

**17th SUPPLEMENTAL OFFERING DOCUMENT
OF
NBP RIBA FREE SAVINGS FUND**

Existing Clause						Revised/New Clause					
2.1.1 Investment Policy Authorized Investments NBP RIBA FREE SAVINGS FUND is an Islamic Income Fund and its “Authorized Investments” would primarily comprise of Shariah Compliant diversified portfolio of bank deposits, money market and debt instruments/securities. The allocation between various investments will be subject to i) regulatory constraints as applicable to Shariah Compliant Income scheme ii) minimum rating and maximum maturity constraints iii) minimum and maximum exposure limits and iv) prevailing market conditions and opportunities. NRSF will comprise the following investments:						2.1.1 Investment Policy Authorized Investments NBP RIBA FREE SAVINGS FUND is an Islamic Income Fund and its “Authorized Investments” would primarily comprise of Shariah Compliant diversified portfolio of bank deposits, money market and debt instruments/securities. The allocation between various investments will be subject to i) regulatory constraints as applicable to Shariah Compliant Income scheme ii) minimum rating and maximum maturity constraints iii) minimum and maximum exposure limits and iv) prevailing market conditions and opportunities. NRSF will comprise the following investments:					
NAFA RIBA FREE SAVINGS FUND - AUTHORIZED INVESTMENTS						NBP RIBA FREE SAVINGS FUND - AUTHORIZED INVESTMENTS					
Sr. No.	Description	Entity/Instrument Rating	Maximum Exposure Limit	Minimum Exposure Limit	Maximum Maturity	Sr. No.	Description	Entity/Instrument 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	10 years	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	10 years (max duration 6 months)
2.	Placement of riba free term deposits with Islamic banks or Islamic financial institutions or with Islamic	A- & above	75%	0%	Upto 6 months	2.	Placement of riba free term deposits with Islamic banks or Islamic financial institutions or with Islamic	A & above	75%	0%	Upto 6 months

	branches /windows of other banks or financial institutions.		15%	0%	Exceeding 6 months		branches /windows of other banks or financial institutions.		15%	0%	Exceeding 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 and Ijara Sukuk of less than 90 days Maturity	A- & above	100%	25%	N/A	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 and Ijara Sukuk of less than 90 days Maturity	A & above	100%	25%	N/A
4.	Any other Shariah compliant structure, instrument or security including but not limited to Commercial Paper ,Certificate of Deposit (CoD), Musharaka (CoM), Musharaka, Mudaraba, Ijarah, Murabahah (including commodity Murabaha), Salam, Istisna etc provided by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous Bodies, public sector entities, private sector entities, licensed Islamic Banks and Licensed Islamic Banking windows of conventional Banks as per the guidelines of the Fund's Shariah Advisor.	A+ and above	50%	0%	Upto 6 months	4.	Any other Shariah compliant structure, instrument including but not limited to , Certificate of Deposit (CoD), Musharaka (CoM), Musharaka, Mudaraba, Ijarah, Murabahah (including commodity Murabaha), Salam, Istisna etc provided by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous Bodies, public sector entities, private sector entities, licensed Islamic Banks and Licensed Islamic Banking windows of conventional Banks as per the guidelines of the Fund's Shariah Advisor.	A for banks AA- and above (AA category) for others	75%	0%	Upto 6 months
			15%	0%	Exceeding 6 months				15%	0%	Exceeding 6 months
5.	Shariah Compliant money market Instruments.	A+ and above	50%	0%	Upto 6 months	5.	Shariah Compliant Commercial Papers, short term sukuku, etc and any other money market securities;	A for banks AA- and above (AA category) for others	75%	0%	1 year
6.	Shariah Complaint debt securities including Sukuku	A+ and above	15%	0%	Exceeding 6 months	6.	(removed)				
7.	Shariah Compliant Spread Transactions	N/A	75%	0%	10 years	7.	(removed)				
8.	Any other securities or instruments that may be permitted or approved under the SECP Rules, Regulations or any other directive and the Shariah Advisor from time to time.	A+ and above	40%	0%	6 months	8.	Any other securities or instruments that may be permitted or approved under the SECP Rules, Regulations or any other directive and the Shariah Advisor from time to time.	A for banks AA- and above (AA category) for others	30%	0%	6 months
			30%	0%	5 years						

Rationale

Removed long-term debt securities and spread transactions and minimum ratings modified to conform with the **'Low'** risk profile as per Circular 2 of 2020 as below:

Capital Protected Funds(non-equity), Income funds with investment in A or above rated banks, money market instruments (AA category and above) and investment in up to 6 months floating rate govt securities or govt backed sukuks, MTS.	Low	Principal at low risk
--	-----	-----------------------

2.3 Investment Restrictions <ul style="list-style-type: none">Rating of any security in the portfolio shall not be lower than A-.	2.3 Investment Restrictions <ul style="list-style-type: none">Rating of any instrument/security in the portfolio shall be A or above for Banks and AA- or above (AA category) for others.
--	--

Rationale <p>To conform with the ‘Low’ risk profile as per Circular 2 of 2020 as below:</p>		
--	--	--

Capital Protected Funds(non-equity), Income funds with investment in A or above rated banks, money market instruments (AA category and above) and investment in up to 6 months floating rate govt securities or govt backed sukuks, MTS.	Low	Principal at low risk
--	-----	-----------------------