

**Second (2<sup>nd</sup>) 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**

<b>Category of Fund</b>	<b>Risk Profile</b>	<b>Risk of PrincipalErosion</b>
Sovereign Income Scheme	Medium	Principal at Medium Risk

**MANAGED BY**

**Alfalah Asset Management Limited**

**Dated: December 31, 2023**

**Second (2<sup>nd</sup>) Supplement dated December 31, 2023 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 second (2<sup>nd</sup>) Supplement to the Offering Document, under Regulation 44(6) & 44(9) of the NBFC & NE Regulations 2008 vide email dated January 2, 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.

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**1. Amendment in Clause 2.2.9 “Investment Policy of the Allocation Plan”**

Under the heading “Investment Policy of the Allocation Plan”, name of new plan has 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*
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After the above mentioned change, under the heading “Authorized Investment Table”, a new investment avenue has been specified in order to accommodate term based plans WATM & Time to maturity of single asset details for the purpose of clarity. The authorized Investment Table shall be read as entirety as follows:

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Second Supplemental Offering Document - Alfalah Islamic Sovereign Fund

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 Microfinance Banks, NBFC & Modarabas	A-	A-	25%	0%	4	Term Deposits, PLS Savings Deposits, money market placements and other clean placements of funds with Microfinance Banks, NBFC & Modarabas	A-	A-	25%	0%
5	Short Term Islamic Commercial Papers /	AA-	A2 (short term)	30%	0%	5	Short Term Islamic Commercial Papers /	N/A	A2 (short term)	30%	0%

	<i>Sukuks with maturity up to six (06) months</i>		<i>rating)</i>				<i>Sukuks with maturity up to six (06) months</i>		<i>rating)</i>			
<b>6</b>	<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>	N/A	N/A	<i>As allowed by SECP &amp; SBP</i>	0%		<b>6</b>	<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>	N/A	N/A	<i>As allowed by SECP &amp; SBP</i>	0%
<b>7</b>	<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>As allowed by SECP</i>	0%		<b>7</b>	<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>As allowed by SECP</i>	0%

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