JS INVESTMENTS LIMITED

JS Islamic Hybrid Fund of Funds (JSIHFoF)

4th Supplement to the Offering Document

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

Wakalatul Istithmar Based Fund

10/9/2019

The Shariah Advisor
Al Hilal Shariah Advisors (Pvt)Ltd

Fourth Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (JSIHFoF) dated 09-10-2019

Managed by JS Investments 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 (MCBFSL), 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 Aijaz, on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited, has reviewed this 4thSupplemental Offering Document of the JSIHFoF and provided the consent that this Supplement to the Offering Document adheres to the principles of Shariah.

Effective from **09-10-2019,** the following clauses in the Offering Document are added / revised:

I. The following has been deleted from clause 2.2 (Investment Objective):

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.

And replaced by the following

JS Islamic Capital Preservation Allocation Plan - 8 (JSICPAP-8)

"JS Islamic Capital Preservation Allocation Plan – 8" aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts /term deposits, while providing principal preservation of the Initial Investment Value at completion of the life of the Plan.

Fourth Supplement to the Offering Document of JS Islamic Hybrid Fund of Funds (JSIHFoF) dated 09-10-2019

II. The following has been inserted as sub clause 2.3.1 (Capital Preservation) in the document:

2.3.1 Capital Preservation

i. Capital Preservation is provided through the use of CPPI methodology and the Investment structure of the Plan as detailed in the sub- clause 2.3.2, and not through an undertaking by the Management Company or Trustee.

Capital Preservation means that the Net Realizable Value of investment shall not fall below the Initial Investment Value subject to Clause 2 (i) above, provided the investment is held till completion of the Life of the Plan as per the terms specified in this Offering Document. The Capital Preservation period shall begin from the commencement of the Life of the Plan.

ii. Capital Preservation shall not be valid if Units of the Plan are redeemed before completion of the Life of the Plan, and a Contingent Load shall be charged on such pre-mature redemptions, as per details in Clause 4.2 of this Offering Document.

iii. The investments in the Capital Preservation Segment of the Plan, as specified in Clause 2.3.2 shall only be triggered, on an occurrence of the Bond Event.

iv. Any redemption of units during the Life of the Fund on a specified date would be based on the NAV of the Fund on the day it is received within the cut-off time, as specified in Annexure B and will be charged a Contingent Load and the Capital Preservation does not apply in this case to such units.

v. Capital Preservation is only valid in terms of the current tax and legal environment of Pakistan and is subject to force majeure factors as specified in Clause 4.10 "Force Majeure" of this Offering Document.

vi. The Plan may be re-opened from time to time as and when determined by the Management Company with prior approval of the Commission under intimation to Trustee, Shariah Advisor and after providing notice to the investors in order to protect the interests of the Unit Holders of the Plan.

vii. Capital Preservation is also not valid in case Plan is terminated before the maturity date i.e. 2 years.

viii. The Plan shall be closed for new subscriptions after the close of the Initial Offering Period subject to clause 1.7 and 2.3.1.

Subsequently, sub-clauses originally numbered 2.3.1 to 2.3.4 have been renumbered as 2.3.2 to 2.3.5 respectively.

III. The following has been added to new sub-Clause 2.3.2:

JS Islamic Capital Preservation Allocation Plan – 8 (JSICPAP-8)

"JS Islamic Capital Preservation Allocation Plan – 8" is a limited-term (2 Years) Constant Proportion Portfolio Insurance (CPPI) based allocation plan offered under "JS Islamic Hybrid Fund of Funds". The Plan aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts /term deposits, while providing principal preservation of the Initial Investment Value at completion of the life of the Plan.

The Pre-IOP of the JS Islamic Capital Preservation Allocation Plan - shall be from _____ to _____, both days inclusive. The Plan shall have a One (1) day IOP on _____. The

Plan's life shall start after clearance of all proceeds from Pre-IPO and IOP.

Maturity shall be two (02) years from the starting date of the Plan's life.

- JSICPAP-8 will be dynamically allocated between the Equity Portion (Shariah Compliant Dedicated Equity Funds) and Income Portion (Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts /term deposits) at Pre-defined Intervals by using the Constant Proportion Portfolio Insurance (CPPI) Methodology.

- The Plan may invest in Shariah Compliant Dedicated Equity Funds, Shariah Compliant Sovereign Income Funds and Shariah Compliant Money Market Funds offered by the Management Company and/or other AMCs and Shariah Compliant Bank saving accounts/ term deposit based on criteria defined below .

- The dynamic asset allocation is aimed at providing higher returns through participation in the Equity Portion while aiming to preserve *downside risk of capital* erosion through participation in the Income Portion.

- The allocation between the Equity Portion and the Income Portion will vary depending upon changes in the Plan Value.

- Allocation to Equity Portion will generally increase in the case where equity markets are rising, while allocation to the Income Portion will generally increase if the equity markets decline.

- The dynamic allocation mechanism will reallocate Plan's Net Assets, at Pre-Defined Intervals, in such a manner that if on a given business day the Proportion of Equity Portion allocation of the Plan is X% (ranging between 0% to 50%) then the Proportion of Income Portion allocation will be (100% - X%).

- The Plan may place a certain percentage of the Plan's assets (adjusted for redemptions, if any, during the Life of the Plan and inclusive of any Front-end Load) into cash and/or near cash instruments as mentioned in the authorized investments table below in order to meet the Plan Expenses.

- The asset composition of the plan shall be rebalanced at least on 5% decline in Portfolio Value from the previous rebalancing or on weekly basis, whichever falls earlier.

- The Management Company, from time to time at its discretion may lock-in certain percentage of the profits (if any) from the Equity Portion by realizing profits. The profits realized in this manner, shall be used by increasing the allocation to the Income Portion.

- If on any Business Day, or in case of a non-Business Day, the next immediate Business day, the Plan Value falls to a level that it triggers the "Bond Floor event", the entire Net Assets of the Plan will be allocated to a combination of "Income Portion" and "Cash or Near Cash instruments", within (3) three Business Days following the date of Occurrence of the aforementioned event(s), so as to ensure Capital Preservation for Unit Holders who hold

their investments till completion of the Life of the Plan. The exposure to combination of "Income Portion" and "Cash or Near Cash Instruments" shall be selected to potentially yield a return required to provide Capital Preservation to the Plan's Unit-Holders upon completion of Life of the Plan.

Basic features of JS Islamic Capital Preservation Allocation Plan – 8:

a) **Term/ Duration of the Allocation Plan:** The duration of the plan is 24 Months.
b) **Subscription Period:** The plan will be open for subscription from _____ **to** _____, both days inclusive. Subscription for the plan is for limited time period only. Only Class "A" Units shall be issued to investors at the Offer Price, during subscription period.
c) **Front End Load: Up to 3.00%**
d) **Contingent Load on withdrawal**: 1.00%

III. The following table under new sub clause 2.3.2 Authorized investments and Asset Allocation of Plans shall be deleted:

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
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

And replaced by the following:

For Plans with perpetual Life:

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
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

^ Based on Rolling 90 days average

Investment Universe for Capital Preservation Plans:

"Income portion" - The universe shall consist of all Shariah Compliant Sovereign, Income and Money Market schemes approved for offering in Pakistan by SECP.

"Equity portion" - The universe shall consist of all Shariah Compliant Equity schemes approved for offering in Pakistan by SECP.

"Cash and/ or Near Cash Instruments" - Current and PLS accounts and deposits with Scheduled Islamic Commercial Banks, Islamic DFIs, Islamic windows of Conventional Banks, or other cash equivalent securities.

For Capital Preservation Plans:

Name of Allocation Plan	**Indicative percentage allocation invested in Collective Investment Scheme(s)**		
	Sovereign Income or Money Market Schemes	**Equity Scheme**	**Cash and/or Near Cash instruments**
JS Islamic Capital Preservation Allocation Plan – 8	0-100%	0-50%	0-100%

For Capital Preservation Plans a list of permissible investment avenues, along with indicative percentage allocation and rating of instruments, is as follows:

Asset Class/Scheme	**Entity/ Instrument Rating**	**Minimum exposure**	**Maximum exposure**
Shariah Compliant Sovereign Income or Money Market Schemes	N/A	0%	100%
Shariah Compliant Dedicated Equity / Equity Index Schemes	N/A	0%	50%
Shariah Compliant Saving Accounts & Term Deposits with Banks and	AA- and above	0%	100%

licensed Islamic Banking windows of conventional Banks			
Cash at Bank accounts of Islamic Banks and licensed Islamic Banking windows of conventional Banks (excluding TDRs) and GOP Ijara Sukuk not exceeding 90 days remaining maturity and money market schemes.	A and above	0%	10%

Note:

- The actual allocation percentages may vary on account of various factors including investments in Cash/ near cash instruments and allocation as permitted for CPPI based Fund of Funds Category, as per SECP directive from time to time.
- Investment may take up to a month to be deployed according to the allocation strategy. However, the Plan may invest the subscription money in money market scheme (s) managed by JSIL during pre-initial offering period and initial offering periods.
- Cash at Bank limit of 10% may go up in order to meet redemption requirements.
- The per party exposure limits given in regulations 55 (5) of the NBFC regulations, 2008 shall not be applicable on money market component invested in savings accounts and term deposits.
- As per regulations 55(6) of the NBFC Regulations, 2008 there is no exposure limit to Equity / Income / Money Market Funds in case of Fund of Funds provided that the Asset Management Company shall not charge management fee if the fund invests in the schemes managed by the same Asset Management Company

Rebalancing of Plans:

The Allocation plans shall be rebalanced, within the exposure limits defined in table above, as and when required as per the investment strategy of respective plans, with the sole purpose of maximizing risk-adjusted returns for its unit holders (Muwakkil).The proportions of allocation in each of the underlying schemes shall be as per the investment strategy of respective plans.

If exposures breach the limits defined in table above, the forced rebalancing of each of the Allocation Plans shall be executed within **14** working days of the breach of the exposure.

IV. The Benchmark table defined under sub-clause2.5.1 has been amended and replaced by the following:

For Plans with perpetual life:

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,
Mustahkem Basket/Plan	

Mutanasib Basket/Plan	**Income Portion** consisting of Shariah Compliant Income and Money Market Funds, and any **Cash or Near cash instruments** in each of the Allocation Baskets"
Mufeed Basket/Plan	
Munafa Basket/Plan	

For Capital Preservation Plans:

JS Islamic Capital Preservation Allocation Plan – 8	The Benchmark of each Allocation Plan in the Fund will be the weighted average daily return of **i)** KMI 30 index; **ii)** six (6) month average deposit rates of three (3) 'A' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks; **iii)** six months PKISRV Rates and **iv)** three (3) month average deposit rates of three (3) 'AA' rated scheduled Islamic Banks or Islamic Banking windows of scheduled Commercial Banks, as selected by MUFAP - based on actual proportion of **i)** Equity Portion consisting of Shariah Compliant Equity Funds; **ii)** Shariah Compliant Income Funds within Income Portion; **iii)** Shariah Compliant Sovereign Income Funds within Income Portion; and **iv)** Money Market Funds and Cash or Near cash instruments; in each of the Allocation Plans as approved by SECP.

V. Following Clause 2.5.3 "Offering of New Allocation Plans or Modification to existing Allocation Plans" has been deleted:

The Management Company (Wakeel) may change or modify any feature of its existing Allocation Baskets/Plans, including, but not limited to allocation percentage, level of fees and loads with prior approval of SECP, with the consent of Trustee and Shariah Advisor, and giving ninety (90) days prior notice to Unit Holders (Muwakkil) where required by applicable regulations.

And replaced by the following

The Management Company (Wakeel) may offer additional Allocation Plans with perpetual or limited life, having different class of Units with different Sales Load or Contingent Load, with the consent of the Trustee and Shariah Advisor(s) and prior approval of SECP through Supplementary Offering Document.

The Management Company (Wakeel) may change or modify any feature of its existing Allocation Baskets/Plans, including, but not limited to allocation percentage, level of fees and loads with prior approval of SECP, with the consent of Trustee and Shariah Advisor, and giving ninety (90) days prior notice to Unit Holders (Muwakkil) where required by applicable regulations.

VI. Following has been added to Clause 2.5.4 Risk Control in the investment process:

a) In line with the Investment Objective of JS Islamic Capital Preservation Allocation Plans the Investment Committee shall seek to maximize returns and preserve the Initial Plan Size (adjusted for redemptions, if any, during the Life of the Plan and inclusive of any Front-end Load) through careful assessment of prevailing market risk (s), credit risk, and macro-economic risk.

b) Furthermore the exposure to the Equity Component under the Authorized Investments shall be determined by a Multiplier.

c) The Management Company may use a Maximum Multiplier of up to 5 times to arrive at exposure in risky assets including equity instruments without any cushion value percentage restrictions, subject to the condition that exposure in risky assets including equity instruments shall not exceed 50% of the Net assets of the Constant Proportion Portfolio Insurance based CIS/Plan.

d) Furthermore any placement in CIS (s) managed by other Asset Management Companies, the Management Company shall conduct a thorough due diligence, which shall include but not be limited to:

i. In depth analysis of the portfolio of each CIS, the upside potential & the mix of securities offer

ii. The cost basis for each CIS

VII. Following new Sub-clause 2.8.1 has been inserted, and sub-clause originally numbered 2.8.1 has been re-numbered as 2.8.2:

2.8.1 Capital Preservation Allocation Plan specific risks:

i. Mismatch Risk – This risk pertains to the event where in case of a Bond Floor Event there are no investments in the universe of "Income Portion" and "Cash and/or Near Cash instruments" available for the Plan to invest in that offers the same yield as required for Principal Preservation at maturity.

ii. Gap Risk – This risk pertains to the Gap event where the Portfolio Value falls below the Present Value (bond floor) of the capital preservation amount required at maturity.

iii. The performance of the Plan may be affected by changes in risk associated with trading volumes, liquidity and settlement systems in equity and debt markets.

iv. Unit-holders are not being offered any guaranteed returns.

v. The CPPI Methodology shall be used for Preservation of the principal. In the event the methodology does not accurately evaluate and determine a suitable asset allocation pattern or the structure of portfolio, this may impact the ability of the Plan to provide Capital Preservation on the Maturity Date.

vi. The Plan, in its endeavor to seek Capital Preservation, may allocate the entire portfolio to underlying investments in a combination of "Income Portion" and "Cash and/or Near Cash instruments" under the Authorized investments in clause 3.2 and Units of the Plan may remain invested in such underlying investments for the remaining Life of the Plan without any participation in the "Equity portion".

vii. At times of high volatility in the equity markets or any other circumstances, it may not be

possible to carry out the portfolio rebalancing. In such a case, the reallocation may take place on the next business day or on a business day as deemed appropriate by the Management Company. Such circumstances may affect the Plan's ability to seek Capital Preservation.

viii. As the allocation of portfolio changes from "equity portion" to full "income portion" / "Cash and/or Near Cash instruments" consequent to steep fall in equity markets, there may be no participation in subsequent upward movement in the equity markets while the Plan remains invested entirely in the combination of "income portion" and "Cash and/or Near Cash instruments".

ix. Inflation risk - The investment into units of the Plan is subject to inflation risk due to the possibility of such investment not growing proportionately to the inflation rate and thus decreasing the investor's purchasing power even though the investment in monetary terms has increased.

x. Early termination risk - If the Plan for any reasons as determined by the Management Company, is terminated prior to completion of its Life, the NAV of the Plan will be subject to fluctuations in the value of the Plan's assets. The Net Asset Value, in this case, may be lower or higher than the Initial Investment Value. The Management Company will refund investors their investment in the Plan based on the NAV per unit without any redemption fee but less bank and administrative charges (if any).

Subsequently, sub-clause originally numbered 2.8.1 has been renumbered as 2.8.2.

VIII. The following shall be deleted under sub-clause 3.16.1(a):

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

"MCBFSL Trustee – JSIHFOF JS Islamic Active Allocation Plan – I – Pre-IOP" or "MCBFSL Trustee – JSIHFOF JSIAAP-I – Pre-IOP".

"MCBFSL Trustee – JSIHFOF JS Islamic Active Allocation Plan – I" or "MCBFSL Trustee – JSIHFOF JSIAAP-I" or "MCBFSL Trustee – JSIActAP-I".

And replaced by the following:

"MCBFSL Trustee – JSIHFOF - JS Islamic Capital Preservation Allocation Plan – 8" or "MCBFSL Trustee – JSIHFOF - JSICPAP-8."

IX. The table under sub-clause (b) of Clause 4.4.4 (Purchase of Units) shall be been deleted:

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

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 Capital Preservation Allocation Plan - 8	MCBFSL Trustee – JSIHFoF MCBFSL Trustee – JSIL Funds	MCBFSL Trustee – JSIHFoF MCBFSL Trustee – JSIHFOF – JSICPAP-8 MCBFSL Trustee – JSIL Funds

In addition, the investors may invest in any Allocation Plan, during Pre-IOP, IOP and subsequent to IOP, by specifying their choice of Allocation Plans(s) in the Purchase of Units form, and paying through Demand Drafts, Online transfers, or Cheques (account payee only) into the following accounts held with the Trustee:

- MCBFSL Trustee – JSIL Funds

X. Following sub-clause (b) of Clause 4.5.1 (Who can apply) shall be been deleted and replaced by the following:

All Unit Holders (Muwakkil) shall be eligible for redemption after the closure of the Initial Period. After the Initial Period all Unit Holders (Muwakkil) are eligible to redeem the said Units (subject to applicable Back-end/Contingent Load as specified in Annexure "A").

And replaced by the following:

During the initial period the Units shall not be redeemed.

a) After the Initial Period all Unit Holders are eligible to redeem the said Units (subject to applicable Contingent Load as specified in Annexure A).
b) Partial redemption during the life of the Plan or prior to the maturity of the Plan will

be permitted (subject to applicable Contingent load as specified in Annexure A) Principal Preservation feature shall not be available on units redeemed before maturity of the Plan.

c) Furthermore, the units shall not be (i) redeemable and/or reallocated (as per the CPPI methodology) during the book closure of (i) the Plan and/or (ii) the underlying CIS. (ii) and/or due to suspension of redemption under any of the underlying CIS.

XI. Following 'Front-end | Back-end | Contingent Load' table defined under Annexure 'A' has been deleted:

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%

And replaced by the following:

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 Capital Preservation Allocation Plan - 8	Up to 3.00%	Nil	1%	1%

"For Mutanasib, Mufeed, Munafa and JS Islamic Capital Preservation Allocation Plan – 8, Front-end load of up to 1.50% of the NAV per unit where transactions are done online or through a website."

XII. Following Clause 5.5 (Reinvestment of Dividend) shall be deleted:

The Management Company (Wakeel) shall give the Unit Holders (Muwakkil)the option at the time of investing in the Allocation Baskets/ Plans under the Fund to reinvest the Cash Dividend on behalf of the Investor through issuance of new units of that respective Allocation Basket/ Plan, after deducting applicable taxes. Unit Holder(s)(Muwakkil) may have the flexibility to withdraw such option of reinvestment.

And Replaced by the following;

The Management Company (Wakeel) shall give the Unit Holders (Muwakkil)the option at the time of investing in the Allocation Basket / Plans under the Fund to reinvest the Cash Dividend on behalf of the Investor through issuance of new units of that respective Allocation Baskets / Plans, after deducting applicable taxes. Unit Holder(s) (Muwakkil) may have the flexibility to withdraw such option of reinvestment

For Capital Preservation Plans distribution of cash dividend shall be mandatorily reinvested after deduction of all applicable taxes in order to ensure Capital Preservation of the initial investment value at the completion of the life of the plan.

XIII. The following sub-clause has been added as sub-clause 11.16 under Part IX – Glossary:

11.16 Constant Proportion Portfolio Insurance related definitions:

"Capital Preservation" or "**Principal Preservation"** means that the investment strategy of the Plan is such that the Net Realizable Value of investment should not fall below the Initial Investment Value, subject to the Offering Document, and if the Units are held till twenty four months and beyond till maturity of the plan. The Management Company envisages the provision of Capital Preservation through the use of the Constant Proportion Portfolio Insurance (CPPI) Methodology

"Bond Event" means a trigger point, whereby Plan's Net Assets is about to hit or actually hits the Bond Floor, which if reached will cause the Plan's Net Assets to be invested hundred percent (100%) in the Principal Preservation Segment till the remaining Life of the Plan. From thereon, there shall be no further exposure in the Investment Segment of the Plan.

"Bond Floor" means the present value of the Initial Plan Size (adjusted for redemptions, if any, during the Life of the Plan and inclusive of any Front-end Load). It can be defined as the minimum value the Plan should have on a given day, to be able to provide Principal Preservation of the Initial Investment Value, if investments are held four twenty four months and beyond till maturity of the plan. The Bond Floor value shall be calculated using yield of authorized investment(s) from the Principal Preservation Segment of Plan, that potentially yields a return higher than or at least equal to the yield required to provide Principal Preservation to the Unit Holders, subject to Clause 1.12 and Clause 2.2.22 at completion of twenty four months and beyond till maturity of the plan.

"CPPI" means Constant Proportion Portfolio Insurance.

"CPPI Methodology" is an internationally recognized, dynamic asset allocation methodology comprising of a versatile and flexible framework that allocates plan's Net Assets between Equity and Debt/Money Market/Sovereign income instruments in a way that the exposure to equity is increased

as Plan's Net Assets increases and reduced as Plan's Net Assets declines, while simultaneously aiming to provide capital Preservation at completion of twenty four months and beyond till maturity of the plan.

"Gap Event" means an event, whereby, Plan's Net Assets falls below the Bond Floor.

"Force Majeure" definition to be replaced in the Offering Document and read as follows:

It means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of this Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macroeconomic factors, etc.

"Initial Investment Value" means the amount determined by multiplying price paid by the Unit Holder with the number of capital Preservation Units purchased and held by such Unit Holder for twenty four months and beyond.

"Investment Segment" means the portion of investment generally made in Authorized Investments as mentioned under Clause 3.2 under 'Authorized Investments' with an objective of providing Unit Holders a higher return.

The Investment Segment of the Plan is further divided into:

I. "Money Market/Sovereign Income Component" a. Money Market / Sovereign Income Scheme(s) offered by the Management Company and other AMCs b. Bank accounts (excluding TDRs, Certificate of Investments, & Certificate of Deposits)

II. "Equity Component" a. Equity based schemes offered by the Management Company and other AMCs

"Multiplier" is a measure of risk applied to the Plan's Net Assets, to determine the amount of Net Assets to be allocated to the Equity Component. A higher Multiplier means greater allocation to Equity Component; whereas a lower Multiplier means greater allocation to the Money Market/Sovereign Income Component. The Management Company may, at its discretion, change the Multiplier from time to time, based on the market conditions and as per the limits defined in Circular No. 18 of 2015.

"Net Realizable Value" means the proceeds paid to the Unit Holder at completion of twenty four months and beyond till maturity of the plan.

"Principal Preservation Segment" means

a. Money Market/Sovereign Income Scheme(s) offered by the Management Company and other AMCs

b. bank accounts (excluding TDRs, Certificate of Investments, & Certificate of Deposits)

"Life of the Plan" means duration of the Plan. It starts from the day following realization of all investment proceeds raised till the close of the Initial Period. The Life of the Plan shall start no later than Fifteen (15) business days from the close of Initial Offering Period.

"Initial Plan Size" means the proceeds of Units issued to Class "A" Units till the close of Initial Offering Period.

"Contingent Load" means Load payable by the Unit Holder of Allocation Plan(s), which will be applicable only in case of redemption of units before the initial maturity period of the respective Allocation Plan(s). Any Contingent load received shall form part of the Fund Property.

"Income Portion" means Shariah Compliant Sovereign Income/Money Market based Collective Investment Schemes and Shariah Compliant bank saving accounts /term deposits.

"Equity Portion" means Shariah Compliant Dedicated Equity Funds/Equity Index Schemes.

All other segments of the Annexure shall remain unchanged.

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

SECP

No. SCD/AMCW/JSISHF/ 101/2019 October 9, 2019

Chief Executive Officer,
JS Investments Limited,
The Centre, 19th Floor,
Plot No. 28 SB-5, Abdullah Haroon Road,
Saddar Karachi

SUBJECT: **APPROVAL OF 4TH SUPPLEMENTAL OFFERING DOCUMENT OF JS ISLAMIC HYBRID FUND OF FUNDS (JSIHFOF)**

Dear Sir,

Please refer to the letter dated October 4, 2019 on the captioned subject received from your office.

In this connection, I am directed to convey approval to the 4th supplement to the offering document of JS Islamic Hybrid Fund Of Funds enclosed with aforementioned letter in terms of Regulation 44(8) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Yours truly,

Ahmad Abdulmoiz Khawaja
Deputy Director

"Say no to Corruption"

Cc: Mr. Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited
Trustee - JS Islamic Hybrid Fund Of Funds
Pardesi House, 2/1, R-Y-16, Old Queens Road, Karachi

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad.
Tel: 9207091-4 Ext.340, Fax. No. 9218590, E-mail: ahmad.khawaja@secp.gov.pk

MCB FINANCIAL SERVICES

MCB FINANCIAL SERVICES LIMITED

MCBFSL/COM/077/19

October 3, 2019

Mr. Hasnain Raza Nensey
Chief Executive Officer
JS Investments Limited
The Centre 19th Floor, Plot No. 28 SB-5,
Abdullah Haroon Road,
Saddar, Karachi-74400.

Dear Sir,

CONSENT ON 4th SUPPLEMENTAL TO THE OFFERING DOCUMENT OF JS ISLAMIC HYBRID FUND OF FUNDS

We have reviewed the draft 4th supplemental to the 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,

Ghulam Murtaza
Head of Internal Audit

Khawaja Anwar Hussain
Chief Executive Officer

Cc: **Mr. Raja Ateeq Ahmed**
Assistant Director
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue,
Blue Area, Islamabad.

Al-Hilal
Shariah Advisors

October 03, 2019

Mr. Syed Ali Turab Alvi
Chief Strategy Officer
JS Investments Limited
19th Floor, The Centre, Plot-28, SB-5,
Abdullah Haroon Road, Saddar,
Karachi

Subject: CONSENT ON 4th SUPPLEMENT TO THE OFFERING DOCUMENT OF JS ISLAMIC HYBRID FUND OF FUNDS

Assalam-u-Alaikum,

Dear Mr. Ali,

It is with reference to your letter dated October 03, 2018 regarding consent on 4th supplement to the offering document of JS Islamic Hybrid Fund of Funds (JSIHFoF). We have reviewed and examined the enclosed supplemental offering document and found it to be in accordance with the Shariah guidelines. We hereby give our consent on 4th supplement to the offering document of JS Islamic Hybrid Fund of Funds (JSIHFoF) and we give you our no-objection for submission of the same to Trustee and SECP for further procedures.

Regards,

Faraz Younus Bandukda
Chief Executive

Mufti Irshad Ahmad Aijaz
Shariah Advisor

Al-Hilal Shariah Advisors (Pvt) Limited

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