

**TWELFTH SUPPLEMENTAL
TO THE
OFFERING DOCUMENT OF
ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND
(ALHIAAF)**

**MANAGED BY
MCB ARIF HABIB SAVINGS AND INVESTMENTS
LIMITED**

Dated: 26 April, 2021

This Twelfth Supplemental dated 26 April, 2021 to the Offering Document of Alhamra Islamic Active Allocation Fund which was approved on December 23, 2016.

Managed by MCB Arif Habib Savings and Investments Limited, an Asset Management Company managing Collective Investment Schemes, registered with the Securities and Exchange Commission of Pakistan (SECP) and regulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008)

Alhamra Islamic Active Allocation Fund (the Fund/the Scheme/the Trust/the Unit Trust/ALHIAAF) has been established in Pakistan as an Open-ended unit trust scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the “Regulations”) and registered under the Trust Act 1882 (11 of 1882) by a Trust Deed dated November 24, 2016, entered into and between MCB Arif Habib Savings and Investments Limited, as the Management Company and the MCB Financial Services Limited, as the Trustee of the Scheme.

Sub-clauses in the Offering Document are revised with regard to the addition of Alhamra Smart Portfolio

1. Amendment in Sub-clause 1.5:

The Sub-clause 1.5 of the Offering Document is amended and to be read as follows;

1.5 Initial Offer and Initial Period

- a) **Alhamra Islamic Active Allocation Plan-I**
Initial Offer is made during the Initial Period which will be **two Business Days** and begins at the start of the banking hours on **December 27, 2016** and shall end at the close of the banking hours on **December 28, 2016**. During this period, Units will be issued at Initial Price and accordingly, no Unit shall be redeemable during the Initial Period of Offer.
- b) **Alhamra Islamic Active Allocation Plan-II**
Initial Offer is made during the Initial Period which will be eleven Business Days and begins at the start of the banking hours on **1st June, 2017** and shall end at the close of the banking hours on **15th June, 2017 both days inclusive**. During this period, Units will be issued at Initial Price and accordingly, no Unit shall be redeemable during the Initial Period of Offer.
- c) **Alhamra Smart Portfolio (ALHSP)**
Initial Offer is made during the Initial Period which will be one Business Days and begins at the start of the banking hours on 10 June, 2021 and shall end at the close of the banking hours on 10 June, 2021 both days inclusive. During this period, Units will be issued at Initial Price and accordingly, no Unit shall be redeemable during the Initial Period of Offer.

2. Amendment in Sub-clause 2.2:

The Sub-clause 2.2 of the Offering Document is amended and to be read as follows;

2.2 Allocation Plans

The following Allocation Plans are offered under this Offering Document:

1. **Alhamra Islamic Active Allocation Plan-I**
2. **Alhamra Islamic Active Allocation Plan-II**
3. **Alhamra Smart Portfolio**

Other plans may be offered under the Alhamra Islamic Active Allocation Fund in the future through supplemental(s) to this Offering Document as covered in Clause 2.2.7.

3. Addition in Sub-clause 2.2.1:

Addition of Alhamra Smart Portfolio in Sub-clause 2.2.1 of the Offering Document and to be read as follows;

2.2.1 Investment Objectives of Allocation Plans

Alhamra Smart Portfolio

The objective of Alhamra Smart Portfolio (ALHSP) is to provide opportunity to the Unit Holders to earn potentially high return by taking stock market exposure while minimizing risk to capital.

4. Addition of Alhamra Smart Portfolio in table of Sub-clause 2.2.2:

The sub-clause 2.2.2 of the Offering Document is amended and to be read as follows;

2.2.2 Allocation Plans and underlying allocations to Mutual Funds

The Allocation Plans under this Scheme shall invest only in permissible Shari'ah Compliant Collective Investment Schemes (clause 2.2.3) or in cash and/ or near cash instruments as allowed under Circular 7 of 2009, as per the CIS categories and percentages defined in table in this clause, and as approved by the Commission and Shari'ah Advisor.

Initially the Scheme shall offer Allocation Plans as described above. The indicative allocation of the different Allocation Plans to the underlying Mutual Funds shall be as stated below:

Allocation Plan	Indicative % allocation invested in each CIS Category		
	Islamic Equity Scheme(s) Category	Islamic Income Scheme(s) Category	Cash and near Cash Instruments
Alhamra Islamic Active Allocation Plan-I	0% to 100%	0% to 100%	0% to 10%
Alhamra Islamic Active Allocation Plan-II	0% to 100%	0% to 100%	0% to 10%

Allocation Plan	Indicative % allocation invested in each CIS Category		
	Alhamra Islamic Stock Fund (ALHISF)	Alhamra Islamic Income Fund (ALHIIF)	Cash and near Cash Instruments
Alhamra Smart Portfolio	25%	75%	0% to 10%

Note:

- I. The actual allocation percentages may vary on account of market factors and investments in Cash in bank accounts as permitted for the Fund of Funds Category, as per SECP directive from time to time.
- II. In case of Cash and near Cash Instruments, maximum limit of 10% may be breached due to receipt of investment proceeds into the bank accounts or accumulation of cash into bank accounts for meeting redemption requirements.

Notes for ALHSP:

- (a) The above indicative allocation percentages for ALHIIF and ALHISF shall be calculated on total investments of ALHSP. For this purpose, total investment means investment in ALHIIF and ALHISF. In case of breach in percentage due to market price appreciation then it shall be rebalanced at such frequency as decided by the Management Company. .
- (b) Any investment (realized) received in ALHSP after netting off with redemptions/ conversions out (if any); and conversion inflows shall be carried out on the basis of actual allocation percentage of ALHIIF and ALHISF in the portfolio of ALHSP as on the date of NAV applied for these transactions.
Further any investment/ redemption/ conversion made by ALHSP in ALHISF and ALHIIF shall become part of the Portfolio of ALHSP on the Business Day when its issuance/ redemption/ conversion are made part of the Net Assets of ALHSP.
In case of any discrepancy of investment form in ALHSP including non-realization of investment amount, if resolved after 10:30 am i.e. NAV announcement cut off, then it would be made part of portfolio of ALHSP on next business day.

5. Addition of Alhamra Smart Portfolio in Sub-clause 2.2.4:

Addition of Alhamra Smart Portfolio in Table of sub-clause 2.2.4 of the Offering Document read as follows;

Allocation Plan	Benchmark
Alhamra Smart Portfolio	KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the Scheme.

6. Amendment with regard to number of days in Sub-clauses 2.5, 2.2.7(II), 4.7.1, 6.1.2, 6.2.1:

The Sub-clauses 2.5, 2.2.7(II), 4.7.1, 6.1.2, 6.2.1 of the Offering Document are amended with regard to number of days and to be read as follows;

The number of days i-e 90 days mentioned in the above sub clauses shall be amended to 30 days as allowed under NBFC Regulations, 2008

7. Addition of Alhamra Smart Portfolio in Sub-clause 2.2.12:

Sub-clauses 2.2.12.5 and 2.2.12.6 in the Offering Document are added and to be read as follows;

2.2.12 Investment Policy:

2.2.12.5 Alhamra Smart Portfolio (ALHSP):

- a) The allocation plan will be actively allocated between ALHISF and ALHIIF. The strategy of the ALHSP is that the investment will be rebalanced in the ratio of 75:25 between ALHIIF and ALHISF at such frequency as decided by the Management Company.

The Portfolio would be adjusted to invest more in ALHISF when the stock prices drop and cash out when the prices increase. Thus attempt to make volatility in the stock market work for the benefit of the Unit Holder. At the same time the portfolio is maintained with 75% of the value in medium risk scheme i.e. ALHIIF, thereby reducing the risk as compared with an all equity portfolio.

- b) The Management Company may seek to invest in the following Collective Investment Schemes.

Islamic Income	Islamic Equity
Alhamra Islamic Income Fund	Alhamra Islamic Stock Fund

- c) The Management Company may invest or divest in/ from above tabulated Collective Investment Schemes (CIS) or in cash and/or near cash instruments.
- d) Investments/ redemption/ conversions by ALHSP in the aforementioned Collective Investment Schemes shall be accepted and processed on the basis of electronic mail among the Trustees etc. without receipt of any physical forms i.e. Investment form/ Redemption form and Conversion form respectively.
- e) Investment/ Redemption/ Conversion in ALHSP shall be accepted on form receipt basis. Therefore, applicable NAV for any investment/ redemption/ conversion by ALHSP in the above mentioned collective investment scheme would be the day when form is received within the cut-off time of ALHSP. In case of any discrepancy in investment form including non-realization of investment amount, applicable NAV of ALHIIF and ALHISF would be the day on which discrepancy is resolved. A report with regard to Investment/ Conversion/ Redemption shall construe as unit holder activity transaction and shall be shared with the trustees on next business day of the relevant schemes for processing of the transaction(s).

2.2.12.6 Basic features of ALHSP

- a) **Term/ Duration of the allocation plan:** The Alhamra Smart Portfolio shall be perpetual.
- b) **Subscription Period after Initial Offer Period:** Subsequently, the Public Offering will be made at the Offer Price and redeemed at the Redemption Price. The Management Company will fix the Offer (Purchase) and Redemption (Repurchase) Prices for every Dealing Day on the basis of the Net Asset Value (NAV). The NAV based price shall be fixed after adjusting for the Sales Load as the case may be and any Transaction Costs that may be applicable. Only Type "B" Units shall be issued at Offer Price to the investors during subscription period.
- c) **Front-end Load:** up to 3% for Individual and Nil for Corporate.

Back End Load: Nil

d) **Rebalancing of the Alhamra Smart Portfolio**

Rebalancing is the adjustment to an investment portfolio that realigns the portfolio with their targeted allocation of assets. The Management Company will allocate ALHSP's Net Assets in the ratio of 75% (ALHIIF) and 25% (ALHISF); however, the un-invested amounts or funds, if any, may be kept in cash and/ or near cash instruments.

Rebalancing Example:

If the predefined allocation changes at any point in time; the portfolio would be adjusted by bring back the allocation in predefined limits i.e. where the portfolio allocation changes from 75% to 70% in ALHIIF and from 25% to 30% in ALHISF; the rebalancing of the portfolio would be done to align the portfolio in 75:25 ratio.

Rebalancing of the Alhamra Smart Portfolio shall be done at such frequency as decided by the Management Company for keeping the portfolio of the allocation plan in the ratio of 75:25.

8. Amendment in Sub-clause 2.3:

The Sub-clause 2.3 of the Offering Document is amended and to be read as follows;

2.3 Investment outside Pakistan

The Trustee shall, if requested by the Management Company, open Bank Accounts titled "MCBFSL – Trustee Alhamra Islamic Active Allocation Fund- Plan-I", "MCBFSL – Trustee Alhamra Islamic Active Allocation Fund- Plan-II" and MCBFSL – Trustee Alhamra Smart Portfolio in foreign countries where investments are made on account of the Fund, if such investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks. The opening, operation and maintenance of such Bank Accounts in foreign countries shall always be subject to the approval of the SBP and SECP and the exchange control regulations, as well as any directives of the SBP and the Commission. Any such proposal by the Management Company shall be submitted to the Commission and SBP with the prior consent of the Trustee. While opening and operating any type of account and/or making investments in outside Pakistan countries on the instructions of the Management Company, if the Trustee is required to provide any indemnities to outside Pakistan parties then Trustee and the Fund would be counter indemnified by the Management Company to such extent.

9. Amendment in Sub-clause 3.14.1(a):

The Sub-clause 3.14.1(a) of the Offering Document is amended and to be read as follows;

3.14.1 Bank Accounts

- (a) The Trustee, at the request of the Management Company, shall open Shari'ah compliant Bank Account(s) and current account in conventional banks titled "**MCBFSL-Trustee Alhamra Islamic Active Allocation Fund- Plan-I**", "**MCBFSL-Trustee Alhamra Islamic Active Allocation Fund- Plan-II**" and "**MCBFSL-Trustee Alhamra Smart Portfolio**" for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to

the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds.

10. Amendment in Sub-clause 4.2:

The Sub-clause 4.2 of the Offering Document is amended and to be read as follows;

4.2 Types of Units

I. Alhamra Islamic Active Allocation Plan-I

- a. Type "A" (Pre-IPO Units) shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company.
- b. Type "B" Units shall be issued to the investors and may be charged a Front-end Load during and after the Initial Offering Period at the discretion of the Management Company. The Units after Initial Offer Period shall be issued at the Offer Price till 28th February, 2017; after that no issuance of units shall be allowed.
- c. Type "C" (re-investment of Cash Dividend): are the Units, which will be issued to the Unit Holders in case of reinvestment of any Cash Dividends from time to time, net of any applicable taxes.

Type A and B units will be charged a Contingent Load/ Back End Load if redeemed/ converted before the maturity of the scheme, as disclosed in the annexure B of this offering document

II. Alhamra Islamic Active Allocation Plan-II

- a. Type "A" (Pre-IPO Units) shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company.
- b. Type "B" Units shall be issued to the investors and may be charged a Front-end Load during and after the Initial Offering Period at the discretion of the Management Company. The Units after Initial Offer Period shall be issued at the Offer Price till 31st August, 2017; after that no issuance of units shall be allowed.
- c. Type "C" (re-investment of Cash Dividend): are the Units, which will be issued to the Unit Holders in case of reinvestment of any Cash Dividends from time to time, net of any applicable taxes.

Type A and B units will be charged a Contingent Load/ Back End Load if redeemed/ converted before the maturity of the scheme, as disclosed in the annexure B of this offering document

III. Alhamra Smart Portfolio

- a. Type "A" (Pre-IPO Units) shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company.
- b. Type "B" Units shall be issued to the investors and may be charged a Front-end Load during and after the Initial Offering Period at the discretion of the Management Company.
- c. Type "C" (re-investment of Cash Dividend): are the Units, which will be issued to the Unit Holders in case of reinvestment of any Cash Dividends from time to time, net of any applicable taxes.

Irrespective of the different types of Units as set out above, all Units of an Allocation Plans issued from time to time shall rank pari passu inter se and shall have such rights as are set out in the Trust Deed and this Offering Document unless stated otherwise.

If a Unit Holder does not state his preference between getting a cash dividend or reinvesting the dividend during the account opening stage, he will automatically be put in the cash dividend category. However, before a dividend is announced the Unit Holder can change this, opting for a dividend reinvestment using a “Special Request Form”. Provided; in case of Alhamra Smart Portfolio, the dividend shall be reinvested.

11. Amendment in Sub-clause 4.4.4 (b):

The Sub-clause 4.4.4(b) of the Offering Document is read as follows;

4.4.4(b)

Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed “Account Payee only” as specified below;

- Demand draft or Pay order in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-I**
- Online transfer to Bank Account(s) of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-I**
- Cheque (account payee only marked in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-I**)
- Demand draft or Pay order in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-II**
- Online transfer to Bank Account(s) of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-II**
- Cheque (account payee only marked in favor of **MCBFSL Trustee- Alhamra Islamic Active Allocation Fund- Plan-II**)
- Demand draft or Pay order in favor of **MCBFSL Trustee- Alhamra Smart Portfolio**
- Online transfer to Bank Account(s) of **MCBFSL Trustee- Alhamra Smart Portfolio**
- Cheque (account payee only marked in favor of **MCBFSL Trustee- Alhamra Smart Portfolio**)
- MCBFSL Trustee MCBAH Funds (for collection accounts)

12. Addition of Note in Sub-clause 6.4:

Addition of Note in sub clause 6.4 of the Offering Document is read as follows;

Note: Expenses such as Legal and related costs, Auditors' Fees, Fund rating fee, Listing Fee including renewals payable to the Stock Exchange(s), Charges and levies of stock exchanges, national clearing and settlement company, CDC charges, Shariah Advisory Fee etc. shall be borne equally among all the Plans of Alhamra Islamic Active Allocation Fund.

13. Amendment in Sub-clause 11.16:

Amendment in sub clause 11.16 of the Offering Document is read as follows;

11.16 “Business Day” means any day on which local banks and Stock Exchange(s) are open for business in Pakistan.

14. Addition of Sales Load and Management Fee of Alhamra Smart Portfolio in Annexure B to the Offering Document:

Alhamra Smart Portfolio

For Individual - Front end load up to 3%

For Corporate* - Front end load Nil

***Corporate** includes all the Unit Holders other than the individuals who hold valid National Identity Card/ Pakistan Origin Card or valid passport including foreigners.

Back End Load Nil

Current level of Management Fee:

Alhamra Smart Portfolio

10% of accrued bank profit to be calculated on a daily basis.