

SUPPLEMENTARY OFFERING DOCUMENT OF
MEEZAN MAHANA KHARCH ACCOUNT

An Administrative Plan managed by Al Meezan Investment Management Limited, a public limited company incorporated under companies ordinance 1984 and licensed under Non Banking Finance Companies (Establishment and Regulation) Rules 2003

SECP has approved this Supplementary Offering Document vide its letter No: **SCD/AMCW/MMKA/138/2012** dated **May 16, 2012** and its amendment vide letter No: **SCD/AMCW/MIIF/292/2015** dated **March 30, 2015** under regulation 54 of NBFC Regulations 2008.

It must be clearly understood, that in giving this approval, SECP does not take any responsibility of the financial soundness of the Plan nor for the accuracy of any statement made in this Supplementary Offering Document.

1. Introduction:

In line with the needs of our valued investors, Al Meezan Investment Management is offering the Meezan Mahana Kharch Account which shall provide various payment options to its customers who wish to maintain reasonable liquidity to meet their day to day requirements. Various payment options constitute the Meezan Mahana Kharch Account, which shall allow systematic redemptions of units.

All transactions under this arrangement are governed by the Trust Deed of the Fund selected by the customer, unless specifically altered by this document; all the terms and conditions of the Offering Document of the respective Fund shall apply to the respective Units of the Fund in which investment is made under this Plan.

Notwithstanding anything contained in any prior arrangement of Meezan Mahana Kharch Account, terms and conditions stated herein shall be effective from the date of approval of this document.

2. Plan Types

This administrative arrangement allows option of periodic profit. The investor will have the option to choose the Fund on which the saving plan should be based on. At present, investors can invest in the following Plans:

a) Meezan Mahana Kharch Account- MCF (MMKA- MCF)

Allocation

Asset Class	Percentage Allocation
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Meezan Cash Fund (MCF)	100%
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Existing administrative arrangement offered as described in clause 2.5 of the Offering Document of Meezan Cash Fund, shall be referred to as Meezan Mahana Kharch Account –Meezan Cash Fund (MMKA –MCF), and shall be governed by the Trust Deed and Offering Document of Meezan Cash Fund, and any Supplement to the same thereof.

b) Meezan Mahana Kharch Account- MSF (MMKA- MSF)

Allocation

Asset Class	Percentage Allocation
Meezan Sovereign Fund (MSF)	100%

Existing administrative arrangement offered as described in clause 2.5 of the Offering Document of Meezan Sovereign Fund, shall be referred to as Meezan Mahana Kharch Account –Meezan Sovereign Fund (MMKA –MSF), and shall be governed by the Trust Deed and Offering Document of Meezan Sovereign Fund, and any Supplement to the same thereof.

c) Meezan Mahana Kharch Account- MIIF (MMKA- MIIF)

Allocation

Asset Class	Percentage Allocation
Meezan Islamic Income Fund (MIIF)	100%

This administrative arrangement offered shall be referred to as Meezan Mahana Kharch Account –Meezan Islamic Income Fund (MMKA –MIIF), and shall be governed by the Trust Deed and Offering Document of Meezan Islamic Income Fund, and any Supplement to the same thereof.

3. Administrative Arrangements

3.1 At present, there is no minimum amount of investment to be maintained by Investor, for the administrative arrangement described above. However, the Management Company may introduce a minimum amount of investment to be maintained by Investor for purposes of this administrative arrangement, at a later date by giving a prior notice of at least 30 days.

3.2 The Investor can opt for the following 4 options

3.2.1 Fixed Monthly Payment: The Unit Holder shall receive a fixed amount pre determined by the Unit Holder at the time of investment. This amount shall not be less than Rs.500.

3.2.2 100% Appreciation Payment: The Unit Holder shall receive an amount equal to the actual growth in investment value at the end of each period. If investment value declines during the Period, no payment will be made.

3.2.3 90% Appreciation Payment with savings: The Unit Holder shall receive an amount equal to 90% of the actual growth in investment at the end of

each period. If investment value declines during the Period, no payment will be made.

3.2.4 90% Appreciation Payment with remaining at year end: The Unit Holder shall receive an amount equal to 90% of the actual growth in investment value and the remaining amount shall be paid to the Unit Holder at year end. If investment value declines during the Period, no payment will be made.

- 3.3 The amount mentioned in clause 3.2 above shall not be less than Rs. 500, in which case the amount so determined shall remain invested in the fund. The Management Company may alter this amount with the consent of the Trustee and announce on its website giving at least 30 days prior notice before its implementation.
- 3.4 All Units issued under the administrative arrangement shall rank pari passu with units of MCF and/ or MSF and/or MIIF, as the case may be.
- 3.5 All Units issued under this administrative arrangement shall be growth units.
- 3.6 The period for periodic payment as decided by the Investor shall be monthly, quarterly, half yearly or annually.
- 3.7 The periodic payment options mentioned in clause 3.2 above, shall be made by redeeming the required number of Units, **hence the number of Units held by the Investor shall decrease.** In such instances, where the NAV of the Fund subsequently decreases, the Investment value shall as a result also decrease.
- 3.8 The payment shall be processed by the Management Company between the 23th and 25th of each month. Provided that if 23rd to 25th of the last month of a certain Regular Interval is not a Business Day the redemption arrangements of Income Units would be transferred to the next Business Day. Redemption due to periodic payment for administrative arrangement/ bonus encashment, the maximum interval between date of NAV applied for redemption under administrative arrangement and the issuance of payment instrument to the Unit Holder shall not exceed six (6) Business Days
- 3.9 The Management Company reserves the right to amend the date of periodic profit payment keeping in view the interest of the Unit Holders in consultation with the Trustee and under intimation to the Unit Holders.

4. Objectives:

Keeping in view the requirements of investors, Al Meezan Investments shall provide payment options to its Subscribers through systematic redemption of Units for the Fund(s) selected by the Investor. These payment options will facilitate those Subscribers who wish to invest their savings in the Fund(s) being Offered as per Clause 2 of this Plan, yet want to meet their periodic (monthly, quarterly, semi-annual, annual) liquidity requirements through cash flows based on returns on their investments.

5. Modifications to this Plan:

- 5.1. In the event any changes are introduced in the Plan after an existing Subscriber has made an initial investment in the Plan, the existing Subscriber shall be given a prior notice of at least 90 days to comply with the changes. Any subsequent investments shall be in accordance with any changes so made. Provided however that the Unit Holder may opt to redeem his or her Investment without any exit charge
- 5.2. The Management Company may at any time, in consultation with the Trustee, and with prior notice of at least 90 days to the Unit Holders, discontinue the Plan under a particular Fund. Provided that the Unit Holder may opt to redeem his or her Investment, or to subscribe to Units of any other Fund being offered under the Plan without charge of any load.
- 5.3. Units issued under MMKA will be growth Units of the Fund to which the Investor subscribes.

6. Front End Sales Load

The current level of Front End Sales Load is:

Plan Type	Front End Sales Load
MMKA- MSF	0.50%
MMKA- MCF	Nil
MMKA-MIIF	0.50%

- 6.1. In case of discontinuation of plan by the Investor, redemption of Units will be done and proceeds paid to the Investor as per Trust Deed and Offering Document of the respective Fund to which the Investor has subscribed.
- 6.2. All Units and fractions of each individual Fund being offered under this Plan thereof shall rank pari passu as to the assets, earnings and receipt of the dividend or distribution of that Fund, as may be declared by the Management Company.

7. Winding Up:

- 7.1. In the event of winding up of the underlying Fund(s) to which the Investor has subscribed, the Account of the Subscriber shall be discontinued and the Units standing to the credit of the Subscriber shall be dealt with in the same manner as the rest of the Units in that particular Fund.

8. Risk Disclosure:

In addition to the risks disclosed in the Offering Documents of the underlying Fund(s) to this Plan, investment in Meezan Mahana Kharch Account is exposed to the following risks:

- (A) The NAV of the Fund may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures.
- (B) The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the Fund invests.
- (C) Investors in the Plan are not offered any guaranteed returns.
- (D) The target amount of monthly income and returns thereon in the underlying Fund(s) are based on best estimates of the performance of that particular Fund and is dependent on the ability to continue investing in similar investments on maturity of the investments in the portfolio. There is no guarantee as to the actual performance of the underlying Fund(s).
- (E) Investors may note that the Fund Manager's investment/ asset allocation decisions for the Funds may not be always profitable.
- (F) The underlying Fund(s) is/are subject to being wound up under certain circumstances as explained in the Offering Document. In the event of the Funds being wound up, Units standing to the credit of the Unit Holder shall be dealt with in the manner as specified in clause 7.1 above.
- (G) In case of Fixed Monthly Payment option mentioned under clause 3.2, the initial amount invested may deplete in case sufficient returns are not earned to cover the amount distributed to the Unit Holder.

9. All other Matters:

The Offering Document relating to the underlying Fund(s), shall apply to all such matters, relating to the investment in Units issued under the Fund(s).

“**Subscriber**” means an Investor/ Unit Holder in the Fund(s) being offered under MMKA.

All other definitions, terms and conditions, as per Offering Documents of the underlying Fund(s) to MMKA, shall apply unless stated otherwise.