

**Third (3rd) 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 Principal Erosion
Sovereign Income Scheme	Medium	Principal at Medium Risk
Alfalah Islamic Sovereign Plan I	Medium	Principal at Medium Risk
Alfalah Islamic Sovereign Plan II	Medium	Principal at Medium Risk
Alfalah Islamic Sovereign Plan III	Medium	Principal at Medium Risk

MANAGED BY

Alfalah Asset Management Limited

Dated: April 26, 2024

**Third (3rd) Supplement dated April 26, 2024 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.

Trustee has approved the third (3rd) Supplement to the Offering Document, under Regulation 44(6) & 44(9) of the NBFC & NE Regulations 2008 vide letter dated January 31, 2024.

Objective of the Supplementary Offering Document

Alfalah Asset Management Limited is introducing Regulatory Changes allowed to the 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. Replacement of Word “Allocation Plan” with “Investment Plan” and addition of new Definition

In offering document of Alfalah Islamic Sovereign Fund words “Allocation Plan” to be replaced with “Investment Plan” and under clause 12 “GLOSSARY” the definition shall be read as:

“Investment Plans” means approved investment Plan(s) offered under the Scheme. Each Investment Plan shall invest only in Authorized investable Avenues and / or other instruments as approved by the Commission. Details of the Investment Plan(s) shall be disclosed in this Offering Document and any details regarding additional Investment Plans shall be disclosed in the subsequent supplementary Offering Documents.”

2. Amendment in Clause 1.4 “Duration”

Clause 1.4 of the offering Document has been amended to incorporate new plan and read as follows:

“The fund has a shell structure However, one of 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. The Management Company will convey the actual date of maturity of each plan prior to its launch to potential investors, the Commission and Trustee”.

The Duration of Plan(s) offered are as follows:

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

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

After the heading “**Initial Offer and Initial Period**” a new para has been added and new sub clause 1.10.3 has been added to introduce the new plan, now the same shall be read as follows:

“The Pre-IPO subscription in the fund or the plans being offered under the fund shall only be initiated once a definite date for IPO is announced and the amounts/investments received during the Pre-IPO period shall remain locked –in till the date of IPO of the fund/Plans subject to a specific disclosure to Pre-IPO investors regarding the lock-in period.”

1.10.1 Alfalah Islamic Sovereign Plan-I

- Initial Offer is made during the Initial Period which will be 01 Business Day and begins at the start of the banking hours on <September 26, 2023> and shall end at the close of the banking hours on <September 26, 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.

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 10, 2023, and shall end at the close of the banking hours on December 10, 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.

1.10.3 “Alfalah Islamic Sovereign Plan-III”

- *Initial Offer is made during the Initial Period, which will be 01 Business Day, begins at the start of the banking hours on January __, 2024, and shall end at the close of the banking hours on January __, 2024. 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 Clouse 2.2 “Allocation Plans”

In clause 2.2 “Allocation Plans” a new fund has been introduce under the table, now the amended clause shall be read as flows:

The Alfalah Islamic Sovereign Plan-I (AISP-I) is offered under this Offering Document: The Management Company may provide additional and/or amend existing Investment Plans with prior approval of the Commission, and may announce the same by Supplementary Offering Documents.

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

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

5. Amendment in Clause 2.2.1 “Investment Objective of Allocation Plan(s)”

In clause 2.2.1 “Investment Objective of Allocation Plan(s)” investment objective of a new plan has been introduce under the table, now the amended clause shall be read as flows:

Plan Name	Investment Objective
<i>Alfalah Islamic Sovereign Plan-I</i>	<i>The Investment Objective of the plan is to generate a competitive return with medium 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 Plan-II</i>	<i>The Investment Objective of the plan is to generate a competitive return with medium 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 Plan-III</i>	<i>The Investment Objective of the plan is to generate a competitive return with medium 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>

6. Amendment in Clause 2.2.2 “Benchmark”

In clause 2.2.2 “Benchmark” a new fund has been introduced under the table, now the amended clause shall be read as follows:

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

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

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

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- a) *Alfalah Islamic Sovereign Plan-I*
 - b) *Alfalah Islamic Sovereign Plan-II*
 - c) *Alfalah Islamic Sovereign Plan-III*

After the above mentioned change, under the heading “Authorized Investment Table”, an amendment has been made to last table under the clause to accommodate term based plans WATM & Time to maturity of single asset details for the purpose of clarity. Now the clause shall be read as:

Existing						Amended					
No.	Description	Minimum Entity Rating	Minimum Instrument Rating	Maximum Exposure	Minimum Exposure	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%	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%	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%	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	A-	A-	25%	0%	4	Term Deposits, PLS Savings Deposits, money market placements and other clean placements of funds with	A-	A-	25%	0%

	<i>Microfinance Banks, NBFC & Modarabas</i>						<i>Microfinance Banks, NBFC & Modarabas</i>				
5	<i>Short Term Islamic Commercial Papers / Sukuks with maturity up to six (06) months</i>	<i>N/A</i>	<i>A2 (short term rating)</i>	<i>30%</i>	<i>0%</i>		<i>Short Term Islamic Commercial Papers / Sukuks with maturity up to six (06) months</i>	<i>N/A</i>	<i>A2 (short term rating)</i>	<i>30%</i>	<i>0%</i>
6	<i>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.</i>	<i>N/A</i>	<i>N/A</i>	<i>As allowed by SECP & SBP</i>	<i>0%</i>		<i>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.</i>	<i>N/A</i>	<i>N/A</i>	<i>As allowed by SECP & SBP</i>	<i>0%</i>
7	<i>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</i>	<i>-</i>		<i>As allowed by SECP</i>	<i>0%</i>		<i>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</i>	<i>-</i>		<i>As allowed by SECP</i>	<i>0%</i>
*Calander Month Average						*Calander Month Average					

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

8. Amendment in Clause 2.3 “Basic features of the Plans”

In clause 2.3 “Basic features of the Plans” a new Plan has been introduced under the table, now the amended clause shall be read as follows:

Plan Name	Duration	IPO Date	Maturity Date	Front End Load	Back End Load	Contingent Load
Alfalah Islamic Sovereign Plan I	Perpetual	September 26, 2023	N/A	up to 3%	0%	0%
Alfalah Islamic Sovereign Plan II	3 Years	December 10,, 2023	December 10,, 2026	up to 3%	0%	0%
Alfalah Islamic Sovereign Plan III	3 Years	To be Added	To be Added	up to 3%	0%	0%

9. Addition in Clause 3.12.1 “Bank Accounts”

In clause 3.12.1 “Bank Accounts” after the bank account details of Plan II, details of new Plan has been incorporated:

Bank Accounts

- The Trustee, at the request of the Asset 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 Islamic Sovereign Plan-I (AISF-I)
 - ❖ “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND” (For Common Collection Account)
 - ❖ “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND - Alfalah Islamic Sovereign PlanI”
 - For Alfalah Islamic Sovereign Plan-II (AISF-II)
 - “CDC- Trustee Alfalah Islamic Sovereign Plan II”
 - For Alfalah Islamic Sovereign Plan-II (AISF-III)
 - “CDC- Trustee Alfalah Islamic Sovereign Plan III”
- While opening and operating any type of account and/or making investments in offshore countries on the instructions of Management Company, if the Trustee is required to provide any indemnities to offshore parties then Trustee and the Fund would be counter indemnified by the Management company to such extent.

- The Asset Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
- All bank charges for opening and maintaining bank accounts for an Allocation Plan under the Trust shall be charged to the pertinent Allocation Plan.
- All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- The amounts received from the Investors before the Initial Period shall be deposited in a Bank Account of the Fund and any income, profit etc earned and/or accrued on the investments of that amount upto and including the day before the opening of Initial Period shall not form part of the Trust Property and shall be paid by the Management Company or the Trustee to those Investors participated before the Initial Period, either in cash or in additional Units as selected by those Investors, in proportion of their investments.

The Trustee shall, if requested by the Management Company at its discretion also open a separate Account designated by the Management Company. These account(s) may be used for the purpose of collection of sale proceeds, where collections received on account of subscription of Units by investors of various unit trusts and the administrative plans that are managed by the Asset Management Company shall be held prior to their being allocated and transferred to pertinent unit trust(s). Such account(s) may also be used for temporary parking for the purpose of redemption. Provided however, in relation to the other unit trusts managed by the Asset Management Company mentioned above, there are similar provisions in the trust deeds of such Funds and have Trustee as common between them. Such accounts shall be in the title of “CDC- Trustee Alfalah Islamic Sovereign Fund

10. Amendment in Clause 4.2 “Classes of Units”

In clause 4.2 “Classes of Units” name of new plan has added along with the name of existing plan, now the same shall be read as:

The Asset Management Company may issue any of the following classes of Units for this Fund being offered by the Asset Management Company:

- For Alfalah Islamic Sovereign Plan-I (AISP-I)
- For Alfalah Islamic Sovereign Plan-II (AISP-II)
- **For Alfalah Islamic Sovereign Plan-I (AISP-III)**
 - ❖ Class "A" Units (Purchase): Class "A" Units will be issued to the Unit Holders during Pre-IPO & IPO and after IPO in this allocation Plan.
 - ❖ Class "A" units may carry Front-end load / Deferred Sales Load as disclosed in Annexure “B”.

Units redeemed during the Subscription Period will not carry Back-End & Contingent Load. Any dividend announced for Class “A” units will be given in the form of cash or bonus units, after deduction of any Applicable duties & taxes. If a Unit Holder does not state his preference between getting a cash dividend or re-investing the dividend during the account opening stage, he will automatically be put in the dividend re-investment category.

The Management may introduce additional type/class of Units from time to time, subject to SECP’s prior approval. Subject to the terms of the Trust Deed and this Offering Document, all Units and fractions thereof represent an undivided share of the allocation under the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest of the allocation under the Fund, proportionate to the Units held by such Unit Holder.

Irrespective of the different classes of Units issued, all Units 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 Offering Documents.

11. Addition in Clause 5.2.4 “Purchase of Units”

In clause 5.2.4 “Purchase of Units” details for new plan has added along with the details of existing plan, now the same shall be read as:

- After opening an account an account holder may purchase Units of Allocation Plan(s) under the Fund using the Investment Application Form attached to this Offering Document. Payment for the Units must accompany the form.
- 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 Asset Management Company together with the payment by cheque, demand draft, pay order, banker cheque or online transfer as the case may be in favor of Trustee Bank Account and crossed “Account Payee only” as specified below;

For Alfalah Islamic Sovereign Plan-I:

- ❖ Demand draft or Pay order in favor of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND – Alfalah Islamic Sovereign Plan-I”
- ❖ Online transfer to Bank Account(s) of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND – Alfalah Islamic Sovereign Plan-I”
- ❖ Cheque (account payee only marked in favor of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND - Alfalah Islamic Sovereign Plan-I”

For Alfalah Islamic Sovereign Plan-II:

- ❖ Demand draft or Pay order in favor of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND – Alfalah Islamic Sovereign Plan-II”
- ❖ Online transfer to Bank Account(s) of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND – Alfalah Islamic Sovereign Plan-II”

- ❖ Cheque (account payee only marked in favor of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND - Alfalah Islamic Sovereign Plan-II”

For Alfalah Islamic Sovereign Plan-III:

- ❖ *Demand draft or Pay order in favor of “CDC- Trustee Alfalah Islamic Sovereign Plan-III”*
 - ❖ *Online transfer to Bank Account(s) of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND – Alfalah Islamic Sovereign Plan-III”*
 - ❖ *Cheque (account payee only marked in favor of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND - Alfalah Islamic Sovereign Plan-III”*
- 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.
 - The Account Holder may also make payment for Purchase of Units in favor of “CDC- Trustee ALFALAH ISLAMIC SOVEREIGN FUND” provided that the account holder specifies name of the Allocation Plan and the Fund, along with relevant investment amount, in the Investment Application Form.
 - The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of Commission.
 - Applicants must indicate their account number in the Investment Application Form except in cases where the Investor Account Opening Form is sent with the Investment Application Form.
 - The applicant must obtain a copy of the application signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay order, cheque, bank cheque or deposit slip as the case may be. Acknowledgement for applications and payment instruments can only be validly issued by Distributors.
 - The Distribution Company and/or Management Company will be entitled to verify the detail given in the Investment Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy (except for discrepancy in payment instrument, in which case application will be rejected immediately).
 - The Asset Management Company will make arrangements, from time to time, for receiving Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

12. Addition in Annexure B”

Allocation Plan	Front End Load (%)	Contingent Load (%)	Backend Load (%)	Management Fee (%)
Alfalah Islamic Sovereign Plan-I	Up to 3%	Nil	Nil	Accrued remuneration equal to an amount not more than 2% of Average Annual Net Assets, within allowed expense ratio limit
<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>
<i>Alfalah Islamic Sovereign Plan III</i>	<i>Up to 3%</i>	<i>Nil</i>	<i>Nil</i>	<i>Up to 2% of Average Annual Net Assets</i>