

10th SUPPLEMENTAL
OFFERING DOCUMENT OF
FAYSAL ISLAMIC SAVINGS GROWTH FUND
(FISGF)

(An Open Ended Shariah Compliant Income Scheme)

Category of CIS/Plan	Risk Profile	Risk of Principal Erosion
Shariah Compliant Income Scheme	Moderate	Principal at Moderate Risk

(Wakalatul Istithmar based fund) Duly vetted by Shariah Advisor namely Mufti Abdul Zahid Farooqi for and on behalf of
Faysal Asset Management Limited

MANAGED BY

FAYSAL ASSET MANAGEMENT LIMITED

The Faysal Islamic Savings Growth Fund (the Fund/the Scheme/the Trust/the Unit Trust/FISGF) has been established through a Trust Deed (the Deed) dated through dated April 22, 2009, entered into and between Faysal Asset Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee, and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the “Rules”) and Non-Banking Finance Companies and Notified Entities Regulation, 2008 (“Regulations”).

REGULATORY APPROVAL AND CONSENT

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of Faysal Islamic Savings Growth Fund under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008. The SECP has approved this Offering Document, under Regulation 54 of the NBFC & NE Regulations 2008.

Effective from **February 18, 2021** following amendments have been made to the Offering Document.

1) Amendment in ‘Investment Policy’ of clause 4.2 as replaced as follow:

Investment Policy

The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium, and short term, high quality Shariah Compliant fixed income instruments. The Fund shall be in accordance with the Rules, the Regulations and directives issued by SECP from time to time

Faysal Islamic Savings Growth Fund in line with its Investments Objectives will invest in Authorized Investments.

Authorized Investments

S. NO	Asset Class	Entity /Instrument Rating	Minimum Exposure as % of Net Assets	Exposure Limit (% of NAV)
1	Shariah Compliant Government Securities with maturity equal to and greater than 90 days, where the maximum weighted average maturity in this category shall not exceed 4 years.	N/A	0%	75%
2	Cash and/ or near cash instruments with licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks	A-	25%	100%

3	Murhaba Share Financing or any other Shariah compliant form of securities leveraging product;	Investment Grade	0%	40%
4	Secured and Unsecured (listed and/or privately placed) Sukuks	A-	0%	75%
5	Shariah Compliant Commercial paper	A-	0%	75%
6	Shariah Compliant non-traded securities with maturity of less than and equal to six (6) months including but not limited to Bank Deposits with licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and Placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with banks, NBFCs, Mudarabahs and DFIs.	A-	0%	75%
7	Shariah Compliant non-traded securities with maturity exceeding six (6) months including but not limited to Bank Deposits with licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and Placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with banks, NBFCs, Mudarabahs and DFIs.	A-	0%	15%
8	Deposits (Current/Saving, Term Deposit Receipt, Certificate of Deposit (COD), Certificate of Investments (COI), Certificate of Musharka (COM) with Licensed Islamic Banking windows of Microfinance Bank.	A-	0%	25%
9	Authorized investments in overseas markets including Mutual Funds. Overseas investments would be subject to prior approvals/guidelines of SECP and SBP.	A-	-	0-30% of Net Assets or subject to cap of USD 15 million whichever is lower.
10	Any other Shariah Compliant instrument / securities that may be allowed by the SECP from time to time and is in accordance with the guidelines of Shariah Advisor of the Scheme.	A-		As may be allowed by the Commission

- In case the Entity is not rated, Instrument Rating shall apply; and

2) Deletion in clause 4.2 of Investment Policy and separate heading after Investment Policy

Investment outside Pakistan as replaced as follow:

The Trustee shall, if requested by the Management Company, open Bank Accounts titled “CDC – Trustee Faysal Islamic Savings Growth Fund” in foreign countries where investments are made on account of the Fund, if such investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks. The opening, operation and maintenance of such Bank Accounts in foreign countries shall always be subject to the approval of the SBP and SECP and the exchange control regulations, as well as any directives of the SBP and the Commission. Any such proposal by the Management Company shall be submitted to the Commission and SBP with the prior consent of the Trustee. While opening and operating any type of account and/or making investments in Outside Pakistan countries on the instructions of the Management Company, if the Trustee is required to provide any indemnities to Outside Pakistan parties then Trustee and the Fund would be counter indemnified by the Management Company to such extent.

3) Amendment in Investment Restrictions and Exposure Limits of clause 4.3 as replaced as follow:

- (a) The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, this t Offering Document of the Fund, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP and are explicitly mentioned under the heading Exceptions to Investment Restriction in this offering document or subsequently in writing. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and/or owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations, circular or notification issued by SECP from time to time.
- (b) The Management Company, on behalf of the Fund, shall not enter into transactions with any broker that exceeds the limit provided in the Regulations and or circulars and notifications issued by the Commission from time to time.

Transactions relating to money market instruments and debt securities do not fall under this clause.

- (c) The Management Company on behalf of the Scheme shall not:
 - (Make Investments in Non-Shariah complaint instruments and against the guidelines of Shariah Advisor of the Fund.)
 - Purchase or sell -
 - Bearer securities;
 - Securities on margin;

- c. Real estate, commodities or commodity contracts;
 - d. Securities which result in assumption of unlimited liability (actual or contingent);
 - e. Anything other than Authorized Investments as defined herein;
- iii. Participate in a joint account with others in any transaction;
 - iv. Take exposure to equities;
 - v. Affect a short sale in a security whether listed or unlisted;
 - vi. Purchase any security in a forward contract;
 - vii. Take Exposure in any other Collective Investment Scheme.
 - viii. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulation;
 - ix. Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company.
 - x. invest in securities of the Management Company
 - xi. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission
 - xii. apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission.
 - xiii. Sell or issue Units for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Scheme.
 - xiv. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or take over.
 - xv. invest the subscription money until the closure of initial offering period.
 - xvi. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts.
 - xvii. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company.
 - xviii. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations.
 - xix. accept deposits
 - xx. make a loan or advance money to any person from the assets of the Scheme

(d) The Management Company shall not take Exposure of more than thirty five per cent (35%) of

Collective Investment Scheme in any single group; and for this purpose, “group” means persons having at least thirty percent (30%) or more shareholding in any other company, as per publicly disclosed information.

- (e) The investment in issued Islamic debt securities of a company shall not, at any time, exceed an amount equal to fifteen per cent (15%) of total Net Assets of the Scheme or fifteen per cent (15%) of that single issue, whichever is lower. In all other cases the exposure limit of ten per cent (10%) as specified in Regulation No. 55(5) of the Regulations shall prevail.
- (f) The Management Company shall not invest more than thirty five per cent (35%) or index weight, whichever is higher subject to maximum of 40% of total Net Assets of the Scheme in securities of any one sector as per classification of the stock exchange.
- (g) Where the Exposure of the Scheme exceeds the limits specified in sub-clause (d) and (e) above because of corporate actions or due to market price increase or decrease in Net Assets of the Scheme, the excess Exposure shall be regularized within Four (4) months of the breach of limits.
- (h) The Management Company, on behalf of the Scheme, shall not take Exposure of more than ten per cent (10%) of the total Net Assets of the Scheme in listed group companies of the Management Company and such Exposure shall only be made through the secondary market.
 - (i) Rating of any bank or DFI with which funds of the Scheme are placed shall not be lower than A- (A Minus).
 - (ii) Rating of Shariah Compliant debt instruments in the portfolio of the Scheme shall not lower than A- (A Minus).
- (i) Rating of any NBFC and Modaraba with which Funds are placed shall not be lower than A- (A minus).
- (j) Weighted average time to maturity of net assets of the scheme shall not exceed 4 years excluding Shariah Compliant Government Securities.
- (k) In case of redemptions requests are pending due to constraint of liquidity in the Fund, for more than the period as stipulated in the Regulations, the Management Company shall not make any fresh investment or rollover of any investment.
- (l) The Scheme shall invest at least twenty five per cent (25%) of the Net Assets in cash and near cash instruments which include cash in bank account (excluding TDRs) and Shariah Compliant Government Securities not exceeding ninety (90) days to maturity. This minimum cash and near cash requirements shall be calculated on the basis of the average for each calendar month.
- (m) There shall be no restriction regarding time to maturity of any single asset and duration of a single security in the portfolio of the Scheme.
- (n) The Scheme shall not invest more than fifteen per cent (15%) of the Net Assets in non-traded securities including Reverse Repo, Bank Deposits, Certificates of Investments, Certificates of Musharakas and anything over six (6) months maturity which is not a marketable security.