Holders at completion of twenty four months.

**“CPPI”** means Constant Proportion Portfolio Insurance.

**“CPPI Methodology”** is an internationally recognized, dynamic asset allocation methodology comprising of a versatile and flexible framework that allocates plan’s Net Assets between Equity and/or Income Scheme in a way that the exposure to equity is increased as Plan’s Net Assets increases and reduced as Plan’s Net Assets declines, while simultaneously aiming to provide capital Preservation at completion of twenty four months of the plan.

**“Maturity”** means twenty four (24) months from the commencement of the life of the CPPI based Plan.

**“Initial Investment Value”** means the amount determined by multiplying price (net of load) paid by the Unit Holder with the number of capital Preservation Units purchased and held by such Unit Holder for twenty four months.

**“Tenure”/ “Life of Plan”** means duration of the Plan. It is a 24 month period starting from the day following the close of the Subscription Period.

---

“**Maturity of Plan**” happens upon completion of tenure/Life of the Plan.

“**Multiplier**” is a measure of risk applied to the Plan’s Net Assets, to determine the amount of Net Assets to be allocated to the Equity Component. A higher Multiplier means greater allocation to Equity Scheme; whereas a lower Multiplier means greater allocation to the Income Scheme. The Management Company may, at its discretion, change the Multiplier from time to time, based on the market conditions and as per the limits defined in Circular No. 18 of 2015.

“**Net Realizable Value**” means the proceeds paid to the Unit Holder at completion of twenty four months (tenure) of CPPI based Plan.

## 12. Amendment in Annexure B “Current Fee Structure”

The following has been added to the table under Annexure B:

Allocation Plan	Front End Load (%)	Contingent Load	**Management Fee* (%)
Alfalalah Strategic Allocation Plan-I	Up to 3%	Nil	Management fee caps are up to 3.00% per annum for the equity portion, up to 1.50% per annum for the fixed income portion, and up to 1.25% per annum for the money market portion based on actual allocation of the net assets.
Alfalalah Strategic Allocation Capital Preservation Plan -II	Up to 3%	*For First Year 2% For Second Year 1%	Management fee caps are up to 3.00% per annum for the equity portion, up to 1.50% per annum for the fixed income portion, and up to 1% per annum for the money market portion based on actual allocation of the net assets.

**Note:**

The Management Company may charge management fee up to 1% of average annual net assets of money market component invested in saving accounts and term deposits.

No Management Fee will be charged if the Fund invests in CIS managed by the Management Company.

\* From 1 to 366 days is First year and 367 days to 731 days is Second Year.