

**CONSOLIDATED SUPPLEMENTAL OFFERING DOCUMENT**

**For the Change in Management Fee & Sale Loads**

**MANAGED BY**

**ALFALAH ASSET  
MANAGEMENT LIMITED  
(AAML)**

**Dated: September 21, 2023**

[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 October 21, 2023 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 Stock Fund	7 <sup>th</sup> 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 <b>up to 3.00%</b> p.a. of the average daily NAV of AGVF

**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, 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 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.