

SECOND SUPPLEMENTAL OFFERING DOCUMENT

NAFA RIBA FREE SAVINGS FUND

Managed by



A Joint Venture of

**National Bank of Pakistan
Alexandra Fund Management Pte. Ltd.
(A member of Fullerton Fund Management Group, Singapore)**

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Para No.	Existing Clause	Amended/ New Clause	Rationale for Change
2.1.1 (1,2 & 3)	<p><i>Original Clause is as under:</i></p> <p>1. Credit Risk: This risk is mitigated through the Investment Policy parameter whereby NRFSF only invests in Shariah Compliant instruments (AA- and above rated) and bank deposits (A and above rated) from a credit rating agency duly approved by the Commission.</p> <p>2. Interest Rate Risk: Mitigation of this risk is through an Investment Policy parameter whereby NRFSF would not invest in any security having a maturity of more than six months.</p> <p>3. Liquidity Risk: Mitigation of this risk is through Investment Policy parameters whereby NRFSF would not invest in any security having a maturity of more than six months.</p>	<p>1. Credit Risk: This risk is mitigated through the Investment Policy parameter whereby NRFSF only invests in Shariah Compliant instruments (AA- and above rated) and bank deposits (A- and above rated) from a credit rating agency duly approved by the Commission.</p> <p>2. Yield Curve Risk: Mitigation of this risk is through an Investment Policy parameter whereby NRFSF would not invest in any security having <i>duration</i> of more than six months.</p> <p>3. Liquidity Risk: Mitigation of this risk is through Investment Policy parameters whereby NRFSF would not invest in any security having a maturity of more than six months <i>for all investments other than Government Securities which may be up to three years.</i></p>	<p>To bring in line with investment criteria.</p> <p>&</p> <p>To allow 3-years Government of Pakistan Ijara Sukuks as an eligible investment.</p>
2.3 (6 th bullet)	<p><i>Original Clause is as under:</i></p> <p>Weighted average time to maturity of the Net Assets of the Fund shall not exceed Six (6) months</p>	<p><i>The sub-clause 2.3, 6th bullet, is hereby deleted in its entirety.</i></p>	
5.2	<p><i>New insertion in sub-clause 5.2</i></p>	<p><i>The Management Company may also distribute an amount, through cash dividend, bonus, combination of both or in any other form acceptable to the Commission, monthly, quarterly and/or for an interim periods. The Board of Directors of the Management Company may delegate the powers for declaring monthly, quarterly or interim dividend of the Fund to the Chief Executive Officer, provided that all other provisions of the NBFC Rules, NBFC & NE Regulations and Constitutive Documents of the Fund are complied with. However, the declaration of final dividend shall only be made by and with the approval of the Board of Directors.</i></p>	<p>In order to delegate the powers for declaring interim dividend for the Fund to the Chief Executive Officer of the Management Company following clause is inserted.</p>
5.8	<p><i>Amended clause as per the First Supplementary Offering Document is as under:</i></p> <p>The Management Company may close the Register by giving at least seven (7) days notice to Unit Holder provided that the time period for closure of register for dividend declaration shall not exceed six (6) working days at a time and whole forty five days in a Financial Year. During the closure period, the sale, redemption or transfer of Units will be suspended.</p>	<p><i>The Register may be closed with intimation to the Trustee for such period as the Management Company of the Fund may from time to time determine and after giving prior notice to Unit-Holders, provided that it is not closed for more than six working days at a time and forty five days in any calendar year. During the closure period, application for sales, redemptions or transfers will not be received.</i></p>	<p>In order to align the existing clause in accordance with the requirements of Circular No. 11 of 2009 of SECP</p>



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

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No. NBFC/MF/JD-VS/NRFSF/ /2011

May 27, 2011

Mr. Hussain A. Naqvi
Chief Operating Officer
National Fullerton Asset Management Ltd.
9th 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 letter dated May 16, 2011 wherein you have sought approval for amendments in the Second Supplemental Offering Document of NAFA Riba Free Savings Fund.

In this regard, I am directed to inform you that your proposal for amendments in the Second Supplemental Offering Document of NAFA Riba Free Savings Fund 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