

## OFFERING DOCUMENT OF NBP FUNDS SAVING PLANS

Name of Plan	Risk Profile	Risk of Principal Erosion
NBP Tahaffuz Plan (NTP)	Moderate	Principal at Moderate Risk
NBP Munafa Plan (NMP)	Medium	Principal at Medium Risk
NBP Mutawazan Plan (NMTP)	Medium	Principal at Medium Risk
NBP Izafa Plan (NIP)	High	Principal at High Risk

**Offering Document of  
NBP FUNDS Saving Plans (NSP)  
Administrative Plan under  
NBP Mahana Amdani Fund (NMAF),  
NBP Stock Fund (NSF)**

**Managed by NBP Fund Management Limited (NBP FUNDS)**

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(Establishment and Regulation) Rules, 2003]

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**1. Introduction**

1.1 NBP Funds Saving Plans (NSP) is an administrative Plan offered by NBP Fund Management Limited (NBP FUNDS) to provide the unit holders a customized investment approach to meet long term investment needs with the added comfort of optional life takaful coverage to their survivors in case of unfortunate event of death. This Plan allows investors to invest periodically in a portfolio as per their risk profile and investment horizon. NBP FUNDS will re-allocate the portfolio of each client on at least a quarterly basis in order to maintain allocation of assets as per the Plan policies.

The NSP will help investors in building up their savings for meeting future financial goals. These goals could be:

- Child Marriage Planning
- Child Education Planning
- Vacation
- Accumulation of capital to start business
- Home improvements
- Home purchase

1.2 All transactions under this arrangement are governed by the Trust Deeds of the underlying Funds, namely NBP Mahana Amdani Fund (NMAF), and NBP Stock Fund (NSF) as amended from time to time vide Supplemental Trust Deed(s). Unless specifically altered by this document, all the terms and conditions of the Offering Documents of the NMAF, and NSF shall apply to the respective Units of the Funds in which investment is made under these Plans.

## 2. Regulatory Approval and Consent

2.1 The Plans offered under NBP Funds Saving Plans offered to the unit holders after obtaining consent from CDC as Trustee for underlying funds, and approval from SECP.

## 3. Investment Objective

3.1 The **Investment Objective** of these Plans, with added comfort of optional life and accidental Takaful coverage, are as follows.

PLANS	OBJECTIVE	SUITABILITY
NBP Tahaffuz Plan (NTP)	To Provide reasonable level of capital growth and high degree of liquidity by investing in underlying income fund. In addition to this, provide optional financial assistance for the necessities of life to the dependent through optional life takaful.	Suitable for investors with short investment horizon and / or highly risk averse investors with no stock market exposure
NBP Munafa Plan (NMP)	To Provide moderate level of capital growth and liquidity by investing in underlying income and equity fund. In addition to this, provide optional financial assistance for the necessities of life to the dependent through optional life takaful.	For investors with medium investment horizon and / or moderately high-risk tolerance with limited stock market exposure.
NBP Mutawazan Plan (NMTP)	To provide medium level of capital appreciation by investing in underlying income and equity funds. In addition to this, provide optional financial assistance for the necessities of life to the dependent through optional life takaful.	For investors with medium investment horizon and / or moderately high-risk tolerance, with a balanced stock market exposure.
NBP Izafa Plan (NIP)	To provide higher level of capital appreciation by investing in underlying equity funds. In addition to this, provide optional financial assistance for the necessities of life to the dependent through optional life takaful.	For investors with long-term investment horizon and / or high-risk tolerance with maximum stock market exposure.
NBP Customized Plan (you select Plan) (N-CYSP)	This Plan is suitable for those investors who opt for a customized allocation based on their investment horizon and risk preference. Under the “You Select” Plan, the investor has choice of determining the allocation between the underlying Funds of NBP FUNDS. In addition to this, provide optional financial assistance for the necessities of life to the dependent through optional life takaful.	This Plan is suitable for those investors who opt for a customized allocation based on their investment horizon and risk preference. Under the “You Select” Plan, the investor has choice of determining the allocation between the underlying Funds of NBP FUNDS

#### 4. Investment Mechanism

All transactions in NSP will be made through NMAF and NSF according to the given schemes. NSP provides Investor's flexibility to choose from following four Plans;

No.	Plans	Underlying Funds	
		NMAF	NSF
1	NBP Tahaffuz Plan (NTP)	100%	0%
2	NBP Munafa Plan (NMP)	70%	30%
3	NBP Mutawazan Plan (NMTP)	50%	50%
4	NBP Izafa Plan (NIP)	0%	100%
5	NBP Customized Plan*	---%	---%

\*Depending on risk profile and investment horizon of the investor

Investor(s) are advised to make investment decisions based on the objectives of the Plan and not on basis of optional Takaful features.

#### 5. Basic Plan Information

- Nature of Plan: Open-end
- Front-end Load: Up to 3% (as specified in the respective Offering Documents of the underlying Funds)
- Management fee and other expenses of the underlying funds will apply; as per the respective Offering Documents of the underlying Funds
- Minimum Investment Amount:

Initial = Rs. 100,000;

Subsequent investments = Rs. 1,000/-

- Dealing days: Every Monday to Friday that is a Business Day
- Business day: mean business day of all underlying funds. In case of non-business day for any underlying fund will be considered as non-business day for NBP Saving Plans.
- Redemption Proceeds: Dispatched within 6 Business Days
- Investors can switch among Plans. A processing charge of up to 0.25% may be applicable.

\* The present minimum application amount is Rs. 100,000/-. Units of NMAF and NSF (including fractions thereof) shall be issued net of Fee and Charges against the amount received from the Unit Holder in accordance with the terms of the Offering Documents of NMAF and NSF. The Management Company may alter the minimum application amount from time to time.

## **6 Features and Administrative Arrangements**

- 6.1 The Plan provides a blend of returns from each market instrument based on the allocation (risk / return profile) chosen by the investor. The periodic investment arrangement will help to smoothen out market volatility and encourage a disciplined approach to savings;
- 6.2 The volatility of returns is also based on the allocation under each Plan selected by the investor. Lower risk attracts lower volatility where as higher risk attracts high volatility;
- 6.3 An investor may invest through each Plan by filling out the prescribed Forms and submitting it along with the payment instrument (drawn in favor of CDC Trustee NBP FUNDS) either directly or through any Distributor.
- 6.4 The Investor in the Plan offered through NBP FUNDS Savings Plans (hereinafter referred to as the Investor) may also select a Systematic Investment Plan (SIP) through which the investor may invest predetermined amounts on a periodic (monthly, quarterly etc) basis. The Investor may also alter the periodic savings amount, provided that such amount is not less than the minimum amount fixed by the Management Company from time to time.
- 6.5 The Management Company may also introduce arrangements whereby an Investor may pay contributions through standing instructions to a bank or through electronic means like on-line transfers or through postdated cheques based on selected frequency. In addition to this, any other mode of payments as specified in the Offering Documents of the underlying funds shall be deemed to be an approved mode of payment through which investors in the Plan may invest. In the event that the Investor does not make the monthly payment(s) for any reason, the account will remain live and amount outstanding in the Plan would continue to remain in the Plan. The Investor may continue the periodic payments at any stage.
- 6.6 On receipt of investment amount at the time of opening an account or subsequently for purchase of Units under the Plan, the Units shall be issued at the respective Offer Prices applicable for the underlying CISs on the day when the duly filled Application Forms are submitted to the Distributor and / or Management Company within the business hours on the Business Day as may be prescribed by the Management Company from time to time.
- 6.7 The Transfer Agent/Registrar Services shall send an Account Statement to the Investor each time there is an activity in the account (other than that caused by reallocation). In addition to that, Transfer Agent / Registrar Services shall send Account Statement to investor at least once in a Financial Year.
- 6.8 Such Statement shall be sent by mail to the Investor's address recorded in the Register or through electronically at their registered email address. Certificates representing Units purchased under this Plan shall not be issued and the Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.

- 6.9 Dividend declared on the respective units held in the each Plan shall be re-invested in the respective Funds to which such distribution relates in proportion to the weightages applicable to the Investor Account at that point in time. Unitholders, who are eligible for cash dividends only, shall however be paid cash dividends by dispatch of crossed payees cheques or online transfer to their mandate bank account recorded in the Register.
- 6.10 The Investor Account shall be reallocated every quarter. No front-end load is to be charged on reallocation. The allocation between the Funds will be done so as to ensure that the investment is divided between the Funds in proportion to the weightage of the investment applicable for that Plan. In the event that the stock market goes up resulting in an increase in the relative weightage of the investment in NSF, the surplus will be encashed (redeemed) and will be invested in NMAF and vice versa. The Management Company may however, with the consent from the Trustee and with notification to the Commission and the Unit Holders change the reallocation frequency or percentage from time to time.
- 6.11 The Investor Account shall normally be reallocated, if required, on the first Subscription Day (i.e. between Monday to Friday) of each new quarter to bring the allocation in line with Investor's chosen Plan. The last subscription day of the month shall be considered as cut off day for determining the requirement of such reallocation.
- 6.12 The reallocation shall be at the NAV of the respective Funds on the relevant Subscription Day
- 6.13 The Investor may submit a redemption request for redeeming partial or all Units purchased under the Plan. In case of partial redemption, the Units shall be redeemed in the same proportion (weightage) of the investment applicable for that period of the Plan for purchasing the Units in the underlying Funds.
- 6.14 The redemption proceeds shall be payable in accordance with the Offering Documents of relevant funds.
- 6.15 The Investor may also switch the Units held by him in the Plan into the units of any other schemes/ Plans/ Funds being offered by the Management Company and vice versa, subject to such terms and conditions as set forth by the Management Company and notified to the unit holders in advance. Conversions to/from the Plan shall be at the NAV of the respective underlying funds / schemes.
- 6.16 In the event Management Company announce suspension of Fresh Issue and Redemption of Units of the Underlying Funds, the same shall also applied on the Plan in accordance with the relevant provision of Offering Documents of Underlying Funds.
- 6.17 In the event of winding up of underlying funds, the Plan shall be discontinued and the Units standing to the credit of the Investor shall be dealt with in the same manner as the rest of the Units in the underlying funds. No amendments including any modification, alteration and additions shall be made in this Offering Document without prior notice to the Unit holders, consent of the trustee, and prior approval of the Commission. In case amendments are made in the Constitutive Documents due to change in regulatory requirements, the same shall be incorporated without prior approval of the Commission.

## 7. Who can invest?

Eligibility for investment in Plan will be the eligible investors of the underlying funds.

## 8. Takaful Coverage

8.1 The Management Company has arranged an optional Life and Accidental Death Takaful coverage for the individual investors up to amounts as detailed in point 9 here under and as amended from time to time (Takaful Terms and Conditions are available on the website of NBP Funds). The cost of premium is to be borne by the Investor who opts for takaful coverage. Such premium cost is to be deducted via redemption of units from the unit holder's outstanding investment / Investment balance on a monthly basis and deposited with the takaful company by the Management Company. In case of redemption before month end the premium amount is to be deducted on a prorate basis from redemption amount and deposited with the takaful company. Management Company will obtain a specific debit authority from the investor in the Investment Form for debiting the Investor account by redeeming the units for the purpose of making payment of the Takaful premium.( refer annexure A).

8.2 Current level of takaful is as follows;

- Takaful cost is 0.015% per month of the Sum Insured – covers death due to any cause.
- The Takaful Company may change the takaful premium rates in the future. NBP FUNDS will have the option to switch the Takaful Company with objective of optimizing the premium rates and / or service levels.

Investors of this Plan will be governed by the following additional conditions of the Takaful Agreement

- i. The takaful cover will be valid as long as the investor remains invested with a minimum balance of Rs. 80,000 and will cease the day the balance falls below that amount.
- ii. The investors shall confirm the Nominee/Guardian details in writing.
- iii. In case of Joint Account only Principal Account holder (as defined in the constitutive documents of NBP FUNDS's) will be covered.
- iv. An Insured cannot be enrolled simultaneously for more than one Takaful Cover under the Policy.
- v. The takaful coverage will not be valid once the Master Policy is cancelled.
- vi. The person Covered reaches his/ her 65th birthday.
- vii. The person no longer meets the eligibility criteria of the Takaful.

- viii. If the Individual Covered is engaged in or takes part in any naval, military or air-force activities.
- ix. If this takaful policy terminates due to non-renewal at anniversary (after completion of each year), or due to decisions made by the Participant (NBP FUNDS) or the Takaful Operator. In such cases, a 15-day notice shall be provided to the Individuals Covered under the policy prior to termination of coverage.

## 9. Benefit Amount

If an Insured dies due to Accidental or Natural causes while insured the Takaful Company will, upon receipt of due proof in writing of the death of the Insured and on completion of standard claim required by Takaful Company, pay the amount of Takaful Coverage for which the Insured is insured under this Takaful Cover to the person or persons entitled to as the Nominee / Guardian of the policy.

This benefit will be in addition to any other takaful benefit offered by NBP FUNDS.

This takaful cover provides payment of benefit in the following events;

Period from commencement of investment (in Months)	Event Insured Against	Benefit Amount
1 month onwards	<ul style="list-style-type: none"> <li>• Death due to any cause and subject to</li> <li>- Exclusions as mentioned on the Investment Form</li> </ul>	<ul style="list-style-type: none"> <li>• Net Investment Value at the time of death in NBP FUNDS Saving Plans subject to maximum of Rs. 5,000,000 per investor</li> </ul>

Adjudication and settlement of claim for Benefit under the policy shall be the sole responsibility of the takaful company, which will be obliged to settle claims as per Terms and Conditions of the Policy as judiciously and reasonably as it should within the framework of the Takaful Agreement.

All claims will be processed by the Takaful Company as per the process stated in the Takaful policy. The Management Company, the Trustee and the underlying Fund shall not be held liable for honoring any claims of investor(s)

NBP FUNDS will play a facilitating role by assisting the insured or the nominee in claim processing. However, the investor will be responsible to directly settle the claims/liabilities, if any, under this arrangement with the takaful company without any obligation on the part of the Management Company, Trustee and Funds.



Upon receiving information of death of a covered investor under the said Takaful policy, and a request for filing of Takaful claim by successor(s) of a deceased investor (claimant(s)), NBP FUNDS AMC will perform the following role:

- a) NBP FUNDS AMC will provide notice of event (death of covered investor) to Takaful Provider, along with confirmation of individual's coverage under "Group Family Term Takaful Plan" signed by NBP FUNDS AMC
- b) NBP FUNDS AMC will direct the Claimants (s) to the Takaful provider for formal filing of the claim. The Claimant(s) will solely be responsible for fulfilling all evidence / documentary requirements (e.g. Death certificate, Medical reports, FIRs etc) as requested by the Takaful Provider while the claim is processed. Settlement processing and procedures shall be as stipulated by the Takaful provider.
- c) NBP FUNDS AMC shall, once the claim is cleared by the Takaful Provider, receive the claim payment from the Takaful Provider and pass it on to the claimant(s) nominees or as per the succession certificate.

**Note: The AMC will not be responsible or liable for maintaining service levels and / or any delay in processing claims by the Takaful Company arising out of this facility. The Management Company, the Trustee and the underlying Fund shall not be held liable for honoring any Takaful claims.**

The Management Company will inform the covered investors through announcements on its website, about any changes in terms and conditions OR discontinuation of the Takaful policy at least 15 days before implementation of changes or discontinuation.

Sum insured means an amount equal to the total Net Investment Value of the Investor under the Policy at the end of each day. For clarity purpose, the determined takaful coverage value for the deceased investor's nominees, is independent of the balance standing to the credit of the investor in the Plans

## **10. Risk Disclosure**

In addition to the risks disclosed in the Offering Documents of NMAF and NSF, the investment in the Plan is exposed to the following risks.

- Investment in the Plan may experience downside volatility / losses because of inherent uncertainty in the financial markets and especially so where the allocation is in NSF.
- The NAVs of the Funds may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures.
- The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the respective Funds invest.

- Over a time period, as a result of the different levels of performance of NSF and NMAF, the overall portfolio is likely to have some deviation from the target asset allocation for that Plan. However, at the end of each quarter, the allocations will be re-adjusted as per clause 6.10 of this Offering Document.
- Investors in the Plan are not offered any guaranteed returns or preservation/protection of capital.
- Reallocations, switching-off and/or redemptions from Plan will be subject to Capital Gains Tax (CGT) as per the Income Tax Law.
- The investors will be exposed to the performance of the takaful company in the matters of claims arising out of the subject takaful policy(ies).

## **11. All Other Matters**

11.1 The Offering Documents relating to the NMAF and NSF of which this Plan is an administrative arrangement, shall apply to all such matters, relating to the investment in Units issued under the respective Funds and is not covered by this Supplementary Offering Document.

12. “Investor” means an Investor/ Unit Holder in the NMAF, and/or NSF, as the case may be.

13. The Unit holders are advised to read the Constitutive Documents, including the Trust Deed, Offering Documents and there supplemental thereof, of the underlying funds along with Fund Manager Report available on NBP Funds website.

14. It is clarified that NBP Funds Savings Plan is not a new or an independent trust or fund but only a Plan under and within the ambit of existing Unit Trusts i.e. NMAF and NSF (“Underlying Funds”). Therefore, the provisions of the Trust Deeds of Underlying Funds govern this Supplemental Offering Document. This Supplemental Offering Document is supplemental to and not in derogation or novation of the Constitutive Documents of the Underlying Funds which shall continue to remain in full force and effect and prevail in so far as they are not inconsistent with this Supplemental Offering Document.

15. All transactions in the Plan are subject to applicable deductions, if any, as specified in the Income Tax Ordinance 2001, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and any other applicable law, from time to time.

16. Words and expressions used but not defined in this Offering Document shall have the same meanings as are assigned to them in Offering Document of underlying Funds.

## **ANNEXURE A**

### **DEBIT AUTHORITY**

I hereby authorize NBP FUNDS to deduct insurance premium from my balance in the Saving Plans. Such premium cost is to be deducted via redemption of units from my outstanding investment balance on a monthly basis and deposited with the Takaful company by NBP FUNDS. In case of redemption before month end the premium amount is to be deducted on a prorated basis by redeeming the units from my outstanding investment balance on a monthly basis and deposited with the Takaful company by NBP FUNDS

Signature

Principal account holder