

**SECOND (2<sup>nd</sup>) SUPPLEMENTAL TO THE  
OFFERING DOCUMENT  
OF  
ALFALAH FINANCIAL SECTOR INCOME FUND  
OPEN END INCOME SCHEME**

<b>Category of Fund</b>	<b>Risk Profile</b>	<b>Risk of Principal Erosion</b>
Alfalah Financial Sector Income Fund	Medium	Principal at Medium Risk
Alfalah Financial Sector Income Plan-I	Medium	Principal at Medium Risk
Alfalah Financial Sector Income Plan-II	Medium	Principal at Medium Risk

**MANAGED BY**

**Alfalah Asset Management Limited**

Dated: \_\_\_\_, 2024

SOD Reference/Number	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/tentative launch date (In case of Plan)	Maturity date (In case of Plan)	Current status i.e. Launched/Approved/Re-opening/Matured (in case of Plan)
1 <sup>st</sup> SOD		AAML has introduced Monthly Income Payment redemption mechanism via this Supplemental OD.	N/A	N/A	N/A	N/A

**SECOND (2<sup>nd</sup>) SUPPLEMENT DATED \_\_\_, 2024 TO THE  
OFFERING DOCUMENT OF ALFALAH FINANCIAL SECTOR INCOME FUND  
[MANAGED BY **ALFALAH ASSET MANAGEMENT LIMITED**]**

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

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of Alfalah Financial Sector Income Fund (AFSIF) and registered AFSIF as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) vide letter no. SCD/AMCW/AFSIF/2022-305 dated May 09, 2023. SECP has approved this Offering Document, under the Regulations vide letter no. \_\_\_, 2024

**Objective of the Supplementary Offering Document**

**Alfalah Asset Management Limited** is introducing **Alfalah Financial Sector Income Plan-II** under Alfalah Financial Sector Income 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 AFSIF.

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**1. Amendment in Clause 1.4 “Duration”**

Duration of the new plan is added under the table specified in the Clause 1.4 as follows:

<b>Name of Plan</b>	<b>Duration</b>
Alfalah Financial Sector Income Plan-I	Perpetual.
<b>Alfalah Financial Sector Income Plan-II</b>	<b>03 Years after the close of initial period</b>

*The fund has a shell structure. However, one of the the allocation plan(s) offered under the Fund will be of perpetual maturity and rest shall have limited time maturity, as specified in the Offering Document or through supplement to it.*

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**2. Amendment in Clause 1.6 “Initial Offer and Initial Period”**

The Clause 1.6 “Initial Offer and Initial Period” has been amended to add the details of new plan in the table, now the details of the new plan shall be read as follows:

<b>PLAN NAME</b>	<b>IPO START DATE</b>	<b>IPO END DATE</b>	<b>NO OF DAY(S)</b>
<b>Alfalah Financial Sector Income Plan-II</b>	_____, 2024	_____, 2024	

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**3. Amendment in Clause 2.3 “Allocation Plans”**

The Clause 2.3 of the Offering Document has been amended to its entirety and shall be read as follows:

The Management Company may offer other allocation plan(s) under the Alfalah Financial Sector Income Fund in future through supplemental(s) to this Offering Document.

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

S.No.	Allocation Plan(s)
1.	Alfalah Financial Sector Income Plan-I
2.	Alfalah Financial Sector Income Plan-II

#### 4. Amendment in Clause 2.3.1 “Investment Objectives of Allocation Plans”

The Clause 2.3.1 has been amended to add the investment objective of the new Plan, now the amended clause shall be read as follows:

Plan Name	Investment Objective
Alfalah Financial Sector Income Plan-II	In line with the investment objective of the Fund, The objective of the Alfalah Financial Sector Income Plan-II is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits, spread transactions and short-term money market instruments.

#### 5. Amendment in Clause 2.3.2 “Authorized Investments of the Allocation Plan(s)”

Under the heading “Authorized Investments of the Allocation Plan(s)”, name of new plan has been added along with the name of existing plan, now the same shall be read as follows:

1. Alfalah Financial Sector Income Plan-I
2. Alfalah Financial Sector Income Plan-II

(For clarity, the Authorized Investment Table referenced below applies to all the aforementioned plans.)

Sr. No	Description	Entity / Instrument Rating	Min Exposure	Max Exposure	Max Maturity	Financial Sector
1	Government Securities	N/A	0%	50%	10 Years	Financial Sector
2	Cash and near cash instruments which include cash in bank accounts with banks including Microfinance Banks (excluding TDR’s), GOP	Investment Grade** and above	25%	100%	N/A	Exposure to Financial Sector will be 70% at

	Ijara Sukuks not exceeding 90 days maturity *				
3	Term Deposits Receipts , COMs / COIs / & other Money Market Instruments/ Placements issued by Banks and Financial Institutions (non-traded securities)	Investment Grade and above	0%	15%	10 years
4	Commercial Papers/Short-term Sukuks etc. and any other money market securities	Investment Grade and above	0%	75%	12 months
5	Reverse Repo Against Government Securities, where maximum maturity of the underlying security will be one year	Investment Grade and above	0%	50%	12 months
6	Debt securities including TFCs/ Sukuks	Investment Grade and above	0%	75%	10 years
7	MTS, Spread Transactions		0%	40%	6 months
8	Any other securities or instruments that may be permitted or approved under the SECP Rules, Regulations or any other directive from time to time	Investment Grade and above	0%	30%	6 months

After the above mentioned change, a new table is inserted under the “notes” after the Authorized investment Table in order to accommodate term based plans WATM & Time to maturity of single asset details for the purpose of clarity. The same shall be read as follows:

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

#### 6. Amendment in Clause 2.3.3 “Benchmark”

The Benchmark of Alfalah Financial Sector Income Plan-II has been added to the table under clause 2.3.3 which shall be read as follows:

Allocation Plan	Benchmark
Alfalah Financial Sector Income Plan-I	Six (6) months KIBOR Rates
Alfalah Financial Sector Income Plan-II	Six (6) months KIBOR Rates

## **7. Amendment in Clause 3.11.1 “Bank Accounts”**

The First Para under clause 3.11.1 of the Offering Document has been amended to its entirety to incorporate the bank account details of the new Plan at relevant place, now the amended para shall be read as follows:

“The Trustee, at the request of the Management Company, shall open Bank Account(s) titled CDC-Trustee Alfalah Financial Sector Income Plan–I and **CDC-Trustee Alfalah Financial Sector Income 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.

Collection Account shall only be used for soliciting online investment through payment aggregators like 1 Link and other similar payment gateways subject to prior approval of the Commission. The Management Company shall maintain separate Collection Account(s) for each Trustee and also maintain a separate Collection Account for Shariah and Conventional Funds respectively. Moreover, the maximum time period for transfer of money from a Collection Account to respective fund or plans’ account is within one working day.”

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## **8. Amendment in Clause 4.5.4 “Purchases of Units”**

The sub-clause (b) of the clause 4.5.4 of the Offering Document has been amended to incorporate the details of the new Plan as follows:

**For Alfalah Financial Sector Income Plan-II:**

- Demand draft, Pay order, Online transfer, RTGS and cheque in favor of “CDC-Trustee Alfalah Financial Sector Income Plan-II”

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## **9. Amendment in Clause 4.9.3 “Transfer, Transmission and Systemic Conversion Procedure”**

The sub-clause (a) of Clause 4.9.3 of the Offering Document has been amended to read as follows:

Unit Holder may, subject to the law, transfer any Units of Fund/ Investment 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.

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

The Clause 11 of the Offering Document has been amended to incorporate a new definition and shall be read as follows:

“**Allocation Plan(s)**” means Investment Plans as defined in this Offering Document, and shall be used interchangeably.

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#### 11. Amendment in “Annexure A”

Table under Annexure A has been amended to its entirety to incorporate the details of new plan as per following details:

<b>Allocation Plan</b>	<b>Front End Load (%)</b>	<b>Backend Load (%)</b>	<b>Contingent Load (%)</b>	<b>Management Fee (%)</b>
Alfalah Financial Sector Income Plan-I	Up to 2%	Nil	Nil	Up to 2% of Average Annual Net Assets
<b>Alfalah Financial Sector Income Plan-II</b>	Up to 3%	Nil	Nil	Up to 2% of Average Annual Net Assets

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