

CONSOLIDATED SUPPLEMENTAL OFFERING DOCUMENT

For the Change in Management Fee & Sale Loads

MANAGED BY

**ALFALAH ASSET
MANAGEMENT LIMITED
(AAML)**

Dated: _____



Consolidated Supplemental Offering Document

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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 _____, the following clauses of the Offering Document have been amended to read in as follows in below mentioned funds:-

Fund Name	Existing SOD #	Clause	Existing	New
Alfalah GHP Value Fund	7 th Sup	Annexure "A"	Management Fee: The Current level of fee is 2.00% p.a. of the average daily NAV of AGVF	Management Fee: The Current level of fee is "up to 3.00% p.a." of the average daily NAV of AGVF
Alfalah GHP Islamic Stock Fund	7 th Sup	Annexure "A"	Management Fee: The Current level of fee is 2.00% p.a. of the average daily NAV of AGVF	Management Fee: The Current level of fee is "up to 3.00% p.a." of the average daily NAV of AGVF
Alfalah GHP Income Multiplier Fund	9 th Sup	Annexure "A"	Management Fee Up to 0.50% ** Management Company may have an option to charge the fee from 0% up to 0.50%	Management Fee Up to 1.50% ** Management Company may have an option to charge the fee from 0% up to 1.50%
Alfalah GHP Alpha Fund	6 th Sup	Annexure "A"	Management Fee: The Current level of fee is up to 1.75% p.a. of the average NAV of AGAF	Management Fee: The Current level of fee is up to 3.00% p.a. of the average NAV of AGAF
Alfalah GHP Cash Fund	12 th Sup	Annexure "B"	Front End Load: 0.75% Back End Load: 0% Management Fee: Management Company shall charge a fee at the rate of 0.75% per annum of the average daily net assets of the Scheme subject to the maximum limit defined in the Regulations.	Front End Load: 2.00% Back End Load: 0% Management Fee: Management Company shall charge a fee at the rate of up to 1.5% per annum of the average daily net assets of the Scheme subject to the maximum limit defined in the Regulations.
Alfalah GHP Stock Fund	7 th Sup	Annexure "A"	Management Fee: The Current level of fee is 2.00% p.a. of the average daily NAV of AGVF	Management Fee: The Current level of fee is up to 3.00% p.a. of the average daily NAV of AGVF
Alfalah GHP Money Market Fund	13 th Sup	Annexure "A"	Front End Load: 1% Back End Load: 0% Management Fee: Management Company shall charge a fee up to 0.75% per annum of the average daily net assets of the Scheme.	Front End Load: 0% Back End Load: 0% Management Fee: Management Company shall charge a fee up to 1.5% per annum of the average daily net assets of the Scheme.
Alfalah GHP Islamic Dedicated Equity Fund	5 th Sup	Annexure "B"	Class of Units Class "A" units (for Schemes managed by Alfalah GHP Investment Management Limited) Class "B" units	Management Fee Class "A" units (for Schemes managed by Alfalah GHP Investment Management Limited) Class "B" units
Alfalah GHP Islamic Value Fund	4 th Sup	Annexure "B"	Class of Units Class "A" units (for Schemes managed by Alfalah GHP Investment Management Limited) Class "B" units	Management Fee Class "A" units (for Schemes managed by Alfalah GHP Investment Management Limited) Class "B" units



Alfalch Rozana Amdani Fund	Islamic Amdani	5th Sup	Annexure "B"	Class "B" units		
				Units Details	Front End Load (%)	Management Fee
Alfalch Dedicated Fund	GHP Equity	1 st Sup	Annexure "B"	Class "A" Units (Purchase Units) (During and after Subscription period) (Bonus Units) (Dividend Re Investment Units)	up to 0.5%	Management Company shall charge a fee up to 0.75% per annum of the average daily net assets of the Scheme.
				Units Details	Front End Load (%)	Management Fee
				Class "A" units (for Schemes managed by Alfalch GHP Investment Management Limited)	0%	Up to 3%
				Class "B" units	1.5%	
Alfalch Return Fund	Stable	6 th Sup	Annexure "B"	Management Fee: Up to 0.75%		
Alfalch Income Fund	GHP	9 th Sup	Annexure "A"	Front End Load : 1%		
Alfalch GHP Islamic Income Fund	GHP	8 th Sup	Annexure "A"	Front End Load : 1%		
Alfalch Sovereign Fund	GHP	7 th Sup	Annexure "A"	Front End Load : 1%		
Alfalch GHP Islamic Prosperity Fund 2 - Capital Preservation Plan - 6	GHP	4 th Sup	Annexure "B"	Allocation Plan	Front End Load (%)	
				Alfalch Islamic Capital Preservation Plan - 6	1.5%	
				Units Details	Front End Load (%)	Management Fee
				Class "A" units (for Schemes managed by Alfalch GHP Investment Management Limited)	0%	Up to 3%
				Class "B" units	Up to 2%	
				Management Fee: Up to 1.5%		
				Front End Load : Up to 2%		
				Front End Load : Up to 2%		
				Front End Load : Up to 2%		
				Allocation Plan	Front End Load (%)	
				Alfalch Islamic Capital Preservation Plan - 6	Up to 2%	

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 Alfalch 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, even for example, Pakistan inflation rate accelerated to 38% in May of 2023 from 36.4% in April, while the core inflation rate, which excludes volatile items, went up by 20% in May from 19.5% in April.
- 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 Alfalch 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.

