

**SECOND SUPPLEMENTAL TO
THE
OFFERING DOCUMENT OF
AL HABIB FIXED RETURN FUND**

**MANAGED BY
AL HABIB ASSET MANAGEMENT LIMITED**

Dated: March 30, 2023

This Second Supplemental dated March 30, 2023 to the Offering Document of AL Habib Fixed Return Fund approved by the Securities and Exchange Commission of Pakistan (SECP) on April 18, 2023.

Managed by AL Habib Asset Management Limited, an Asset Management Company registered under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003).

AL Habib Fixed Return Fund (the Fund/ the Scheme/ the Trust/ the Unit Trust/ AHFRF) 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 Sindh Act, 2020 by a Trust Deed dated November 17, 2022, entered into and between AL Habib Asset Management Limited, as the Management Company and the Central Depository Company of Pakistan Limited, as the Trustee of the Scheme.

Objective of the Supplementary Offering Document

AHAML is adding new plans under the Fund.

Words and expressions used but not defined in this supplemental shall have the same meanings as assigned to them in offering document of AHFRF and any supplemental thereto.

All changes in the supplemental offering document pertains to Plan 3 to 10.

AHFRF - Plan 1 & 2 have been launched. Maturity date of Plan 1 is June 02, 2023 (79 days) and Plan 2 is June 16, 2023 (80 days).

Following clauses to the Offering Document have been amended and to read in their entirety as follows:

1 Amendment in Risk profile:

RISK PROFILE: LOW

RISK OF PRINCIPAL EROSION: PRINCIPAL AT LOW

(Risk profile will be assigned in accordance with the investments made by the Plan(s))

2 Amendment in Sub clause 1.5 to the Offering Document:

Duration

The duration of the Fund is perpetual, however the investment plan(s), offered under the Fund may be of limited time maturity. SECP or the Management Company may wind it up or revoke on the occurrence of certain events as specified in the Regulations or Clause **10.4** of this document.

Plan Name	Duration
AL Habib Fixed Return Fund – Plan 3 to 10	Up to four (4) years after the close of subscription period. However, actual duration of the plan(s) shall be announced at the time of public offering via Term Sheet

3 Amendment in Sub clause 1.7 Initial Offer and Initial Period to the Offering Document:

AL Habib Fixed Return Fund - Plan 3 to Plan 10

Initial Offer is made during the Initial / Subscription Period which will begins at the IPO / subscription Start Date and shall end at the close of the banking hours of IPO / subscription End Date. Actual IPO / subscription date of each plan will be disclosed in the Term Sheet.

During the initial offering / subscription period, Units will be issued at prevailing price. No Units shall be redeemable during the initial offering / subscription period. The Management Company will announce the date of Initial Offering / Subscription period separately for other Allocation Plan(s) launched under the Scheme.

The Allocation Plan(s) shall be closed for new subscriptions after the close of the Initial offering / subscription period; however, Management Company may reopen the subscription of units with the consent of the Trustee and prior approval of the Commission.

4 Amendment in Sub clause 2.1.1 Investment Objective to the Offering Document:

Investment Objective of AL Habib Fixed Return Fund - Plan 3 to Plan 10 (AHFRF Plan 1 to Plan 10)

The **AL Habib Fixed Return Fund - Plan 3 to Plan 10 (AHFRF Plan 3 to Plan 10)** are Allocation Plans under “AL Habib Fixed Return Fund (AHFRF)” with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in Instruments for a specific duration.

5 Amendment in Sub clause 2.2 Investment Policy to the Offering Document:

Investment Policy of AL Habib Fixed Return Fund - Plan 3 to Plan 10 (AHFRF Plan 3 to Plan 10)

The Allocation Plan(s) being launched initially will be allocated between authorized investable avenues as mentioned in the authorized investments table. The Allocation Plan(s) shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.

6 Amendment in Sub clause 2.3 Benchmark to the Offering Document:

Amended Text to be read as;

Benchmark of AL Habib Fixed Return Fund Plan – 3 to Plan 10 (AHFRF Plan- 3 to Plan 10)

- The benchmark shall be 70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan(s) at the time of plan(s) launch.

2.3.1 Authorized Investments Plan 3 to 10

S. No.	Asset Class	Entity / Instrument Rating	Maximum Exposure Limit (% of NAV)	Maturity
1.	Government Securities	N/A	100%	N/A
2.	Money Market Placements	AA	100%	Maturity equal to the actual maturity of the Plan(s)
3.	Deposits	AA	100%	
4.	Certificate of Deposit	AA	100%	
5.	Certificate of Musharakas	AA	100%	
6.	Term Deposit Receipts	AA	100%	
7.	Cash in Bank Accounts	AA	100%	N/A

- Weighted average time to maturity of the 90% net assets shall not exceed maturity of the respective plan. This condition shall not apply to securities issued by the Federal Government.

The asset allocation of each plan will be announced before launch of such plan

The investment in asset classes mentioned above will be subject to such Exposure limits and minimum ratings as specified herein and/or otherwise as specified in the Regulations/ Directives/ Circulars.

7. Amendment in Sub clause 3.12.1 (a) Bank Account to the Offering Document:

The Trustee, at the request of the Management Company, shall open Bank Account(s) titled “**CDC-Trustee AL Habib Fixed Return Fund**”, “**CDC- Trustee AL Habib Fixed Return Fund – {Name of Plan}**” (**Plan 1 to Plan 10**) or any other account as deemed necessary, with abbreviated/facilitated titles 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.

8. Amendment in Sub clause 4.4.4 (b) Purchase of Units to the Offering Document:

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 or through digital mean offered by 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:

- CDC Trustee AL Habib Fixed Return Fund
- CDC Trustee AL Habib Fixed Return Fund – {Name of Plan}

9. Amendment in Sub clause 4.4.5 Minimum Amount of Investment to the Offering Document:

Initially Units shall be issued at Par Value of Rs. 100 and minimum amount of investment may vary from plan to plan and thereafter the minimum amount for investment would also vary from plan to plan per transaction, at applicable NAV or purchase price, other than reinvestment of Dividend, Bonus Units or refunds including capital gain tax. The minimum amount of investment of each plan will be announced before launch of such plan)

10. Amendment in Clause 11 Glossary:

“Redemption Price or Repurchase Price” means the amount to be paid to the relevant Holder upon redemption of that Unit, such amount to be determined pursuant to this document. However, in case of early redemption, such payment will be made after the deduction of contingent load (if any).

11. Amendment in Annexure B:

CURRENT LEVEL OF MANAGEMENT FEE AND CONTINGENT LOAD

Contingent Load- Contingent load shall be charged on redemption prior to initial maturity and shall commensurate with net loss incurred due to Early Redemption, as determined by the Management Company.

Management Fee Structure of Plans of AHFRF:

The Management Company shall charge a fee at the rate of up to 10% of the gross earnings of the scheme, which shall be within allowed expense ratio limit.

The actual rate of management fee on the basis of Net Assets shall be disclosed in the Fund Manager Report.