

THIRD SUPPLEMENT

TO THE

OFFERING DOCUMENT OF

ALFALAH GHP INCOME MULTIPLIER

FUND

Category: Aggressive Fixed Income Scheme

MANAGED BY

ALFALAH GHP INVESTMENT

MANAGEMENT LTD.

DATED: July____, 2010

Alfalah GHP Income Multiplier Fund – 3rd Supplementary Offering Document

Third Supplement dated July __, 2010 to the Offering Document of Alfalah GHP Income Multiplier Fund (AGIMF) issued on June 08, 2007.

(Managed by Alfalah GHP Investment Management Ltd. an Asset Management Company Licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003])

Established in Pakistan under the Trust Act 1882 (11 of 1882) by a Trust Deed dated March 08, 2007 between Alfalah GHP Investment Management Limited, the Management Company and Central Depository Company of Pakistan Limited, the Trustee and is authorized under Rule 67 the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Effective from _____, 2010, the following clauses of the Offering Document have been amended to read in their entirety as follows:

1. Amendments in sub-clause 2.1 Investment Objectives

In sub-clause 2.1 Investment Objective the following wording has been deleted and replace with below mentioned wording.

“The primary investment objective of the Fund is to aim to generate attractive returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.”

After the said amendment, sub-clause 2.1 investment objective reads as under:

“The primary investment objective of the fund is to seek a combination of high income and significant potential capital appreciation through a diversified portfolio of fixed income/money market instruments and placements.”

2. Amendments in clause 2.2 Investment Policy

The text of clause 2.2 investment policy is deleted and replace with following text.

After the said amendment the clause 2.2 Investment Policy read as under:

“The Investment Portfolio of Alfalah GHP Income Multiplier Fund would comprise of fixed, floating and hybrid rate instruments which includes government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial paper, reverse repo, TFC/Sukuk, CFS, spread transaction’s
The allocation between various investment classes will depend on prevailing market conditions and opportunities and will primarily comprise the following asset classes:

Asset Class	Min Entity Rating	Min Instrument Rating	Max Exposure Limit
a. Financing & Other Transactions			
<i>i.</i> CFS or its replacement in local listed	N/A	N/A	50%

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securities. *			
<i>ii.</i> Spread Transactions in local listed securities.	N/A	N/A	50%
<i>iii.</i> Reverse Repo transaction against eligible Securities including government securities	Non Rated	Non Rated	75%
<i>iv.</i> Spread Transactions between Global Depository Receipts (GDR) and / or American Depository Receipts (ADR) with local securities.	N/A	N/A	30%
<i>v.</i> Convertible and Non Convertible Preferred securities.	N/A	N/A	25%
b.Placement with Banks & Other Financial Institutions			
<i>i.</i> Bank deposit (Operational Account) with commercial banks.	Non Rated	N/A	80%
A. Placements / Deposits			
<i>ii.</i> Term Deposit Receipt (TDR)	Non Rated	N/A	70%
<i>iii.</i> Certificate of investment / deposits/Placements/ musharaka	Non Rated	N/A	70%
c. Income & Money Market Instrument / Securities / Placements issued by:			
<i>i.</i> Federal / Local governments, government agencies	Non Rated	N/A	75%
• Secured			75%
• Unsecured			40%
<i>ii.</i> Government guaranteed bonds including: Pakistan Investment Bonds (PIBs), and Treasury Bills (T-Bills)	N/A	N/A	75%
<i>iii.</i> Public Sector Entities <i>(where government owns majority shares)</i>	Non Rated	Non Rated	75%
• Secured	Non Rated	Non Rated	75%
• Unsecured	Non Rated	Non Rated	25%
<i>iv.</i> Private Sector Entities	Non Rated	Non Rated	70%
• Secured	Non Rated	Non Rated	70%
• Unsecured	Non Rated	Non Rated	25%
d.Outside Pakistan Investments			
<i>i.</i> Other investments available outside Pakistan, subject to SECP and SBP approval and on such terms and conditions as may be issued by the SECP and the State Bank including:	A- rated by a reputed International Rating Agency		30% Subject to cap of US \$ 15,000,000/-

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<ul style="list-style-type: none"> • international Profit bearing securities; 			
<ul style="list-style-type: none"> • international Income / money market instruments; 			
<ul style="list-style-type: none"> • foreign currency bank deposits and certificates of investment; 			
<ul style="list-style-type: none"> • International mutual funds. 			
<ul style="list-style-type: none"> • Any other international securities 			
e. Any other securities or instrument that may be permitted or approved by SECP from time to time.			

** Exposure to any single scrip shall not exceed 10% of total CFS amount at the time of making investment.*

The Fund shall make all investments in compliance with SECP directives. The Fund is an aggressive fixed income fund in terms of requirement of SECP Circular No. 7 of 2009. Within these requirements, the Fund will be managed in the following manner:

- a. At least 10% of the net assets shall be invested in cash and / or near cash instruments which include cash in bank account (excluding TDRs), and treasury bills not exceeding 90 days maturity.
 - b. Both rated and unrated securities shall be eligible for investment. Below investment grade rated securities shall also be eligible for investment.
 - c. Weighted average time to maturity of the net assets shall not exceed 5 years and this condition shall not apply to securities issued by the Federal government.
 - d. No restriction regarding time to maturity of any single security in the portfolio.
- Maximum exposure against spread transaction both in local securities and GDR/ADR as defined in serial a(ii) and a(iv) above shall not cumulative exceed 50% of Net Assets of the Fund.
 - Max exposure means max exposure in relation to Net Assets of the Fund.

All Investments shall be made within the limits prescribed in the Regulations or otherwise as may be specified by the Commission and for investments in offshore countries, Investments shall be made within the limits prescribed by the State Bank of Pakistan.

The above asset classes, restrictions and limitations are as per guidelines issued by SECP through Regulations, circulars, directives or any clarification issued by SECP from time to time. However for purpose of prudent fund management the Management Company has placed certain restrictions over and above SECP requirements. In case of any revision or change in above limitations or restrictions including revision of asset classes, rating or exposure limits issued by SECP, the later will take precedence.

3. Amendments in sub-clause 2.2.A Benchmark of the Scheme

The text of clause 2.2.A Benchmark of the Scheme is deleted and replace with following text.

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After the said amendments the sub-clause 2.2A Benchmark of the Scheme reads as under:

“The benchmark of Alfalah GHP Income Multiplier Fund is One (1) Year KIBOR.”

4. Addition of new sub clause 2.9.13 in Risk Disclosure

The new sub clause 2.9.13 is added into sub clause 2.9 Risk Disclosure.

After the said addition the sub clause 2.9.13 under heading of sub clause 2.9 Risk Disclosure is read as under:

“There may be times when a portion of the investment portfolio of Alfalah GHP Income Multiplier Fund is not compliant either with the investment policy or the minimum investment criteria of the assigned ‘category’. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment specific issues. Investors are advised to study the latest fund manager report specifically portfolio composition and financial statements of the scheme to determine what percentage of the assets of the scheme, if any, is not in compliance with the minimum investment criteria of the assigned Category. The latest monthly fund manager report as per the format prescribed by Mutual funds Association of Pakistan (MUFAP) is available on the website of the company (www.alfalahghp.com) and can be obtained by calling/ writing to the management company during business hour on any business day.”

5. Amendments in sub-clause 4.11.3 under heading of Frequency of Valuation, Dealing and Mode of the Price Announcement

In sub clause 4.11.3, in the forth line word before “Front-end Load” and after “not exceeding”, the word “(Sales Load)” is deleted.

After the said amendment the clause 4.11.3 under heading of Frequency of Valuation, Dealing and Mode of the Price Announcement is read as under:

“The Purchase (Offer) Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the Business Day (in the event there are closed days, for any reason, preceding that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days), Transaction Costs as defined in Clause 15.62, any Front-end Load not exceeding five percent (5%) of the Net Asset Value (NAV) (please refer to Annexure B for the current level of load) and such amount as the Management Company may consider appropriate provision for Duties and Charges.”

6. Amendments in Definition 15.29 “Front-end Load”

The text of definition 15.29 Front-end Load is deleted and replaced with following text:

After the said amendment the definition 15.29 Front-end Load is read as under:

““Front-end Load” means the sales and processing charges (excluding Duties and Charges) that is received by the Management Company and/or its

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Distributors that may be included in the Initial Price or Offer Price of the Units not exceeding five percent (5%) of the Net Asset Value, whichever is applicable. The details of Front-end Load applicable to the Offer Price shall be specified in the Offering Document. Provided however that different level of Front-end Load may be applied to different investors.”

7. Deletion of definition 15.56 “Sales Load”

The definition of “Sales Load’ has been deleted from the Offering Document of the AGIMF Fund.

8. Addition of new sub clause 6.1.2.e in Allocation of Front-end Load

The word “Sales Load” in Offering Document appeared in sub clauses no. 1.6.3.a, 1.6.3.b, 1.6.3.c, 1.8, 1.9.1, 4.1.1, 4.1.2, 4.1.3, 4.3.6, 6.1.2.a, 6.1.2.d & 15.36 are deleted and replaced with “Front-end Load”.