

Risk Disclaimer: All Investments in mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in clause 2.1, Risk Factors mentioned in clause 2.4 , Taxation Policies mentioned in Clause 7 and Warnings in Clause 9 before making any investment decision.

**15th SUPPLEMENTAL
OFFERING DOCUMENT OF**

NBP ISLAMIC SARMAYA IZAFI FUND

(Formerly: NAFA Islamic Asset Allocation Fund)

Category of CIS	Risk Profile	Risk of Principal Erosion
Shariah Compliant Asset Allocation	Medium	Principal at medium risk

(An Open Ended Shariah Compliant Asset Allocation Scheme)

Wakalatul Istithmar based fund

MANAGED BY

NBP Fund Management Limited

Duly vetted by Shari'ah Adviser namely Mufti Ehsan Waquar Ahmad

Existing Clause					Revised/New Clause						
2.1 Investment Objective					2.1 Investment Objective						
The Objective of the Scheme is to generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.					The Objective of the Scheme is to generate capital appreciation by investing in Shariah Compliant equity and equity related securities and income by investing in Shariah Compliant bank deposits, debt & money market securities.						
Instruments		Indicative Allocations (% of Total Assets)		Risk Profile	Instruments		Indicative Allocations (% of Total Assets)		Risk Profile		
		Maximum	Minimum	High/ Medium/ Low			Maximum	Minimum	High/ Medium/ Low		
Shariah Compliant Equity & Equity related securities		90%	0%	High	Shariah Compliant Equity & Equity related securities		90%	0%	High		
Shariah Compliant Corporate & Government Debt securities		90%	0%	Medium	Shariah Compliant Corporate & Government Debt securities		90%	0%	Medium		
Shariah Compliant Money Market instruments & Bank Deposits		90%	0%	Low	Shariah Compliant Money Market instruments & Bank Deposits		90%	0%	Low		
Cash and equivalents		100%	10%		Cash and equivalents		100%	10%			
Rationale					Rationale						
Removed indicative asset allocation as these are covered in Authorized Investments.											
NBP ISLAMIC SARMAYA IZAFAT FUND – AUTHORIZED INVESTMENTS					NBP ISLAMIC SARMAYA IZAFAT FUND – AUTHORIZED INVESTMENTS						
S. No.	Investment Type	Minimum Entity Rating/Instrument rating	Maximum Exposure	Minimum Exposure	Maximum Maturity	S. No.	Investment Type	Minimum Entity Rating/Instrument rating	Maximum Exposure	Minimum Exposure	Maximum Maturity
1	Shariah Compliant Listed Equity Securities	N/A	90%	0%	N/A	1	Shariah Compliant Listed Equity Securities*	N/A	50%	0%	N/A
2	Shariah Compliant Debt Securities	A and above	90%	0%	10 Yrs	2	Shariah Compliant Debt Securities	A and above	90%	0%	10 Yrs
3	Shariah compliant Certificate of Deposit (CoD), Certificate of Musharaka (CoM) and Certificate of Investment issued by Financial institution	A and above	50%	0%	1 year	3	Shariah Compliant deposits with Islamic banks/Islamic windows of Commercial banks including term deposits	A- and above	90%	0%	Upto 6 months
4	Government of Pakistan Shariah Compliant debt securities /GOP Ijara Sukuks	N/A	90%	0%	10 Yrs		Shariah compliant Certificate of Deposit (CoD), Certificate of Musharaka (CoM) and Certificate of Investment etc. issued by Financial institution		15%		Exceeding 6 months

5	Shariah Compliant deposits with Islamic banks/Islamic windows of Commercial banks including term deposits	A- and above	90%	0%	6 months	4	Government of Pakistan Shariah Compliant debt securities /GOP Ijara Sukuks / Government Backed Securities	N/A	90%	0%	10 Yrs
6	Shariah Compliant deposits with Islamic banks/ Islamic windows of Commercial banks excluding term deposits	A- and above	100%	10%	n/a	5	Shariah compliant equity securities lending	N/A	10%	0%	6 months
7	Shariah Compliant Convertible debt securities issued by corporate/ financial institutions	A and above	20%	0%	10 Yrs	6	Shariah Compliant deposits with Islamic banks/ Islamic windows of Commercial banks excluding term deposits, including government securities not exceeding 90 days maturity	A- and above	100%	10%	90 days
8	Shariah Compliant Convertible and non-convertible preferred shares	N/A	20%	0%	10 Yrs	7	Shariah Compliant Convertible debt securities issued by corporate/ financial institutions	A and above	20%	0%	10 Yrs
9	Shariah Compliant Commercial Papers and any other Shariah Compliant money market instrument.	A and above	90%	0%	1 Yr	8	Shariah Compliant Convertible and non-convertible preferred shares	N/A	20%	0%	10 Yrs
10	Shariah Compliant Spread Transaction;	N/A	40%	0%	N/A	9	Shariah Compliant Commercial Papers and any other Shariah Compliant money market instrument.	A and above	90%	0%	1 Yr
11	Any other Shariah Compliant securities or instruments that may be permitted or approved under the SECP Rules, Regulations or any other directive from time to time	A and above	50%	0%	5 Yrs	10	Shariah Compliant Spread Transaction, MTS or equivalent;	N/A	40%	0%	N/A
* In case of instrument rating only, the company will not invest in below A rated instrument.						11	Exchange traded commodity future contracts*	N/A	50%	0%	N/A
						12	Any other Shariah Compliant securities or instruments that may be permitted or approved under the SECP Rules, Regulations or any other directive from time to time	A and above	50%	0%	5 Yrs
						* In case of instrument rating only, the company will not invest in below A rated instrument.					
						* Maximum combined exposure in listed equity securities and commodity contracts shall not exceed 50%.					

Rationale

To conform with the 'Medium risk profile as per Circular 2 of 2020 as below and in line with the Regulations.

CPPI Strategy Based Funds, Income Funds (where investment is made in fixed rate instruments or below A rated banks or corporate sukuk or bonds, spread transactions, Asset Allocation and Balanced Funds (with equity exposure up to 50% mandate).	Medium	Principal at medium risk
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Addition of securities lending as per Circular 18 of 2019:

- I. An Asset Management Company on behalf of Collective Investment Schemes namely equity, asset allocation, balanced and index schemes may lend equity securities maximum upto 10% of net assets of such Collective Investment Scheme out of its equity portfolio.

Addition of commodities as per Circular 9 of 2013:

- i. A Balanced Scheme and an Asset Allocation Scheme shall be eligible to invest in exchange traded commodity future contracts.

<p>2.1.2 Risk Control in the Investment Process</p> <p>2. Interest Rate Risk: Mitigation of this risk is through an Investment Policy parameter whereby weighted average duration of NISIF's non-equity portfolio will not exceed 3 years.</p>	<p>2.1.2 Risk Control in the Investment Process</p> <p>2. Interest Rate Risk: Mitigation of this risk is through an Investment Policy parameter whereby weighted average maturity of NISIF's non-equity portfolio will not exceed 4 years.</p>
<p>Rationale</p> <p>Changes as per revised Authorized Investments and in line with the Regulations.</p>	
<p>2.3 Investment Restrictions</p> <p>(c) The Management Company on behalf of the Scheme shall not:</p> <p>ii. Purchase or sell -</p> <p>c. Real estate, commodities or commodity contracts;</p>	<p>2.3 Investment Restrictions</p> <p>(c) The Management Company on behalf of the Scheme shall not:</p> <p>ii. Purchase or sell -</p> <p>c. Real estate, commodities or commodity contracts;</p>
<p>Rationale</p> <p>Changes as per revised Authorized Investments and in line with the Regulations.</p>	