

**CONSOLIDATED OFFERING DOCUMENT OF
NBP FUNDS ISLAMIC SAVING PLANS (FORMERLY: NAFA ISLAMIC SAVING
PLANS)**

w.e.f 20th January 2021

Name of Plan	Risk Profile	Risk of Principal Erosion
NBP Islamic Surmaya Tahaffuz Plan (NISTP) (Formerly: NAFA Islamic Surmaya Tahaffuz Plan)	Low <u>Moderate</u>	Principal at Low <u>Moderate</u> Risk
NBP Islamic Surmaya Munafa Plan (NISMP)	Medium	Principal at Medium Risk
NBP Islamic Mutawazan Surmaya Plan (NISMP) (Formerly: NAFA Islamic Mutawazan Surmaya Plan)	Medium	Principal at Medium Risk
NBP Islamic Surmaya Izafa Plan (NISIP) (Formerly: NAFA Islamic Surmaya Izafa Plan)	Medium <u>High</u>	Principal at Medium <u>High</u> Risk

Supplementary Offering Document of
NAFA~~NBP FUNDS~~ Islamic Saving Plans (NISP)

Administrative plan under

~~NAFA Riba Free Savings Fund~~**NBP Riba Free Savings Fund (NRFSF)**,
~~NAFA Islamic Asset Allocation Fund~~**NBP Islamic Sarmaya Izafa Fund (NIAAFNISIF)**,

Managed by ~~NBP Fullerton Asset Management Limited~~**NBP Fund Management Limited**
(NAFA)(NBP FUNDS)

[An Asset Management Company licensed under the Non-Banking Finance Companies
(Establishment and Regulation) Rules, 2003]

Date of Publication of this
Supplemental Offering Document ~~April 10, 2014~~**30th January 2021**

1. Introduction

- 1.1 The ~~NAFA~~**NBP FUNDS** Islamic Saving Plans(NISP) is an administrative plan offered by ~~NBP Fullerton Asset Management Limited~~**NBP Fund Management Limited (NAFA)(NBP FUNDS)** to provide the unit holders a customized Shariah compliant investment approach to meet long term investment needs with the added comfort of optional life takafulcoverage 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. ~~NAFA~~**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 NISP 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 ~~NAFA Riba Free Savings Fund~~**NBP Riba Free Savings Fund (NRFSF)**, and ~~NAFA Islamic Asset Allocation Fund~~**NBP Islamic Sarmaya Izafa Fund (NIAAFNISIF)** (Formerly ~~NAFA~~ Islamic Multi Asset Fund) 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 NRFSF, and ~~NIAAFNISIF~~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 **NAFANBP FUNDS** Islamic Savings Plan offered to the unit holders after obtaining consent from CDC as Trustee for underlying funds vide its letter dated April 03, 2014, consent from Shariah Advisor and approval from SECP as regulator vide its letter dated April 07, 2014.

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
NAFANBP Islamic Surmaya Tahaffuz Plan (NISTP)	To Provide reasonable level of capital growth and high degree of liquidity by investing in underlying Shariah compliant income fund. In addition to this, provide financial assistance for the necessities of life to the dependant <u>dependent</u> .	Suitable for investors with short investment horizon and / or highly risk averse investors
NBP Islamic Surmaya Munafa Plan (NISMP)	<u>To Provide moderate level of capital growth and liquidity by investing in underlying Shariah compliant income and equity related fund. In addition to this, provide financial assistance for the necessities of life to the dependent.</u>	<u>For investors with medium investment horizon and / or moderately high-risk tolerance</u>
NAFANBP Islamic Mutawazan Surmaya Plan (NIMSP)	To provide medium level of capital appreciation by investing in underlying Shariah compliant income and equity related funds. In addition to this, provide financial assistance for the necessities of life to the dependant.	For investors with medium investment horizon and / or moderately high-risk tolerance
NAFANBP Islamic Surmaya Izafa Plan (NISIP)	To provide higher level of capital appreciation by investing in underlying Shariah compliant income and equity related funds. In addition to this, provide financial assistance for the necessities of life to the dependant.	For investors with long-term investment horizon and / or high risk tolerance
NAFANBP Islamic Customized Plan (you select Plan) (NI-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 Shariah Compliant Funds of NAFANBP FUNDS . In addition to this, provide financial assistance for the necessities of life to the dependant.	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 Shariah Compliant Funds of NAFANBP FUNDS

4. Investment Mechanism

All transactions in NISP will be made through NRFSF and ~~NIAAFNISIF~~ according to the given schemes. NISP provides Investors flexibility to choose from following four Plans;

No.	Plans	Underlying Funds	
		NRFSF	NIAAFNISIF
1	NAFANBP -Islamic Surmaya Tahaffuz Plan	100%	0%
2	NBP Islamic Surmaya Munafa Plan (NISMP)	70%	30%
23	NAFANBP -Islamic Mutawazan Surmaya Plan	50%	50%
34	NAFANBP -Islamic Surmaya Izafa Plan	0%	100%
45	NAFANBP -Islamic 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 Takaful features.

5. Basic Plan Information

?? Nature of Plan: Open-end

?? Front-end Load: Up to ~~53%~~ (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~~ 5,000/-

?? Dealing days: Every Monday to Friday that is a Business Day

➤ 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 NRFSF and ~~NIAAFNISIF~~ (including fractions thereof) shall be issued against the amount received from the Unit Holder in accordance with the terms of the Offering Documents of NRFSF and ~~NIAAFNISIF~~. The Management Company may alter the minimum application amount from time to time ~~and announce it on its website.~~

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 NAFANBP FUNDS Funds) either directly or through any Distributor.
- 6.4 The Investor in the Plan offered through NAFANBP FUNDS Savings Plans (hereinafter referred to as the Investor) may also select a systematic investment plan 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. 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 Application Forms are duly lodged.
- 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). However 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 All investment plans will only be provided bonus distribution option, so that bonus declared on the respective Units held in the Plan shall be 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.
- 6.10 The Investor Account shall be reallocated every quarter ~~--or earlier in the event that there is a 10% variation in the allocation percentages due to market conditions--~~ 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 NIAAFNISIF, the surplus will be encashed (redeemed) and will be invested in NRFSF and vice versa. The Management Company may however, ~~with the approval of the Commission after obtaining 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. ~~In the event of an earlier reallocation due to a variation of 10% in the plan allocation, the investor account shall be reallocated on the first subscription Day of the month, succeeding the month in which the percentage allocation varies by 10%.~~ 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 Funds.

6.16 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 Document without prior notice to the Unit holders, consent of the trustee, the Shariah Advisor and prior approval of the Commission.

7. Who can invest?

Eligibility for investment in plan will be the eligible investors of the underlying funds. ~~7.1 All individuals who have attained the minimum age of 18 years and are below the age of 64 years.~~

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 Policy is available on the website of NAFA).~~ The cost of premium is to be born 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 prorata 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;

- ~~Within waiting period of the policy the takaful cost is 0.12% per annum of the Sum Insured – covers death due to accident only.~~
- ~~After waiting period of t~~The policy the t Takaful cost is 0.360.015% per annum month of the Sum Insured – covers death due to any cause.
- The Takaful Company may change the takaful premium rates in the future. NAFANBP FUNDS will have the option to switch the Takaful Company with objective of optimizing the premium rates and / or service levels.

~~Waiting period means initial three months starting from commencement of takaful coverage.~~

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. 95,000 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 NAFANBP FUNDS's Fund) 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 (NAFA)(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. In the two widely circulated newspapers one English and one Urdu

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 NAFANBP 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—3	<ul style="list-style-type: none">• Death due to accident only and subject to— Exclusions as mentioned on the Investment Form.	<ul style="list-style-type: none">• Net Investment Value at the time of death in NAFA Islamic Saving Plans subject to a maximum of Rs. 3,000,000 per investor
4— <u>1</u> onwards month <u>onwards</u>	<ul style="list-style-type: none">• Death due to any cause and subject to - Exclusions as mentioned on the Investment Form	<ul style="list-style-type: none">• Net Investment Value at the time of death in <u>NAFANBP FUNDS</u> Islamic Saving Plans subject to maximum of Rs. <u>35</u>,000,000 per investor

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)

NAFANBP 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)), NAFANBP FUNDS AMC will perform the following role:

- a) NAFANBP 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 NAFANBP FUNDS AMC
- b) NAFANBP 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) NAFANBP 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) 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 in newspapers (1 major English newspaper and 1 major Urdu newspaper), 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 NRFSF and NIAAFNISIF, the investment in the Plan is exposed to the following risks:

- The Plan may result in downside volatility / losses for the investors because of inherent uncertainty in the financial markets and especially so where the allocation is in NIAAFNISIF.

- 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 NAAFNISIF, NRFSF and , 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.
- Investors in the Plan are not offered any guaranteed returns.
- 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 NRFSF and NAAFNISIF 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 NRFSF, and/or NAAFNISIF, 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 respective funds.

14 The features of NAFANBP FUNDS Islamic Saving Plans, launched earlier on October 18, 2010 will not be available for investment by new investor. However, investors already invested in the previous plans will continue to be serviced by NAFANBP FUNDS.

ANNEXURE A

DEBIT AUTHORITY

I hereby authorize ~~NAFANBP FUNDS~~ to deduct insurance premium from my balance in the savings 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 ~~NAFANBP FUNDS~~. In case of redemption before month end the premium amount is to be deducted on a prorata basis by redeeming the units from my outstanding investment balance on a monthly basis and deposited with the takaful company by ~~NAFANBP FUNDS~~

Signature

Principal account holder