

1ST SUPPLEMENT

TO THE

OFFERING DOCUMENT OF

ALFALAH GHP ISLAMIC FUND

MANAGED BY

ALFALAH GHP INVESTMENT
MANAGEMENT LTD.

DATED: October ____, 2008

First Supplement Dated October __, 2008 to the Offering Document of Alfalah GHP Islamic Fund (AGIF) issued on August 25, 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 Trusts Act 1882 (11 of 1882) by a Trust Deed dated April 11, 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 _____, the following clauses of the Offering Document have been amended to read in their entirety as follows:

1. Addition of sub-clause 1.6.3

A new sub-clause in Units is added as 1.6.3.

After the said amendment the sub-clause 1.6, Units would include sub-clause 1.6.3 as:

“Types of Unit

The Management Company (while maintaining the integrity of each Unit’s pari passu rights) within each class of units mentioned in clause 1.6.2 above: may at its discretion offer different types of units which specify or offer such conditions or privileges with respect to purchase of Units, redemption of Units, distribution of profits (whether by cash or additional Units), fixed or flexible timing of such redemption or distribution at the option of the Unit Holder(s)

The Units shall be fully paid-up before they are issued. Notwithstanding that various types of Units will be issued, it is clarified that AGIF is one scheme.

For details about types of unit please refer clauses 4.2.4.a”.

2. Addition of sub-clause 4.2.4.a

A new sub-clause in Characteristic of Units is added as 4.2.4.a.

After the said amendment the clause 4 Characteristic of Units would include sub-clause 4.2.4.a as:

“Types of Units:

Currently Alfalah GHP Islamic Fund offers following types of units

- Growth Units (entitled to Bonus Units only in case of any distribution by the Fund)
- Income Units (entitled to Cash Dividend only in case of any distribution by the Fund)

An investor at the time of opening an account shall select the type(s) of Unit(s) in which investor wished to invest in, namely Growth Unit and/ or Income Units.

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Growth Units: Growth Units are meant for those Unit Holders who want to receive Bonus Units only at the time of any interim and annual distribution announcements made by the Management Company from time to time. However, the Unit Holder(s) will have the option at the time of investment or subsequently through Service Request Form to en-cash bonus units at Ex-NAV for the relevant distribution period.

Income Units: Income Units are meant for those Unit Holders who want to receive Cash Dividend only at the time of any interim and annual distribution announcements made by the Management Company from time to time. However, the Unit Holder(s) may instruct in writing at the time of investment or subsequently through Service Request Form to reinvest their cash dividend on the basis of the ex- NAV at the Distribution Date. Such reinvestment shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder(s). For details please refer clause 5.5.1 of the Offering Document.

Sales load shall be charged on these Unit types depending upon the classes of Units in which they are issued.

An investor at the time of initial investment or re-investment shall select the type(s) of Unit(s) in which investor wishes to invest in. He can also invest in both types of Units.

The Unit Holders shall be allowed to switch from one type of Units to the other type of Units in the same Unit class without any fee excluding book closure period.

All the Units issued up to October __, 2008 shall be the Growth Units however the existing Unit Holders shall have the option to switch to the Income Units by applying to the Management Company through Service Request Form.

The Management Company may offer different types of Units, within the above detailed Unit classes, as per the provisions of the Trust Deed and with the consent of the Trustee and prior approval of the Commission.”

3. Amendment in sub-clause 5.1.2

Text of Sub-clause 5.1.2 is deleted and replaced with following text

After the said amendment, sub-clause 5.1.2 reads as under:

“In case of any distribution by the Management Company, the Growth Unit Holders shall be paid dividend in the form of Bonus Units only and the Income Unit Holder(s) shall be paid dividend in the form of Cash Dividend only.”

4. Addition of sub-clause 5.1.3

A new sub-clause in Distribution Policy is added as 5.1.3

After the said amendment the clause 5 Distribution Policy would include sub-clause 5.1.3 as:

“The Fund shall comply with regulatory and taxation requirements and the dividend policy may be amended accordingly.”

5. Addition of sub-clause 5.1.4

A new sub-clause in Distribution Policy is added as 5.1.4

After the said amendment the clause 5 Distribution Policy would include sub-clause 5.1.4 as:

“The Fund shall distribute 90% of the amount available for distribution as dividend which would comprise of Bonus Units and Cash dividends as required under regulation 72 of NBFC Regulations and in compliance with tax laws for the benefit of the Unit Holder(s).”

6. Amendment in sub-clause 5.2.8

In sub-clause 5.2.8, the following sentence is deleted at the beginning of clause:

“The Management Company may decide to distribute in the interest of the Unit Holders, wholly or in part”

In the second line, the word “which” appearing after the words “stock dividend,” and before the words “would compromise” is deleted.

After the said amendment, sub-clause 5.2.8 reads as under:

“The distributable profits in the form of a stock dividend would comprise of Bonus Units of the Scheme. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units after the date of issue of these Bonus Units”.

7. Amendment in sub-clause 5.3

In sub-clause 5.3 in the third line after the word “cash” and before the word “additional” comma (,) is deleted and the word “or” is added.

In the third line after the words “additional Units” the comma and the words “, or combination of both as the Management Company may determine” is deleted and replaced with the following words

“at the option of Unit Holder(s).”

In sub-clause 5.3 of the Offering Document, the following sentences are added at the end of paragraph:

“The balance of the net income will be retained for re-investment in the Fund. The Management Company may, pay the Unit Holders interim dividend; if it considers that the income for the Relevant Period would justify such distribution.”

After the said amendment, sub-clause 5.3 reads as under:

“The Management Company shall decide from time to time the Relevant Period but not later than three (3) months after the Accounting Date whether to distribute among Unit Holders, profits (if any) and shall advise the Trustee accordingly. Such profits may be distributed in cash or additional Units at the option of Unit Holder(s). The balance of the net income will be retained for re-investment in the Fund. The Management Company may, pay the Unit

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Holders interim dividend; if it considers that the income for the Accounting Period would justify such distribution.”

8. Amendment in sub-clause 5.4.2

In sub-clause 5.4.2 of the Offering Document, in the first line, after the words “per Unit” and before the words “distribution payments” the followings words are added:

“for Income Units”

After the said amendment, sub-clause 5.4.2 reads as under:

“After the fixation of the amount of cash distribution per Unit for Income Units, distribution payments shall be made by transfer to the Unit Holders’ designated bank accounts or in the case of joint Unit Holders to designated bank account of the joint Unit Holder, first named on the Register or by dispatch of any banking instrument in the name of Unit Holder at his / her address as provided. The receipt of funds by such designated bankers or dispatch of instrument shall be a good discharge therefore.”

9. Amendment in sub-clause 5.4.6

In sub-clause 5.4.6 of the Offering Document, in the first line, after the words “per Unit” and before the words “the Management Company” the followings words are added:

“for Growth Units”

After the said amendment, sub-clause 5.4.6 reads as under:

“After the fixation of rate of bonus entitlement per Unit for Growth Units, the Management Company shall instruct the Registrar to credit the respective Unit Holders’ accounts with the designated number of Units calculated on the basis of the rate of distribution determined above against the number of Units held by them on the date of register closure.”

10. Amendment in sub-clause 5.5.1

In sub-clause 5.5.1 of the Offering Document, in the first line, after the words “The Unit Holder” and before the words “may opt” the followings words are added:

“of Income Units”

In the seventh line the word “bonus” is deleted and replaced with the word “additional”.

After the said amendment, sub-clause 5.5.1 reads as under:

“The Unit Holder(s) of Income Units may opt to receive the amount equivalent to their share of the annual / interim cash distribution in the form of additional Units. In such an event, the Management Company shall at the end of the financial year (or the Relevant Period(s) in the event of an interim distribution) cause to issue such number of Units to the Unit Holder that approximately equates the value of the Cash Dividend for the period. The issue price shall be

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determined on the basis of the ex- NAV at the Distribution Date after appropriation of the distribution but without any charge of the front end load normally deducted from the Offer Price. The issuance of the additional Units shall be made, net of any taxes, charges and duties that the Management Company or the Trustee is obliged to recover from the Unit Holder.”

11. Amendment in sub-clause 5.5.2

In sub-clause 5.5.2 of the Offering Document, in the first line, after the words “The Unit Holder” and before the words “may in writing” the followings words are added:

“of Income Units”

In the last line, after the words “entitled to” and before the words “Fund Units” the words “additional” is added.

After the said amendments, sub-clause 5.5.2 reads as under:

“The Unit Holder of Income Units may in writing at the time of opening of an account in the Unit Holder Register during the first purchase of Units or may by completing the prescribed Service Request Form at a later date instruct the Management Company to reinvest the future dividends to which he will be entitled to additional Fund Units.”

12. Amendment in sub-clause 5.6.1

In sub-clause 5.6.1 of the Offering Document, in the first line, after the words “bonus Units” and before the words “on each relevant” the followings words are added:

“for Growth Units”

In the third line, the words “Trustee” is deleted and replace with the word “Registrar”.

After the said amendment, sub-clause 5.6.1 reads as under:

“In case of distribution in the form of bonus Units for Growth Units on each relevant distribution date(s) the Management Company shall determine the amount available for distribution as bonus Units and accordingly advise the Registrar of the same for onward action, if any. Such Units shall be added to the holding of the Unit Holders.”

13. Amendment in sub-clause 5.6.2

In sub-clause 5.6.2 of the Offering Document, in the first line, after the words “A Unit Holder” and before the words “may receive” the followings words are added:

“of Growth Units”

After the said amendment, sub-clause 5.6.2 reads as under:

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“A Unit Holder of Growth Units may receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Registrar in writing through Service Request Form prior to the dividend declaration for any Relevant Period(s). The NAV applicable to the encashment of such Units will be the ex- NAV after the distribution.”

14. Amendment in sub-clause 7.3

In sub-clause 7.3 of the Offering Document, in the second line, the word “as bonus Units or cash dividends” appearing after the words “payout ratio” and before the words “in order to avail” is deleted.

After the said amendment, sub-clause 7.3 reads as under:

“The Fund shall distribute 90% of the amount available for distribution or any other payout ratio in order to avail tax exemption or any other benefits in the interest of the Unit Holder.”