

# **Second Supplementary Offering Document of UBL Islamic Children Savings Plan (UICP)**

**An administrative plan under  
UBL Islamic Sovereign Fund (UISF) and UBL Shariah Stock Fund (USSF)**

**Managed by UBL Fund Managers Limited (UBL Funds)**

**Date of Publication of this  
Supplemental Offering Document \_\_\_\_\_**

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## **1. Introduction**

- 1.1. This Supplemental Offering Document sets out the concept, features, objective, advantages and other information of UBL Islamic Children Savings Plan (UICP) which has been introduced by UBL Funds for responsible parents and guardians for securing the higher education, welfare and future needs of their children/wards.
- 1.2. UBL Islamic Children Savings Plan, through investments in UBL Islamic Sovereign Fund and UBL Shariah Stock Fund, will enable the child/ward to receive an amount at the maturity to meet his/her higher education, marriage, and other future needs.
- 1.3. UBL Islamic Sovereign Fund (UISF) has been established through a Trust Deed dated August 25, 2010, entered into between UBL Fund Managers Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Fund was registered by the Securities & Exchange Commission of Pakistan (SECP) on September 17, 2010 as a Notified Entity under Regulation 44 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and was launched on November 7, 2010 vide the Offering Document dated October 29, 2010.
- 1.4. UBL Shariah Stock Fund (USSF) has been established through a Trust Deed dated September 11, 2006 under the Trusts Act 1882, entered into between UBL Fund Managers Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Fund was accorded authorization by the SECP on November 16, 2006, under Rule 67(2) of the Rules [replaced by Regulation 61 (2) of the Regulations]

and was launched on December 24, 2006 vide the Offering Document published on December 12, 2006.

- 1.5. All transactions under this arrangement are governed by the Trust Deeds relating to the UISF and USSF 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 UISF and USSF shall apply to the respective Units of the two Funds in which investment is made under this plan.

## **2. Regulatory Approval and Consent**

- 2.1. The SECP has approved this Supplemental Offering Document under Regulation 63 of the Non Banking Finance Companies and Notified Entities Regulations, 2007 vide letter No SEC/ JD I/ UBLFM/ 694/ 2008 dated September 5, 2008 and its amendments under Regulation 54 (1) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 vide letter No \_\_\_\_\_ dated \_\_\_\_\_
- 2.2. The Central Depository Company of Pakistan Limited as the Trustee of UISF and USSF has given its consent vide Letter No. CDC/T&C/B1/2515/2008 dated July 02, 2008, approving UICP, permitting its launch and its subsequent consent on the amendments to the plan vide Letter No. \_\_\_\_\_ dated \_\_\_\_\_

## **3. Investment Objective**

UBL Islamic Children Savings Plan is a systematic investment plan that is designed to cater to your child's higher education, welfare and future needs as per your risk appetite, by investing in Shariah Compliant instruments. The Plan also provides an added option to take advantage of a Takaful cover, to deal with the uncertainty of life.

## **4. Investment Pattern**

4.1. UICP shall invest in:

- UBL Shariah Stock Fund (USSF) - Class A Units
- UBL Islamic Sovereign Fund (UISF) - Class C Units

4.2 The investor can choose one of the following mix of asset allocations between UISF (Income Fund) and USSF (Equity Fund):

<b>Asset Class</b>	<b>Aggressive Allocation (%)</b>	<b>Moderate Allocation (%)</b>	<b>Conservative Allocation (%)</b>
<b>UISF</b>	<b>30%</b>	<b>50%</b>	<b>100%</b>
<b>USSF</b>	<b>70%</b>	<b>50%</b>	<b>0%</b>

The above percentages are subject to change based on the business and investment acumen of the Management Company subject to the approval of the Commission. Any such change in them will be communicated to the investors through the Management Company's website, as well as through notifications sent to their registered address or through announcement in a leading newspaper.

## 5. Basic Plan Information

**Nature of Plan:** Open-end

**Plan Type: Shariah-compliant,** Regular savings plan where a customer deposits savings amounts over a number of years for accumulation with UBL Funds with a targeted future date.

**Service Fee:** The applicable Front-end Load shall be equal to the weighted average Front-end Load of the underlying funds as per the chosen asset allocation at the time of investment.

**Current Minimum Investment Amount\*** Rs 2,000 (both Initial and Subsequent)

**Periodicity of Unit Transactions:** Every Monday to Friday that is a Subscription Day

*\*The Management Company may alter the minimum investment amount from time to time and announce it on its website.*

## 6. Features and Administrative Arrangements

6.1. A parent/guardian (hereinafter called "the Investor") desiring to invest in the UICP for the benefit of a child/ward (hereinafter called "the Child") will have to submit an application for subscription to UBL Islamic Children Savings Plan (the Application). The Application is annexed to this Supplementary Offering Document as Annexure "A". Full particulars of the child along with an attested photocopy of Form-B issued by National Database Registration Office will have to be furnished by the Investor. The Investor will also have to execute an

“Agreement for Investment in UICP” with the Management Company on the format annexed to this Supplemental Offering Document as Annexure “B”.

- 6.2. Payments on account of investment in UICP shall be made by a cheque, bank draft, or through electronic means payable to “CDC - Trustee UBL Funds” and crossed “Account Payee only”. Payment through credit cards, debit cards, auto debit instructions, IVR (Interactive Voice Response), online using the internet from our website, SMS, ATM facility or in such form (other than through cash or any bearer instruments) is subject to finalization of arrangement by the Management Company (subject to mutually agreeing with the Trustee).
- 6.3. For each amount contributed by the Investor, it shall be deemed to have been made by the Investor for the benefit of the Child who shall be the sole beneficiary, unless the Investor transfers the UICP in favor of an Alternate Child (in which case, the Alternate Child shall be the sole beneficiary), during his/her life time before the maturity of UICP as mentioned in Clause 8 hereafter or before the exercise of Anytime Exit Option mentioned in Clause 7 hereafter.
- 6.4. Units of UISF and USSF (including fractions thereof) shall be issued, net of Service Fee, against the amount received from the Investor in accordance with the terms of the Offering Documents of UISF and USSF and as per clause 4.2 above.
- 6.5. The Investor may select a Systematic Investment Plan (SIP) through which he/she will invest predetermined amounts on a monthly/quarterly/semi-annually/ or annually basis subject to terms and conditions imposed by the Management Company. The Investor may also invest in the plan at irregular/variable intervals with variable amounts or as and when he/she desires to invest. The Investor may also alter this monthly/quarterly/semi-annually/annually amount, provided that such amount is not less than the minimum investment amount fixed by the Management Company from time to time.

Currently the minimum subsequent investment amounts are as follows:

Monthly (Rs)	Quarterly (Rs)	Semi-Annually (Rs)	Annually (Rs)
2000	6,000	12,000	24,000

- 6.6. The Investor shall send in the annually or semi-annually or quarterly or monthly contributions, by submitting the prescribed form along with 1 or 2 or 4 or 12 post dated

Cheques respectively, under the SIP within 7 days of the close of the period. The Management Company may also introduce arrangements whereby an Investor may pay contributions through standing instructions to a bank. In addition to this, any other mode of payments as specified in the Offering Documents of the funds shall be deemed to be an approved mode of payment through which investors in UICP may invest. In the event that the Investor does not make the periodic payment(s) for any reason, the account will remain live (subject to sufficient balance in the account, especially to cover Insurance Cost in case the investor has selected such an option) and amount outstanding in the UBL Islamic Children Savings Plan would continue to remain in the Plan. The Investor may continue the periodic payments at any stage. The Investor shall not be charged any penalty in case any periodic payment is missed, however, it is not feasible to miss payments as the desired amount at the time of maturity may not be achieved.

- 6.7. On receipt of investment amount at the time of opening an account or subsequently for purchase of Units under the UBL Islamic Children Savings Plan, service fee, as specified in Clause 5 above, will be deducted after which the Units shall be issued at the respective Net Asset Value applicable for UISF and USSF on the day as per the procedures laid in the respective Constitutive Documents of the Funds.
- 6.8. Units of UISF and USSF shall be issued in the name of the Investor (parent or guardian, as the case may be), in whose name a UICP account shall be maintained by the Management Company. However, the Child for whose benefit the investment is made shall be the nominee of the Investor. Unless Anytime Exit Option is exercised by the Investor, or the Change of Child Option is exercised by the Investor as mentioned in Clauses 7 and 8 hereafter, the Plan shall mature at the Maturity Date, which shall be the date on which the Child attains the Maturity Age to be decided by the Investor and specified by the Investor at the time of the subscription to UICP. Such Maturity Age shall however not be less than 18 years and more than 30 years (The Management Company may relax the maturity age limits on case to case basis) as and how the Investor may decide at his/her discretion. Provided however, in the event of the demise of the Investor as mentioned in Clause 6.10 hereafter, the Maturity Date shall be the date on which the Child attains the age of 18 years.
- 6.9. The investor shall have the option to alter the maturity date, anytime during the life of the Plan. Under such an event, the terms and conditions of the Takaful arrangement (if opted for) may be revised at the discretion of the Takaful Insurer. The Management Company may also revise the expected future accumulation for the Child, as per the new maturity date.

- 6.10. At the Maturity Date, the Units shall be automatically transferred to and registered in the name of the Child in whose name a separate account shall be established and maintained by the Management Company and the Investor shall be deemed to have gifted the entire investment represented by the Units standing to the credit of the Investor in such Account at the Maturity Date. The registration details of the Child shall be provided by the Investor or the Child at the Maturity Date.
- 6.11. In the event of the demise of the Investor before he/she exercises Anytime Exit Option mentioned in Clause 7 hereafter, the following conditions shall apply:
- 6.11.1. The Units shall automatically be transferred to and registered in the name of the Child or the Alternate Child, as the case may be, as the nominee of the Investor upon receiving the Child's or Alternate Child's full registration details. For this purpose, the Investor shall nominate a guardian of the Child or the Alternate Child, as the case may be, at the time of the opening of the UICP Account or at the time of transferring the benefit of the Plan in favor of the child or the Alternate Child, as the case may be, so that the guardian fulfills all requisite formalities.
- 6.11.2. In such an eventuality, the Maturity Date shall be the date on which the Child attains the age of 18 years.
- 6.11.3. In case the Child has already attained the age of 18 years at the time of the demise of the Investor, the Child shall be deemed to be the exclusive lawful owner of the Units in the Account and shall have the right to encash or transfer the Units as and how he may decide.
- 6.11.4. In case the Child is less than 18 years of age at the time of the demise of the Investor, the Plan shall mature upon the Child's attainment of the age of 18 years. Thereafter, he/she shall be free to encash or transfer the Units as and how he may decide.
- 6.11.5. In such an eventuality, neither the Management Company, nor the Trustee shall be concerned with any internal disputes among the other legal heirs or claimants over the Units and benefits accruing thereon.
- 6.11.6. In case where the investor has opted for Takaful and has been paying Takaful cost through out his/her plan life, he/she will be eligible for Takaful coverage as per

Clause 12 hereafter. Apart from the Continuation Benefit as mentioned in Clause 12, the Investor shall also be eligible for receiving Income Benefit. The Income Benefit is optional and Investors would be asked in the account opening form if they want to avail it or not.

Income Benefit activates **only** in case of the Investor's death due to Accident or Permanent Total Disability (PTD). If the Investor had opted for the Income Benefit at the time of opening of account, One Fourth of his account value will be transferred to "Mahana Munafa Plan (Islamic)" for making monthly/quarterly income to the family. The rest of the profit would remain invested in the Investor's UICP account to be able to generate the desirable amount at the maturity date.

- 6.12. Upon maturity of the Plan, i.e. upon the Child attaining the Maturity Age during the life time of the Investor, or upon reaching eighteen (18) years of age (after the demise of the Investor), the Child shall have the option to either redeem the Units or to switch over to other Plan or Funds offered by the Management Company as and how he or she may deem appropriate.
- 6.13. The Transfer Agent ('UBL Fund Managers') shall send an Account Statement to the Investor after every 3 months. Such Statement shall be sent by mail (i.e by default, electronic statement will be issued to investors; unless otherwise requested by the investor) to the Investor's address recorded in the Register. 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.
- 6.14. Cash dividends and/or Bonus Units (as the case may be) declared on the respective Units held in the UBL Islamic Children Savings Plan shall be reinvested in the respective Funds to which such dividends relate in proportion to the weightages applicable to the Account at that point in time.
- 6.15. The Plan shall be reallocated once every year or earlier in the event that there is a 10% variation in the allocation percentages due to market conditions, between the two Funds so as to ensure that the investment is divided between the two Funds in proportion to the weightages of the investment allocation as specified in Clause 4.2. In the event that the stock market goes up resulting in an increase in the relative weightages of the investment in USSF, the surplus will be encashed (redeemed)/converted and invested in UISF and vice versa. The investor can also change his/her chosen allocation at any time during the

- life of the Plan, subject to clause 4.2 above. The Management Company may however, with the approval of the Commission and with notification to the Investors change the reallocation frequency or percentage from time to time. No allocation charges shall be recovered from the Unit Holders.
- 6.16. The Plan shall be reallocated on the last Subscription Day (i.e. between Monday to Friday) of the year. In the event of an earlier reallocation due to a variation of 10% in the percentage allocation, the Plan shall be reallocated on the Subscription Day on which the percentage allocation reaches or exceeds 10%.
  - 6.17. The reallocation shall be at the NAV of the respective Funds; USSF and UISF, as per the constitutive documents of both funds; on the relevant Subscription Day.
  - 6.18. The Management Company shall not record a pledge/lien on the Units held in the UBL Islamic Children Savings Plan. However, the Investment Amount in UICP can be marked under lien subject to mutual agreement between the Trustee, the Management Company and the Investor.
  - 6.19. The Investor may submit a redemption request for redeeming partial or all Units purchased under the UBL Islamic Children Savings Plan . The redemption proceeds shall be payable in accordance with the Offering Documents of UISF and USSF.
  - 6.20. In case of partial redemption, the Units shall be redeemed in the same proportion (weightage) of the investment applicable for purchasing the Units in the two Funds at that point in time. However, partial redemption will only be allowed subject to maintenance of a minimum investment amount in the Plan. In case of full redemption before maturity, the Takaful (if opted by the investor) of the Investor may also terminate.
  - 6.21. The Management Company may allow conversion of the Units held by the Investor in the UBL Islamic Children Savings Plan into the units of other plans being offered by the Management Company shall be allowed before the maturity period.
  - 6.22. In the event the Management Company announces a suspension of further issue of Units of the UISF and/or the USSF, it may allow the existing Investors to continue purchasing Units under the UBL Islamic Children Savings Plan.



- 6.23. In the event of winding up of UISF and/or USSF, the UBL Islamic Children Savings 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 UISF and/or the USSF. However, the Management Company may make arrangements to transfer the amount into other funds offered by UBL Fund Managers or other funds offered by other Asset Management Companies as per the directions and approval of the Commission and at the discretion of the Investor.
- 6.24. The Management Company may at its discretion, with the prior approval of the Commission and the Trustee and with prior written notification of at least fifteen (15) days prior to change, posted to the Unit Holders at their registered address or through Company's website, may introduce changes in the Plan, from time to time.
- 6.25. In the event any changes are introduced in the Plan after an existing Investor has made an initial investment in the Plan, the existing Investor shall not be under any obligation to comply with the changes and can redeem his/her investment without any exit charges. A prior notice of at least fifteen (15) days shall be given to all investors of the plan. However, if the Investor is willing to comply with the changes, he/she shall be welcome to opt for the changed terms and may be required to sign a form accepting the new terms. Any subsequent investments shall be in accordance with any changes so made.
- 6.26. 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.

## **7. Investment Options**

The Investor i.e. parent/guardian desiring to make investment in UICP shall have to define the maturity age at the time of subscribing to the Plan initially. The money shall be held in the Plan till the Child attains the Maturity Age and will not be transferred by the Investor. After the Child (or the Alternate Child, as the case may be) attains the Maturity Age the underlying Units of the Plan may be redeemed by the Child (or the Alternate Child, as the case may be) as the exclusive done.

**Anytime Exit Option:** The Investor shall have the option to exercise Anytime Exit Option, from the time of initial investment, before the Child (or the Alternate Child, as the case may

be) attains the Maturity Age. In the event of exercise of such option by the Investor, Units can be redeemed at any time by the Investor.

## **8. Alternate Child:**

- 8.1. Before the Maturity Date of the Plan, the Investor shall have the right to transfer the Plan and all the underlying Units and all accrued benefits in favor of another Child i.e. an Alternate Child.
- 8.2. Upon exercise of such right, the Investor shall submit full particulars of the Alternate Child along with an attested photocopy of Form-B issued by the National Database Registration Office. In such an event, the continuity of the Plan shall remain unaffected, except that the Management Company shall transfer the account to the alternate child. In such an event, all references to Child contained in this Supplemental Offering Document, the Agreement or any other document shall be deemed to be reference to the Alternate Child.
- 8.3. The Plan shall then mature upon the Alternate Child attaining the Maturity Age as may be notified by the Investor at the time of the transfer of the Plan in favor of the Alternate Child and the Units shall be automatically transferred to in the Register in the name of the Alternate Child. Upon the Alternate Child attaining the Maturity Age, the Investor shall be deemed to have gifted the entire investment represented by the Units standing to the credit of the Investor in the Account in favor of the Alternate Child. All other terms and conditions will remain unchanged.

## **9. Who can invest?**

- 9.1. Resident or non-resident adult individuals (subject to permission by the relevant authorities), who may be the parent, grand parent, step parent, legal guardian or a friend of the family, proposing to invest in UICP for the benefit of the Child are eligible and may apply for subscription to the Plan. The Application should be accompanied by the following documents:-

1. Computerized National Identity Card of the Investor

or

In case of a non-resident Pakistani, Computerized Identification Card for overseas Pakistanis issued in the Country of residents.

or

In case of a foreign national, an attested copy of his/her latest passport.

2. Attested Form "B" in respect of the Child and of the Alternate Child (if nominated by the Investor) issued by National Database Registration Authority.

or

In case of a non-resident Pakistani or a foreign national, any authentic document, as provided by a competent authority of the resident country, identifying the child with his/her place and date of birth.

3. Name and address of the business and professional concerns in which the Investor is a proprietor, partner, director or an executive.
4. Bank details.
5. Satisfactory Fulfillment of Know Your Customer (KYC) details, as mentioned on the prescribed form.
6. Any other details as required by the Relevant Authorities.

9.2. It shall be the responsibility of the Applicant to pay all stamp and other duties and taxes in relation to the investments made and to be made in UICP.

9.3. Application by foreign nationals and non-resident Individuals and/or for the benefit of the Child or the Alternate Child who is a foreign national or non-resident, shall be accepted subject to existing laws provided the subscription amount is paid by means of a remittance through banking channels or through other means permitted by the State Bank of Pakistan. The Application must be accompanied by a copy of the passport. Applications through agents or attorneys shall not be entertained.

9.4. The Management Company shall have absolute discretion to reject any application or prevent further transaction by an investor, if after due diligence, the person making the payment on behalf of the investor does not fulfill the requirements of the "Know Your Customer" policy or the Management Company believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Management Company reserves the right to reject any application and affect a mandatory redemption of Units allotted at any time prior to the expiry of thirty (30) Business Days from the date of the application. If the contribution is made by a third party (e.g. a Power of Attorney Investor, a relative etc.) then the Investor may be required to give such details of such transaction so as to satisfy the Management Company of the source and/or consideration underlying the transaction.

## **10. Demise of the Child or the Alternate Child (God forbid)**

- 10.1. In the event of demise of the Child (or the Alternate Child, as the case may be) before attaining the Maturity Age, the Investor shall have the right to nominate an Alternate Child or a Second Alternate Child (in case an Alternate Child has already been nominated) for continuity of the Plan. In such an event, the Alternate Child or the Second Alternate Child, as the case may be, the Plan shall be continued in the name of the Alternate Child, or the Second Alternate Child, as the case may be, without the need to open a fresh UICP Account or to sign a fresh Agreement, except that the Investor shall provide the registration details, including Form-B in respect of the Alternate Child or the Second Alternate Child, as the case may be and the Management Company shall remove the name of the Child (or the Alternate Child, as the case may be) for whose benefit the UICP was initially subscribed by the Investor (or subsequently transferred in favor of an Alternate Child) and in his/her place, the name of the Alternate Child or the Second Alternate Child, as the case may be) will be replaced by the Management Company who will record the change in its record and the Plan.
- 10.2. In the event of death of the Child or the Alternate Child, as the case may be (before attaining the Maturity Age) during the tenor of the Plan and where no further Alternate Child has been named, the value of the underlying Units of the Plan (at the Redemption Price applicable on the day of demise of the last named Child or Alternate Child) in the account will be paid to the Investor. The Plan would have deemed to have stood matured at the date indicated above.

## **11. Sales Load/ Service Fee and Transfer Fee**

11.1 The Management Company may at its discretion, charge Service Fee for the Plan as specified in Clause 5 above. Currently, Units under **UICP** will be issued as per Clause 6.7 above after deducting a Front-end load equal to the weighted average Front-end Load of the underlying funds as per the chosen asset allocation.

11.2 The Service Fee may be subject to increase or decrease from time to time by the Management Company subject to the approval of the Commission, provided that the maximum Front-end Load and/or Back-end Load of any kind shall not in any event exceed 5%.

11.3 There shall be no transfer fee or charges for switching of the investment, due to reallocation (as specified in Clause 6.10.10 and Clause 6.10.11) , from UISF to USSF and from USSF to UISF during the plan. However, normal redemption and transfer charges will become applicable after the maturity of the Plan on redemption of the Units or the transfer of the Units or on Conversions from the plan, as the case may be.

## **12. Takaful (Insurance) Coverage (CONTIGENCIES & COMPENSATIONS NOT MENTIONED)**

12.1. The Investor shall have the option to select the Takaful Coverage of this plan, as highlighted in this clause 12, subject to acceptance from the Takaful Company. The Takaful Cost shall be borne by the Investor and he/she shall be required to pay the additional amount over and above his/her payment for initial investment in the plan, for availing the Takaful Coverage. The Management Company shall pass on the collected monthly premium to the Takaful Company from the Investor's UICP Account. In order to facilitate the investor, the Management Company shall thereafter, deduct the applicable Takaful premium, at the beginning of every month, from the investor's UICP Account and pass on the same to Takaful company. The Investor shall be eligible for the Takaful Coverage till the time he/she has maintained a sufficient amount equal to the minimum initial investment as mentioned in clause 6.4 above or the sum of his/her payable premiums for the next month whichever is higher. If the Investor has maintained the above mentioned sufficient amount in the account to cover the Takaful Coverage Cost, he/she shall be eligible to receive the following benefits in case of his/her untimely **Accidental Death (God Forbid) or Permanent total disability**:

### **Accidental Death**

In the case of accidental death of the customer the Takaful Company will, upon receipt of due proof in writing of the accidental death of the Customer, pay the amount to person or persons entitled thereto under the provisions of the Policy, as under;

Plan	Benefit Amount
UBL Islamic Children Savings Plan	Equal to the remaining balance of the UBL Islamic Children Savings Plan.

### **Permanent disability**

In the case of Permanent disability of the customer the Takaful Company will, upon receipt of due proof in writing of the Permanent disability of the Customer, pay the amount to person or persons entitled thereto under the provisions of the Policy, as under;

S. No	Contingencies	Compensation
01	Death/Loss of Life	100 %
02	<b>Permanent disablement:</b> Capital Sums in accordance with the following scale of percentage based on (I) above	
03	Total Loss or permanent total loss of sight of both eyes	100%
04	Total Loss or permanent total loss of use of the limbs	100 %
05	Total Loss or permanent total loss of use of the right arm	75%
06	Total Loss or permanent total loss of use of the left arm	60%
07	Total Loss or permanent total loss of use of right forearm	65%
08	Total Loss or permanent total loss of use of left forearm	55%
9	Total Loss or permanent total loss of use of right hand	60%
10	Total Loss or permanent total loss of use of left hand	50%
11	Total Loss or permanent total loss of use of thigh	50%
12	Total Loss or permanent total loss of use of leg at or below the knee	50%
13	Total Loss or permanent total loss of use of foot	40%
14	Permanent total loss of sight of one eye	50%
15	Permanent total deafness in two ears	50%
16	Permanent total deafness in one ear	15%
17	Total Loss or permanent total loss of use of thumb on right hand	25%
18	Total Loss or permanent total loss of use of thumb on left hand	20%
19	Total Loss or permanent total loss of use of index finger on right hand	20%
20	Total Loss or permanent total loss of use of index finger on left hand	15%
21	Total Loss or permanent total loss of use of middle finger on right hand	12%
22	Total Loss or permanent total loss of use of middle finger on left hand	10%
23	Total Loss or permanent total loss of use of third (ring) finger on right hand	10%
24	Total Loss or permanent total loss of use of third (ring) finger on left hand	8%
25	Total Loss or permanent total loss of use of little finger on right hand	8%
26	Total Loss or permanent total loss of use of little finger on left hand	6%
27	Total Loss or permanent total loss of use of big toe	5%
28	Total Loss or permanent total loss of use of any other toe	3%

12.1.1. The beneficiary child will receive the sum covered under this plan. Sum covered will be defined at the time of commencement of plan as initial monthly contribution times the term of the plan. For example if the first monthly contribution is PKR 2,000 and the term chosen is 10 years, the sum covered will be PKR 242,000 ((2,000 \* 12 months \* 10 + (PKR 2,000 as the initial investment)). Sum covered will decrease every month with an amount equal to initial monthly contribution (Rs

2,000 in this example) irrespective of actual contribution amount. This means that the sum covered will decrease by Rs 2,000 every month (and by PKR. 24,000 every year) even if the actual contribution made is greater than or less than Rs 2,000. Similarly, partial withdrawals shall also not affect sum covered.

The Continuation Benefit will ensure that all future contributions will be paid by the Takaful Company following the Investor's death until the Plan maturity date. For example, if the Investor has agreed to pay annual contribution of x amount for 20 years but passed away after 3 years due to Accidental Death, the Takaful Company will pay a lump sum amount equal to  $((20-3) * x)$  to UBL Funds to invest in UICP for the benefit of the child.

12.2. There is no Cap on the Sum Covered. Depending on sum covered amount and age of the Investor, there will be certain underwriting requirements such as a medical examination. Cost of medical exams will be borne by the Takaful Company. However, after medical exam, a customer or UBL Funds doesn't want to take the plan, cost of medical exams will be recovered from the customer.

12.3. Premium rate is irrespective of ages and Term of individual customers and is expressed as a percentage of Sum Covered. The net monthly premium rate will be applied by UBL Funds on Sum Covered of individual customers initially at the time of commencement of plan and thereafter every month. Since Sum Covered decreases every month, the premium amount payable at the beginning of each year also decreases, although the premium rate remains constant.

Net annual premium rate for coverage mentioned above is given below:

<b>Insured Loss</b>	<b>Premium Rate</b>
Accidental Death or Permanent Total Disability (PTD)	0.08% per month * of the remaining Sum Covered.

\* This is the current premium rate and is subject to change as communicated by the Management Company from time to time.

The net monthly premium shall be charged over and above the Invested amount for the first payment (Initial Investment). Thereafter, it will be taken out from the accumulated value of the investment amount at the start of each month, in order to maintain the continuity of the Takaful Coverage at all times as explained in Clause 12.1 above.

For example, for the Investor mentioned in clause 12.1.1 above who opens a UICP account with Rs 2,000 and agrees to pay Rs 2,000 per month for 10 years, the Sum Covered will be Rs 242,000.  $(Rs\ 2000 * 10 * 12 + Rs\ 2,000)$ . In case of death or disability of the customer covered under Takaful, the beneficiary child will receive the remaining sum covered at that point in time.

The Takaful Premium for the first month (payable over and above the initial investment of Rs. 2,000) will be Rs 48  $((Rs\ 242,000 - 2,000) * 0.02\%)$ . For the next month, the Takaful Premium will be Rs 47.6  $(240,000 - 2,000) * 0.02\%$  and so on. The Takaful Premium decreases every month and reduces to 0 at the maturity of the plan.

- 12.4. In case the investor chooses any time exit option as explained in clause 7 above, the already paid premiums will not be reimbursed and the Takaful coverage will discontinue.
- 12.5. The above Takaful features are subject to change as communicated by the Management Company from time to time. Such changes shall be disclosed to investors through the company website, as well as through notifications sent to their registered address or through announcement in a leading newspaper. Currently, the Takaful coverage for UBL Islamic Children Savings Plan is being provided by Pak Kuwait Takaful Company Limited (PKTCL).
- 12.6. The Management Company may at any time terminate the Takaful Coverage stated herein, by giving at least 15 days prior notice to the investors of UBL Islamic Children Savings Plan. The investor may thereafter independently purchase a Continuation Benefit insurance rider for his UICP account, from an Insurance company of his choice, as per the terms and conditions agreed between the investor and the Insurance Company. .
- 12.7. In pursuant to Clause 12.6 and 12.7. existing Unit-Holders will be under no obligation to comply with the changes and hence can redeem their investment without any exit charges, if any.

### **Person(s) Covered**

Customers, who accept the offer of the Management Company to be part of UBL Islamic Children Savings Plan, subject to the further provisions as below:

- i) All customers to be part of UBL Islamic Children Savings Plan offered by UBL Funds and who opt for the Takaful coverage shall be covered from the date such UBL Islamic Children Savings Plan is opened, which will be the date of eligibility.
- ii) The customer shall also confirm the beneficiary designation in writing.



iii) Customer(s) aged between 18 to 60 are covered under this Takaful Scheme.

**Exclusions:**

1. No coverage under this policy shall be provided and the Takaful company does not warrant any liability, to any person who is employed, full time or part time, or who volunteers to act, while performing his/ her professional duty as a law enforcement officer, emergency medical personnel, fire service personnel, civil defense personnel or military personnel of any country or international authority.
2. No coverage under this policy shall be provided, and the company does not warrant liability to any person who is employed as or whose occupation is a dispatch rider, bus, taxi or heavy vehicle driver, ambulance driver & racing car driver.
3. The Takaful company does not warrant liability in respect of bodily injury which directly or indirectly, is caused by, arises in connection with, is a consequence of, or is contributed by any of the following:
  - a) Declared or undeclared war or, any hostilities or any act of war, invasion, foreign enemy, civil war, rebellion, revolution, insurrection, terrorism, riot, strike or any military or usurped power.
  - b) Nuclear reaction, radiation or radioactive contamination,
  - c) Illegal acts of the Person Covered or their executors, administrators, legal heirs or personal representatives.
  - d) Any willful or intentional act of the person covered, while sane or insane, including suicide, self-inflicted injury, suicide pacts or agreements or any attempt thereat.
  - e) Provoked homicide or assault or any act or event arising, directly or indirectly, in connection with the collaboration or provocation of the insured.
  - f) The participant driving any kind of vehicle while the alcohol content of his/her blood exceeds the level permitted by the law of the country where the accident occurs.
  - g) The participant engaging in aviation, other than as a fare-paying passenger in, boarding and alighting from any fixed-wing aircraft provided and operated by a regularly scheduled airline or Air Charter Company which is duly licensed for the regular transportation of fare-paying passengers provided that such aircraft is operated only between established commercial airports
  - h) The participant engaging in, practicing for or taking part in training peculiar to any kind of free-diving, scuba-diving, water-skiing, rock-climbing, mountaineering, potholing, parachuting, hang-gliding, winter sports, speed contest or racing (other than on foot) or any professional competition or sports.
  - i) The participant having taken a drug unless it is proved that the drug was taken in accordance with proper medical prescription other than for the treatment of drug addiction, alcoholism or mental illness.
  - j) Any condition which results from or is a complication of routine physical or any other medical examination where there are no objective indications of or impairments to normal health (including, but not limited to, cosmetic surgery).
  - k) Any condition which results from or is a complication of any surgery, therapy or treatment administered on the participant which is not prescribed or required by a Physician in his professional capacity.
  - l) Any Pre-existing Medical Condition continuing or recurring illness within the period of 12 months commencing from the Effective Date of Policy or (in respect of any claim under any amendment or endorsement to the benefits under this Policy) within the period of 12 months commencing from the relevant Date of Endorsement.
  - m) Any condition which is or result from or is a complication of infection with Human immunodeficiency Virus ('HIV'), any variance including Acquired Immune

Deficiency Syndrome ('AIDS'), and AIDS Related Complications ('ARC'), or any opportunistic infections and/ or malignant neoplasm (tumor) found in the presence of HIV, AIDS or ARC.

- n) For the purpose of this exclusion, the term AIDS shall have the meaning assigned to it by the World Health Organization at the time of hospitalization.
- o) Opportunistic infections shall include but are not limited to pneumocystis carinii pneumonia, organism of chronic enteritis virus and / or disseminated fungi
- p) Malignant neoplasm shall include but not limited to Kaposi's Sarcoma, central nervous system lymphoma and/or other malignancies currently or with subsequently becomes known as causes of death in the presence of AIDS.
- q) Any condition which results from or is complication of infection with venereal disease.
- r) Any condition which results from or is a complication of birth control, sterilization, infertility or treatment thereof, pregnancy, childbirth, caesarean, miscarriage or abortion.
- s) Any dental work or treatment, extraction of impacted teeth or wisdom teeth, eye examination or anomalies and cosmetic or plastic surgery.
- t) Any treatment or surgical operation for congenital conditions and circumcision.
- u) Treatment arising from any geriatric, psycho-geriatric or psychiatric conditions, stress, anxiety and depression.
- v) Treatment for obesity, weight reduction or weight improvement.
- w) Any nervous and mental condition or disorder, venereal diseases, alcoholism or intoxication, rest cures, sanatoria care or special care special nursing care and acupuncture treatment.
- x) The Person Covered acting as diver, flight crew or cabin crew.

### **Termination of Takaful Coverage**

Takaful cover shall automatically terminate upon:

- i) Cancellation of Master Policy
- ii) The person Covered reaches his/ her 60th birthday

### **Claims procedure**

Process required for claim under Accidental death and disability

For claim under accidental death or permanent disability of the participant, the participant or beneficiary, as the case may be, shall notify the Takaful Company of the said fact.

- (a) In case of death of the person covered , for claim settlement following should be submitted to the Takaful Company:

- Notification of claim
- Copy of CNIC
- Death certificate issued from the doctor/ hospital
- Death certificate from the municipal/ concern Government authority
- First Investigation Report (F.I.R) (if necessary)
- Any other document(s) substantiating the loss

- (b) In case of permanent disability of the person covered, the following documents should be submitted to the Takaful Company:

- Notification of claim

- Copy of CNIC
- Medical report/ medical certificate confirming the details of injury and period of disability of the participant
- First Investigation Report (F.I.R) (if necessary)
- Any other document(s) substantiating the loss

(c) In case of emergency treatment of the person covered, the following documents shall be submitted to the Takaful company

- Notification of claim
- Copy of CNIC
- Medical report/ medical certificate confirming the details of injury
- Original Bill paid for emergency treatment
- Any other document(s) substantiating the loss

Upon intimation of a loss by a person covered in writing, via fax or e-mail, the Takaful Company will immediately appoint surveyors to investigate the matter and validate the loss.

Designated surveyors will independently investigate the matter and assess the loss and submit detailed report along-with the relevant documents as required during the survey and assessment of loss.

### **Claim Settlement**

The expected time for settlement of the claims under the policy may extend up to fifteen (15) days subject to the condition that all requisite documents have been submitted to the Takaful Company and the person covered and/or the Beneficiary have complied with all terms and conditions, as the case may be.

- 1.1 The Management Company may at any time terminate the Takaful Coverage stated herein, by giving atleast 15 days prior notice to the investors of UBL Islamic Children Savings Plan.
- 1.2 Management Company may from time to time, change the arrangements with PKTCL. Such changes shall be disclosed through the management company website.
- 1.3 The contribution rates may be reviewed by PKTCL annually in light of the claim experience.
- 1.4 The Management Company may change Takaful Company and/or the arrangements of the Takaful Coverage with the Takaful Company. In case of any such changes, a prior written notification at least 15 days prior to the change shall be sent to the person covered, highlighting details of the changes made.
- 1.5 In case of permanent disability and emergency treatment, claim will be settled in favor of person covered. However, in case of accidental death, claim will settle in favor of the nominated person in the application form of the relevant plan, by the person covered.

Any subsequent investments shall be in accordance with any changes so made.

Note: The terms and conditions of Takaful Coverage will be available on the Company Website (<http://www.ublfunds.com>)

### **13. Risk Disclosure**

In addition to the risks disclosed in the Offering Documents of UISF and USSF, the investment in the UBL Islamic Children Savings Plan is exposed to the following risks:

13.1. 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.

13.2. The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the respective Funds invest.

13.3. Owing to the volatile nature of the stock market, the UBL Islamic Children Savings Plan may suffer losses in the short term. Thus an investment in the UBL Islamic Children Savings Plan, to the extent of it being in the USSF, would be exposed to higher risk and possible loss of capital which may be recovered if the investment is retained for the long term. This is not applicable to the Conservative Allocation.

13.4. Investors in the Plan are not offered any guaranteed returns.

13.5. The target amount of income and returns thereon in the UISF are based on best estimates of the performance of the Income Fund and is dependent on the ability to continue investing in similar investments on maturity of the investments in the portfolio. There is no guarantee as to the actual performance of the UISF. Similarly, the target amount of capital accumulation thereon in the USSF is based on best estimates of the performance of the stock market and the Management Company's actions based on the expected performance. There is no guarantee as to the actual performance of the USSF.

13.6. Investors may note that the Fund Manager's investment/ asset allocation decisions for the Funds may not be always profitable.

13.7. The UISF and the USSF are subject to being wound up under certain circumstances as explained in the respective Offering Documents. In the event of either of the Funds being wound up, the UBL Islamic Children Savings Plan shall be discontinued and the Units standing to the credit of the Investor shall be dealt with the same manner the rest of the Units in the UISF and/or the USSF. However, the Management Company may make arrangements to transfer the amount into other funds offered by the Management Company

or other funds offered by other Asset Management Companies as per the directions and approval of the Commission and at the discretion of the Investor.

13.8. Reallocations, conversions and/or redemptions in **UICP** will be subject to Capital Gains Tax (CGT) as per the Income Tax Law.

13.9. Investors eligible for Takaful (Covered Person), under this Plan, in case of bankruptcy/default of the Takaful Company, may face the risk of default by the Takaful Company in honoring its obligations under the terms and conditions stated herein. In such an event, any (Takaful) benefit payable to the Investor will be dealt with in accordance with the terms and conditions imposed by a competent authority on the Takaful Company. The Management Company, the Trustee and the underlying Fund shall not be held liable for honoring any such claims of eligible investor(s).

**Parents and guardians of children desiring to invest in the UICP should understand fully the features, objectives, advantages and risk factors before investing in UICP. Before investing, they should consult their legal advisers, community leaders, educationists or other such advisers. They must further read the Principal Offering Documents and Plans of UISF and USSF which spell out the features of UISF and USSF, including the Risk Disclosures, Disclaimers and Warning Statements enunciated therein, which shall continue to apply to the investments made in UICP.**

#### **14. All Other Matters**

14.1. The Offering Documents relating to the UBL Islamic Sovereign Fund (UISF) and the UBL Shariah Stock Fund (USSF) 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.

14.2. It is clarified that UICP 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. UISF and USSF. Therefore, the provisions of the Trust Deeds of UISF and USSF govern this Supplemental Offering Document. This Supplemental Offering Document is supplemental to and not in derogation or novation of the Offering Documents and different Administrative Plans of UISF and USSF (Principal Offering Documents and Plans) 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. Definitions:

The following capitalized terms which have not been defined in the Trust Deeds and Principal Offering Documents of UISF and USSF, shall unless the context requires otherwise, shall have the following meanings:-

- 15.1. **“Agreement”** means the Agreement for Investment in UICP to be executed by the Investor with the Management Company.
- 15.2. **“Application”** means the Application for Subscription to UBL Islamic Children Savings Plan to be signed and submitted by the Investor to the Management Company for subscribing to the UICP for the benefit of the Child, the format of which is annexed to this Supplemental Offering Document as Annexure “A”.
- 15.3. **“Child”** means a child of either sex of the Investor and shall include a ward of a guardian or a family friend, who desires to make investments in UICP for his/her benefit and shall include Alternate Child or Second Alternate Child, as and how the context may require.
- 15.4. **“Investor”** means father, mother, step father, step mother, legal guardian or a family friend of a Child, who subscribe to UICP.
- 15.5. **“Mahana Munafa Plan (Islamic)”** is an investment plan offered by the Management Company which aims to generate consistent returns and provide a stable stream of regular income, from a portfolio that is invested in fixed income instruments (through investments in Class ‘C’ Units of UISF).
- 15.6. **“Supplementary Offering Document”** means this supplementary offering document as amended, modified or substituted from time to time.
- 15.7. **“Sum Insured”** means the amount of coverage provided by the Takaful Company to the Insured Customer and is equal to at any point in time the Initial monthly contribution times the term of the plan less sum of Monthly Contributions at that time.
- 15.8. **“Takaful”** means Shariah-compliant Insurance Coverage, provided by Takaful Company for the benefit of the investors and subject to the terms and conditions in this Supplementary Offering Document.

15.9. **“UICP” or “the Plan”** means UBL Islamic Children Savings Plan introduced by UBL Funds by this Supplementary Offering Document.