

JS INVESTMENTS LIMITED

JS Islamic Hybrid Fund of Funds (JSIHFoF)

1st Supplement to the Offering Document

**(Shariah Compliant Fund of Funds Unit Trust Scheme With Allocation
Baskets/Plans)**

Wakalatul Istithmar Based Fund

7/17/2017

**The Shariah Advisor
Mufti Irshad Ahmed Aijaz
on behalf of Al Hilal Shariah Advisors (Pvt)Ltd**

First Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (JSIHFoF) dated 07-07-17

Managed by JS Investments (Pvt.) Limited, an Asset Management Company registered with the Securities & Exchange Commission of Pakistan (SECP) and regulated under the Non-Banking Finance Companies (NBFC) Rules 2003 and NBFC & NE Regulations 2008.

JS Islamic Hybrid Fund of Funds is established in Karachi, Pakistan as an open-end Fund by a Trust Deed, dated October 28, 2016 registered under the Trust Act, 1882 by and between JS Investments Limited, as the Management Company (Wakeel) and MCB Financial Services Limited, as the Trustee, and registered by Securities and Exchange Commission of Pakistan (SECP) as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the „Regulations“).

The Shariah Advisors of the Fund Mufti Irshad Ahmed Ijaz, on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited, has reviewed this 1st Supplemental Offering Document of the JSIHFoF and provided the consent that this Supplement to the Offering Document adheres to the principles of Shariah.

Effective from **7th July, 2017** the following clauses in the Offering Document are revised:

I. The following has been added to clause 2.2 (Investment Objective) - after the description for Munafa Plan:

JS Islamic Active Allocation Plan - I (JSIActAP-I)

“JS Islamic Active Allocation Plan – I” is a limited-term (2 Years) active allocation plan offered under “JS Islamic Hybrid Fund of Funds”. The plan aims to generate superior returns by dynamically managing the plan’s exposure in “Income Portion” and “Equity Portion” based on the investment view on the different asset classes.

The Pre-IOP of the JS Islamic Active Allocation Plan-I shall be from **17.07.2017** to **19.09.2107**, both days inclusive. The Plan shall have a One (1) day IOP on **20.09.2017**. Maturity shall be two (02) years from the clearance of all outstanding proceeds from the Pre-IOP and IOP.

II. The Authorized Investments table defined under sub-clause 2.3.1 has been amended and replaced by the following:

Allocation Basket/Plan	Exposure Limits (as % of Net Assets)^			Minimum Rating Requirements		
	Income Portion	Equity Portion	Cash and/or Near Cash instruments *	Income Portion	Equity Portion	Cash and/or Near Cash instruments

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Mustanad	Up to 100%	0%	Up to 10%	n/a	n/a	Entity or Instrument rating: A
Mustahkem	Up to 100%	Up to 30%	Up to 10%	n/a	n/a	Entity or Instrument rating: A
Mutanasib	0%-100%	0%-100%	Up to 10%	n/a	n/a	Entity or Instrument rating: A
Mufeed	Up to 30%	Up to 100%	Up to 10%	n/a	n/a	Entity or Instrument rating: A
Munafa	0%	Up to 100%	Up to 10%	n/a	n/a	Entity or Instrument rating: A
JS Islamic Active Allocation Plan – I	0% - 95%	0% - 95%	5% - 10%	n/a	n/a	Entity or Instrument rating: A

* Requirements of Minimum exposure to Cash/ Near Cash instruments as per prevailing regulations shall apply. (SECP Direction 2 of 2017 requires Fund of Funds to hold at least 5% of net assets in Cash and Near Cash instruments.)

^ Based on rolling 90-days average

All other segments of the clause shall remain unchanged.

III. The Benchmark table defined under sub-clause 2.5.1 has been amended and replaced by the following:

Mustanad Basket/Plan	Weighted average daily return of KMI 30 index, six (6)/ three (3) month average deposit rates of three (3) 'A' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks, as selected by MUFAP based on actual proportion of the Equity Portion consisting of Shariah Compliant Equity Funds, Income Portion consisting of Shariah Compliant Income and Money Market Funds, and any Cash or Near cash instruments in each of the Allocation Baskets"
Mustahkem Basket/Plan	
Mutanasib Basket/Plan	
Mufeed Basket/Plan	
Munafa Basket/Plan	
JS Islamic Active Allocation Plan - I	

IV. The following has been added to the list of bankers defined under clause 3.16 (Bankers):

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(c) Bank Islami Limited.

All other segments of the clause shall remain unchanged.

V. The following additions have been made under sub-clause 3.16.1(a):

Bank accounts for Pre-Initial Offer Period (Pre-IOP):

8. **“MCBFSL Trustee – JSIHFOF JS Islamic Active Allocation Plan – I – Pre-IOP” or “MCBFSL Trustee – JSIHFOF JSIAAP-I – Pre-IOP”.**

Bank Accounts for Initial Offer Period (IOP), and subsequent to IOP:

8. **“MCBFSL Trustee – JSIHFOF JS Islamic Active Allocation Plan – I” or “MCBFSL Trustee – JSIHFOF JSIAAP-I” or “MCBFSL Trustee – JSIActAP-I”.**

All other segments of the clause shall remain unchanged.

VI. The table under sub-clause (b) of Clause 4.4.4 (Purchase of Units) has been amended and replaced by the following:

Allocation Basket/Plan	Pre-IOP - Bank Accounts for Demand Draft, Online transfer, or Cheques (account Payee only)	IOP and Subsequent to IOP - Bank Accounts for Demand Draft, Online transfer, or Cheques (account Payee only)
Mustanad	MCBFSL Trustee - Mustanad - Pre-IOP	MCBFSL Trustee - Mustanad
Mustahkem	MCBFSL Trustee - Mustahkem - Pre-IOP	MCBFSL Trustee - Mustahkem
Mutanasib	MCBFSL Trustee - Mutanasib - Pre-IOP	MCBFSL Trustee - Mutanasib
Mufeed	MCBFSL Trustee - Mufeed - Pre-IOP	MCBFSL Trustee - Mufeed
Munafa	MCBFSL Trustee - Munafa - Pre-IOP	MCBFSL Trustee - Munafa
JS Islamic Active Allocation Plan – I	MCBFSL Trustee – JS Islamic Active Allocation Plan – I – Pre-IOP	MCBFSL Trustee – JS Islamic Active Allocation Plan – I

All other segments of the clause shall remain unchanged.

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- VII. **Clause 4.4.5 (Minimum Amount of Investment) has been amended and replaced by the following:**

Subject to discretion of the Management Company (Wakeel), the minimum amount of initial investment size shall be as follows:

	Allocation Plan / Basket	Minimum Investment
1	Mustanad	One(1) Unit of the Allocation Plan / Basket
2	Mustehkam	One(1) Unit of the Allocation Plan / Basket
3	Mutanasib	One(1) Unit of the Allocation Plan / Basket
4	Mufeed	One(1) Unit of the Allocation Plan / Basket
5	Munafa	One(1) Unit of the Allocation Plan / Basket
6	JS Islamic Active Allocation Plan - I	PkR 10,000/-

The Management Company (Wakeel) reserves the right to alter the minimum amounts stated hereinabove after giving thirty days prior notice to the Unit Holders (Muwakkil). However, enhancement in current minimum monetary investments shall not take effect retrospectively.

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- VIII. **'Front-end | Back-end | Contingent Load' table defined under Annexure 'A' has been amended and replaced by the following:**

Front-end Load | Back-end Load | Contingent Load:

Allocation Basket/Plan	Front-end Load (as % of Net Assets (NAV))	Back-end Load (as % of Net Assets (NAV))	Contingent Load (as % of Net Assets (NAV))	
			Redemption during 1st year	Redemption during 2nd year
Mustanad	0.00%	Nil	n/a	n/a
Mustahkem	Up to 0.50%	Nil	n/a	n/a
Mutanasib	Up to 3.00%	Nil	n/a	n/a
Mufeed	Up to 3.00%	Nil	n/a	n/a
Munafa	Up to 3.00%	Nil	n/a	n/a
JS Islamic Active Allocation Plan - I	Up to 3.00%	Nil	4%	2%

All other segments of the Annexure shall remain unchanged.

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- IX. 'Dealing Hours' defined under Annexure C (Cut-off Timings) has been amended and replaced by the following:**

The Cut-off Time of the Fund before which Unit transactions shall be effectuated in the Fund including receiving applications for issuance, redemption and transfer of Units shall be **4:00 p.m.** on the applicable Dealing Day.

However, for the month of Ramadan, the Cut-off Time shall be **12:30 p.m.** on the applicable Dealing Day.

SHARIAH ADVISORY APPROVAL



July 06, 2017

Mr. Syed Ali Turab Alvi
Chief Strategy Officer
JS Investments Limited
7th Floor, The Forum, G-20, Block 9, Khayaban-e-Jami,
Clifton, Karachi

Subject: Consent on 1st Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (Shariah Compliant Fund of Funds Unit Trust Scheme with Allocation Baskets/Plans)

Assalam-u-Alaikum,

Dear Mr. Ali,

With reference to your letter dated July 06, 2017 regarding Consent on 1st Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (Shariah Compliant Fund of Funds Unit Trust Scheme with Allocation Baskets/Plans). We have reviewed and vet the enclosed offering document and found it to be in accordance with Shariah guidelines. We hereby give our Consent on 1st Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (Shariah Compliant Fund of Funds Unit Trust Scheme with Allocation Baskets/Plans) and give our No-objection for submission of the same to the Trustee and SECP for further processing.

Regards,



Faraz Younus Bandukda
Chief Executive



Mufti Irshad Ahmad Aijaz
Shariah Advisor

Al-Hilal Shariah Advisors (Pvt) Limited
(Formerly Fortune Islamic Services (Pvt) Limited)

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TRUSTEE CONSENT



MCB FINANCIAL SERVICES LIMITED

MCBFSL/COM/2393/17

July 6, 2017

Mr. Hasnain Raza Nensey
Chief Executive Officer
JS Investments Limited
7th Floor, The Forum,
G-20, Khayaban-e-Jami
Clifton, Block 9,
Karachi.

Dear Sir,

**REVISED CONSENT ON 1st SUPPLEMENTAL OFFERING DOCUMENT OF JS
ISLAMIC HYBRID FUND OF FUNDS**

We have reviewed the revised draft 1st supplemental offering document of JS Islamic Hybrid Fund of Funds and hereby provide our consent for onward submission of the same to the Securities & Exchange Commission of Pakistan for their approval.

Regards,

A handwritten signature in black ink, appearing to read 'Anwar'.

Khawaja Anwar Hussain
Chief Executive Officer

Cc: **Mr. Omar Yahya**
Deputy Director, NBFCD,
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue,
Blue Area, Islamabad

**First Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (JSIHFOF)
dated 07-07-17**

REGULATORY APPROVAL



Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department

No. SCD/AMCW/JSIHF/05/2017

July 07, 2017

The Chief Executive
JS Investments Limited,
7TH Floor, The Forum,
Block 9, Clifton
Karachi – 75530

SUBJECT: APPROVAL FOR FIRST SUPPLEMENTAL TO THE OFFERING DOCUMENT OF JS ISLAMIC HYBRID FUND OF FUNDS FOR LAUNCHING OF JS ISLAMIC ACTIVE ALLOCATION PLAN – I

Dear Sir,

Please refer to your application dated June 14, 2017 and subsequent correspondence dated July 06, 2017 on the subject noted above.

In this regard, I am directed to inform you that the first supplemental to the Offering Document of JS Islamic Hybrid Fund of Fund ("JSIHFOF" or "Fund") proposed by JS Investments Limited ("JSIL") has been acceded to by the Securities and Exchange of Pakistan subject to the condition that JSIL should ensure that the cumulative equity exposure of all asset allocation plans launched under JSIHFOF in JS Islamic Stock Fund shall not exceed 20% of net assets of that fund.

Further, you are advised to place the first supplement to offering document of JSIHFOF on the website of the Asset Management Company.

Yours truly,

Omar Yahya
Deputy Director

Cc to:

The Chief Executive Officer
MCB Financial Services Limited,
4th floor, Perdesi House,
2/1, R-Y-16, Old Queens Road,
Karachi.