

9th SUPPLEMENTAL OFFERING DOCUMENT

OF

NAFA ISLAMIC ACTIVE ALLOCATION FUND – I

(pertaining to NAFA Islamic Active Allocation Plan – I)

w.e.f 26th November 2021

Existing Clause	Revised/New Clause												
<p>1.10 Approved “Collective Investment Schemes”:</p> <p>Following table provides the list of Collective Investment Schemes in which the Allocation Plans will invest, as per their objectives:</p> <table border="1"> <thead> <tr> <th colspan="2">Categories of Collective Investment Schemes</th></tr> <tr> <th>Islamic Income</th><th>Islamic Equity</th></tr> </thead> <tbody> <tr> <td>NAFA Active Allocation Riba Free Savings Fund</td><td>NAFA Islamic Active Allocation Equity Fund</td></tr> </tbody> </table> <p>The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP.</p>	Categories of Collective Investment Schemes		Islamic Income	Islamic Equity	NAFA Active Allocation Riba Free Savings Fund	NAFA Islamic Active Allocation Equity Fund	<p>1.10 Approved “Collective Investment Schemes”:</p> <p>Following table provides the list of Collective Investment Schemes in which the Allocation Plans will invest, as per their objectives:</p> <table border="1"> <thead> <tr> <th colspan="2">Categories of Collective Investment Schemes</th></tr> <tr> <th>Islamic Income</th><th>Islamic Equity</th></tr> </thead> <tbody> <tr> <td>Any Shari’ah Compliant Income Fund managed by the Management Company</td><td>NBP Islamic Active Allocation Equity Fund</td></tr> </tbody> </table> <p>The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP.</p>	Categories of Collective Investment Schemes		Islamic Income	Islamic Equity	Any Shari’ah Compliant Income Fund managed by the Management Company	NBP Islamic Active Allocation Equity Fund
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<p>Rationale</p> <p>To allow investment in all Shariah Compliant Income Schemes managed by NBP Funds to enhance potential performance of the plan as existing income fund’s performance is limited due to low fund size and high expense ratio.</p>													
<p>2.1.1.1 Investment Policy</p> <p>Authorized Investments</p> <p>The Allocation Plan intends to dynamically switch between equity asset class and moderate risk income asset class via dedicated funds managed by NAFA and Bank Deposits. Presently, NAFA Islamic Active Allocation Equity Fund for equity asset class and NAFA Active Allocation Riba Free Savings Fund for moderate risk income asset class.</p> <p>The Management Company shall actively manage the allocations, from time to time, based on the Fund Manager’s outlook on the authorized asset-classes, subject to the specified limits as per the allocation plan.</p>	<p>2.1.1.1 Investment Policy</p> <p>Authorized Investments</p> <p>The Allocation Plan intends to dynamically switch between equity asset class and medium risk income asset class via funds managed by NBP Funds and Shariah Compliant Bank Deposits. Presently, NBP Islamic Active Allocation Equity Fund for equity asset class and Shariah Compliant Income Funds managed by NBP Funds for moderate/medium risk asset class.</p> <p>The Management Company shall actively manage the allocations, from time to time, based on the Fund Manager’s outlook on the authorized asset-classes, subject to the specified limits as per the allocation plan.</p>												

These factors could include near term view on the direction of stock market based on macro economic variables, domestic and regional political stability, law and order situation, investor confidence, and specific prospective investee companies financial indicators. These factors will be evaluated based on relative considerations like Policy Rate, yields on GOP Ijara Sukuks and other Government Securities, expected growth in earnings of companies, level of stock market and individual companies in the Shari'ah compliant universe approved by Shari'ah Advisor.

The asset allocation is aimed at providing optimum returns through participation in Shari'ah Compliant Equity CIS, and Shari'ah Compliant Income CIS and Bank Deposits for liquidity purpose.

Authorized Investments	Allocation (Min % - Max %)	Risk Profile
NAFA Active Allocation Riba Free Savings Fund	0%-100 %	Moderate
NAFA Islamic Active Allocation Equity Fund	0%-100%	High
Shari'ah compliant bank deposits (excluding TDRs) in Islamic Banks / Islamic Windows of banks (A- and above rated).	0%-10%	Low

There may be times when cash in shariah compliant bank deposits exceed the above mentioned exposure limit to meet the liquidity needs to pay redemption proceeds.

- Investment Policy of each Allocation Plan under the Fund shall be in accordance with the Rules, Regulations and directives issued by SECP and the Shari'ah Advisor and as specified in the Offering Document.
- The Allocation Plans under this Scheme shall invest only in Authorized Investment as approved by the Commission and Shari'ah Advisor. Details of the Allocation Plan(s) are disclosed in Offering Document.
- The Management Company will offer additional Allocation Plans with the prior consent of the Trustee and approval of the Commission and Shari'ah Advisor from time to time and may announce the same by Supplementary Offering Documents without the need to alter Trust Deed.

Rationale

To allow investment in all Shariah Compliant Income Schemes managed by NBP Funds.

Limit for cash & equivalents increased to up to 100% to avail opportunities where bank's offered rates are higher than other avenues, and in line with Circular 7 of 2009 as below:

These factors could include near term view on the direction of stock market based on macro economic variables, domestic and regional political stability, law and order situation, investor confidence, and specific prospective investee companies financial indicators. These factors will be evaluated based on relative considerations like Policy Rate, yields on GOP Ijara Sukuks and other Government Securities, expected growth in earnings of companies, level of stock market and individual companies in the Shari'ah compliant universe approved by Shari'ah Advisor.

The asset allocation is aimed at providing optimum returns through participation in Shari'ah Compliant Equity CIS, and Shari'ah Compliant Income CIS and Islamic Bank Deposits for liquidity purpose.

Authorized Investments	Allocation (Min % - Max %)	Risk Profile
Shari'ah Compliant Income Funds managed by the Management Company	0%-100 %	Moderate to Medium
NBP Islamic Active Allocation Equity Fund	0%-100%	High
Shari'ah compliant bank deposits (excluding TDRs) in Islamic Banks / Islamic Windows of banks (A- and above rated).	0%-100%	Low

There may be times when cash in shariah compliant bank deposits exceed the above mentioned exposure limit to meet the liquidity needs to pay redemption proceeds.

- Investment Policy of each Allocation Plan under the Fund shall be in accordance with the Rules, Regulations and directives issued by SECP and the Shari'ah Advisor and as specified in the Offering Document.
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4. Fund of Funds Scheme

- i) Such scheme shall invest its net assets in other schemes only;
- ii) Every such scheme shall mention its type with respect to asset class, e.g., equity fund of funds, income fund of funds etc. in its offering document;
- iii) Every such scheme will be invested either in units of other collective investment schemes as per its investment policy or in cash and/ or near cash instruments which include cash in bank accounts (excluding TDRs), and treasury bills not exceeding 90 days maturity;
- iv) Every such scheme shall ensure that it does not invest in the seed capital of any other collective investment scheme;
- v) A fund of fund scheme may also be established with the objective of investing in closed-end schemes.