

Supplementary Offering Document of Meezan Financial Planning Fund of Funds (MFPP)

An Administrative Plan managed by Al Meezan Investment Management Limited, a public limited company incorporated under companies' ordinance 1984 and licensed under Non Banking Finance Companies (Establishment and Regulation) Rules 2003.

SECP has approved this Supplementary Offering Document vide its letter No: _____ dated _____, under regulation 54 of NBFC Regulations 2008.

It must be clearly understood, that in giving this approval, SECP does not take any responsibility of the financial soundness of the Plan nor for the accuracy of any statement made in this Supplementary Offering Document.

1. Features of Group Takaful in the Fund

- 1.1.** The Fund may be marketed in conjunction with Takaful or any other Takaful scheme subject to the approval of the Commission, and the Trustee shall be authorized to deduct any Takaful premium at the instruction of the Management Company only from the Units of those Unit Holders who have opted to join and contribute to such schemes and deposit it, with the relevant Takaful company. However, it should be clearly understood that it is not mandatory for the Unit Holder to opt for the Takaful scheme under this arrangement specified herein.
- 1.2.** The Takaful feature hereunder is designed for the benefit of those Unit Holders who wish to make systematic investments in the Fund at periodic frequency(ies), for a number of years for accumulation, to achieve a desired target amount at a targeted future date for any personal/ desired financial goal. Under this arrangement, the Management Company may promote various plans that aim to facilitate the investors to save in order to meet their personal/ desired financial goal, which may include saving for education, marriage, Hajj/ umrah, motor vehicle, house, golden years, etc.
- 1.3.** The Management Company shall facilitate the provision of optional Takaful coverage in collaboration with a Takaful Company, to all investors aged between 18 and 55 years, as per the terms in this Supplementary Offering Document and Annexure 'A'. However, the Takaful Coverage shall cease to exist when the investor reaches the age of 60.
- 1.4.** Minimum tenure of investment shall be 3 years, while a maximum tenure of investment shall be 18 years, specified by the Unit Holder. If a Unit Holder fails to select the tenure, the Management Company shall assume a tenure of 18 years or maximum possible tenure subject to investor's eligible age. The Unit Holder, may later change this tenure of investment as per procedures laid down in this Offering Document However, under such an event, the terms and conditions of the Takaful arrangement may be revised at the discretion of the Management Company and Takaful Company and the Unit Holder shall have the right to discontinue this Takaful arrangement.
- 1.5.** The Management Company may accept monthly, quarterly, semi-annual and annual frequencies for

the above mentioned systematic investments into the Fund by Unit Holders, under this Takaful arrangement.

- 1.6. In case the investor misses any periodic investment(s) in to the Fund, the investor's Takaful premium due shall continue to be deducted from the Units held and shall be paid to the Takaful Company and his Takaful coverage shall remain active.
- 1.7. Subject to clause 5.7 of the Offering Document of MFPF, the investor may redeem his units partially at any time. However, in case of full redemption of units, the Takaful coverage opted for shall terminate. Any premium payments already made shall not be re-imbursed.
- 1.8. All Units issued under this Takaful arrangement shall be growth units
- 1.9. Mode of calculation of Takaful premium:

For each Unit Holder who has opted for this Takaful arrangement, their Takaful premium due shall be calculated based on the following formula:

Takaful premium payable to Takaful Operator at beginning of month =

(Sum Assured for the Unit Holder determined upon opting for this arrangement

Minus

Previous two month's average balance amount in the Unit Holder's account under this Takaful arrangement)

Multiplied by the Takaful premium rate as specified in Annexure 'A.'

(Takaful Rates in Annexure 'A' are currently available rates and are subject to revision by the Takaful Company and in such case shall be promptly communicated by the Management Company to the Unit Holders who have opted for such a cover.)

- 1.10. **The Management Company shall to the best of its effort endeavor to offer Takaful coverage through a reputable Takaful Company, however it may be the case that at any time in the future should the terms and conditions of the Takaful coverage available to the Unit Holders be deemed unsuitable towards the interest of the Unit Holders, the Management Company may terminate the Takaful arrangement stated herein and promptly notify those investors who had opted for the Takaful scheme. In such a case, any Takaful premium payments already made to the Takaful Company shall not be re-imbursed.**
- 1.11. The Trustee shall not be responsible and liable by reason of any loss that a Unit Holder may suffer by reason of Takaful arrangement made hereunder.
- 1.12. The management company will make available a summary of the terms and conditions of the Insurance / Takaful policy in place through its website. Initiation, discontinuation or changes in the Insurance / Takaful coverage shall be done with prior approval of SECP.

Definition

“Takaful” means Shariah-compliant insurance coverage, provided by Takaful Company for the benefit of the investors.

Annexure 'A'

Initially, the Takaful coverage cited below is being provided by Pak Qatar Family Takaful Ltd.

Group Term Family Takaful Scheme

This scheme is designed to provide Takaful for investors of MFPP, which may support any future saving need.

Eligibility

All Investors of MFPP, aged 18 years to 55 years.

Benefits & Takaful Premiums:

Yearly Renewable Gross Rates (Per Thousand Per Annum)			
Age Band	Takaful Benefit	Amount of Takaful Sum	Gross Rates
18 – 25	Death due to any cause	(Sum Covered – Balance Amount) Subject to Max of Rs. 5 Million per Investor.	0.56
26 – 30			0.80
31 – 35			1.11
36 – 40			1.59
41 – 45			2.45
46 – 50			4.38
51 – 55			9.98

Payment of Claims

- ▶ Claim is to be paid against Death due to any cause.
- ▶ The Takaful Company will pay claims after due inspection and review of the claim.

Administration and Takaful premium payment

- ▶ A Group Takaful Participant Membership Document (PMD) will be issued, wherein Al-Meezan Investment Management Ltd. will be the Participant (policyholder)/Beneficiary.
- ▶ Takaful will be provided as an optional feature to all investors of MFPP.
- ▶ Takaful premium shall be deducted from the Units of the Unit Holder having so opted for this Takaful coverage on a periodic frequency agreed between the Management Company and the said Takaful Company.
- ▶ Takaful premium shall be paid at the beginning of each month based on previous 2 month's average balance amount (cut-off basis) of Investor's account.
- ▶ Takaful premium once paid (donated) will not be refunded.
- ▶ At the end of each month, the Management Company will provide the details of those investors who have opted for this Takaful coverage, along with their current investment balance amount to the Takaful Company for evaluation of Takaful coverage and premiums payments due.

Underwriting Requirements

- ▶ The scheme shall be optional for investors of MFPP.
- ▶ These rates are on the condition that the Takaful coverage shall cease to exist, if the periodic Takaful premium due from the investor is not paid to the Takaful Company.
- ▶ For All Investors (Compulsory Basis):

Maximum Sum Assured	18 - 60 years
Rs. 5 million	Health Questionnaire

- ▶ All investors of MFPP, who have opted for Takaful are required to submit Health Questionnaire as a basic requirement before being eligible for coverage.
- ▶ Upon receipt of Health Questionnaire, further underwriting requirements / terms of acceptance shall be communicated.
- ▶ Cost of medical underwriting if any shall be borne by the Takaful Company.

Terms & Conditions

- ▶ The Takaful Company reserves the right to revise the gross rates cited above, as per the terms and conditions provided to the Management Company.
- ▶ The Takaful coverage shall expire as soon as the Investor attains 60 years.

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