

# FIRST SUPPLEMENTAL OFFERING DOCUMENT

## NAFA RIBA FREE SAVINGS FUND

Para No.	Existing Clause	Amended/ New Clause	Rationale for Change
2.1.1	<p><i>In clause 2.1.1 under the heading <b>Benchmark</b> original Clause is as under:</i></p> <p><b>Benchmark</b> The performance of the Scheme will be compared against a Benchmark based on average of most recently published 3-Month deposit rates of A and above rated Islamic Banks.</p>	<p><i>After the incorporation of the amendment, the revised Clause read as follows:</i></p> <p><b>Benchmark</b> The performance of the Scheme will be compared against a Benchmark based on average of most recently published <b>6-Month</b> deposit rates of <b>A-</b> and above rated Islamic Banks.</p>	<p>1. To bring in line with investment criteria.</p> <p>2. Since 3 year maturity instrument is being requested to be allowed, the original benchmark tenor is being enhanced.</p>

### ***Amendment in Authorized Investments of sub-clause 2.1.1, point # 1:***

- (i) *In point # 1 of Authorized Investment Table, the Maximum Maturity period is replaced from '6 months' to '3 years'.*  
(ii) *In point # 2&3 of Authorized Investment Table, the Minimum Rating is replaced from 'A' to 'A-'.*

Sr. No.	Description	Entity Rating	Maximum Exposure Limit	Minimum Exposure Limit	Maximum Maturity
1.	Shariah Compliant Securities issued by Federal Government or a provincial Government or a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the official Gazette, declare, to the extent determined from time to time, to be a Government Security;	AAA	75%	0	<b>3 years</b>
2.	Placement of riba free term deposits with Islamic banks or Islamic financial institutions or with Islamic branches /windows of other banks or financial institutions.	<b>A-</b> and Above	75%	0%	6 months
3.	Placement of riba free deposits with Islamic banks or Islamic financial institutions or with Islamic branches /windows of other banks or financial institutions, excluding Term Deposits.	<b>A-</b> and above	100%	25%	N/A

### ***Rationale:***

1. *To allow 3-years Government of Pakistan Ijara Sukuks as an eligible investment.*  
2 & 3 *To allow more options and flexibility in placing funds with Islamic Banks.*

2.3 (j)	<p><i>Original Clause is as under:</i></p> <p>j) Take exposure in Sukuks;</p>	<p><i>After the incorporation of the amendment, the revised Clause read as follows:</i></p> <p>j) Take exposure in Sukuks <b>other than Shariah Compliant Government Securities</b>;</p>	To allow 3-years Government of Pakistan Ijara Sukuks as an eligible investment.
4.12 (e)	<p><i>Original Clause is as under:</i></p> <p>A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company. The Transfer Agent shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.</p>	<p><i>After the incorporation of the amendment, the revised Clause read as follows:</i></p> <p>A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company. The Transfer Agent shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed. <b>Any Exchange of Unit request from NAFA Riba Free Savings Fund to another Fund(s) or vice-versa (except NSPF), received on Saturday will be processed on next working day.</b></p>	Restriction on Fund Transfer
14.23	<p><i>Original Clause is as under:</i></p> <p><b>“Dealing Day”</b> means every Business Day from Monday to Friday of every week but does not include a day on which the scheduled banks in Pakistan are closed. Units will be available for dealing (purchase, redemption, transfer, switching etc) on Dealing Days during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in two widely circulated English or Urdu newspapers in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).</p>	<p><i>After the incorporation of the amendment, the revised Clause read as follows:</i></p> <p><b>“Dealing Day”</b> means every Business Day from Monday to <b>Saturday</b> of every week but does not include a day on which the scheduled banks in Pakistan are closed. Units will be available for dealing (purchase, redemption, transfer, switching etc) on Dealing Days during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in two widely circulated English or Urdu newspapers in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s). <b>Any Exchange of Unit request from NAFA Riba Free Savings Fund to another Fund(s) or vice-versa (except NSPF), received on Saturday will be processed on next working day.</b></p>	To align with Trust Deed and Restriction on Fund Transfer
Annexure B	<p><i>Original Clause is as under:</i></p> <p><b>BUSINESS HOURS and CURRENT CUT-OFF TIME</b></p> <p>From Monday to Friday</p> <p>From 09:00am to 5:00pm and Cut-Off Time is 04:30pm</p>	<p><i>After the incorporation of the amendment, the revised Clause read as follows:</i></p> <p><b>BUSINESS HOURS and CURRENT CUT-OFF TIME</b></p> <p>From Monday to Friday</p> <p>From 09:00am to 5:00pm and Cut-Off Time is 04:30pm</p> <p><b>For Saturday</b></p> <p><b>09:00am to 1:30pm and Cut-Off Time is 12:30pm</b></p>	Saturday timings is included



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION  
NBFC DEPARTMENT**

No. NBFC/MF/JD-VS/NRFSF/31/2010

December 06, 2010

**Mr. Hussain A. Naqvi**  
Chief Operating Officer  
National Fullerton Asset Management Ltd.  
9<sup>th</sup> Floor, Adamjee House  
I.I. Chundrigar Road  
**Karachi-74000**

**Subject: Approval for Supplemental Offering Document of NAFA Riba Free Savings Fund**

Dear Sir,

Please refer to your email dated November 26, 2010 wherein you have sought approval for amendments in the Offering Document of NAFA Riba Free Savings Fund (the Fund).

In this regard, I am directed to inform you that your proposal for amendments has been acceded to by the Securities and Exchange Commission of Pakistan.

Further, you are advised to inform/notify the unit holders regarding the proposed amendments in the offering document as per provision of the said document.

Yours truly,

**Vinod Sitani**  
(Joint Director)

**Cc. Mr. Atiqur Rehman**  
**Head of Trustee & Custodial Operations**  
**CDC Pakistan Limited**