

**CONSOLIDATED OFFERING  
DOCUMENT OF**

**UBL Government Securities Fund  
(UGSF)**

**Risk Profile (Income): Medium<sup>1</sup>  
Risk of Principal Erosion: Principal at Medium  
(Income Scheme)**

**MANAGED BY  
UBL FUND MANAGERS LIMITED**

**CONSOLIDATED TILL 16-11-2021**

**Open for Public Subscription: From 25th July, 2011 to 26th July, 2011  
(both dates inclusive)**

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<sup>1</sup> Amended as per 8<sup>th</sup> consolidated SOD effective date 31-03-2020

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**OFFERING DOCUMENT OF**

**UBL Government Securities Fund**

**MANAGED BY**

**UBL Fund Managers Limited ("UBL Funds")**

**[An NBFC licensed as an Asset Management Company and Investment Adviser under the  
Non-Banking Finance Companies  
(Establishment and Regulation) Rules, 2003]**

**Date of Publication of this Offering Document 18th July, 2011**

**Initial Offering Period: 25th July, 2011 to 26th July, 2011 (both days inclusive)**

**1. INTRODUCTION TO UBL GOVERNMENT SECURITIES FUND**

UBL Government Securities Fund (the Fund) is established in Karachi, Pakistan as an Open end Collective Investment Scheme by a Trust Deed dated May 19, 2011 under the Trusts Act, 1882 (II of 1882) between UBL Fund Managers Limited, the Management Company, and Central Depository Company of Pakistan Limited (CDC), in its capacity as the Trustee, and authorized under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (Regulations).

The provisions of the Regulations and the Trust Deed govern this Offering Document. This Offering Document sets forth information about the Fund that a prospective investor should know before investing in any Unit.

**2. REGULATORY APPROVAL AND CONSENT**

**2.1 Approval of Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (SECP) has registered the Fund as a Notified Entity under Regulation 44 of the Regulations, vide letter No. NBFC/MF-RS/UGSF/2011/289 dated June 20, 2011. The SECP has approved this Offering Document under Regulation 54 of the Regulations vide its letter No. SCD/AMCW/MF/JD-VS/UGSF/319/2011 dated July 7th, 2011.

**It must be distinctly understood that in giving this approval, the SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document.**

**Investors should realize that all investments involve risk. It should be clearly understood that the portfolio of the Fund is subject to market fluctuations and risks inherent in all such investments. The value of units in the Fund may appreciate as well as depreciate and the level of dividend declared by the Fund may go down as well as up. Investors are requested to read the Risk Disclosure and Warning statements contained in Clause 4.9 and Clause 18 respectively in this Offering Document.**

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**Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy and Risk Factors of the Fund and should also consult their stockbroker, legal adviser or other financial adviser before investing.**

## **2.2 Governing Law**

The Trust Deed and this Offering Document shall be subject to and be governed by the laws of Pakistan, including the Ordinance, the Rules, the Regulations and all other applicable rules and regulations, as amended or replaced from time to time, and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Regulations are incorporated in the Trust Deed as a part and parcel thereof and in the event of any conflict between the Trust Deed and the provisions required to be contained in a trust deed by the Regulations, circulars or directives issued by the SECP, the latter shall supersede and prevail over the provisions contained in the Trust Deed. In the event of any conflict between this Offering Document and the Trust Deed, the latter shall supersede and prevail over the provisions contained in this Offering Document.

## **2.3 Filing of the Offering Document**

The Management Company has filed a copy of this Offering Document signed by the Chief Executive of the Management Company along with the Trust Deed with the SECP. Certified copies of these documents along with documents mentioned below can be inspected at the registered office of the Management Company or the place of business of the Trustee, at their addresses provided in the Clause 3.2 of this Offering Document.

1. Trust Deed dated May 19, 2011 executed between UBL Funds and the Trustee constituting the Fund;
2. SECP letter No. NBFC-II/03/UBLFM/AMS/02/2011 dated January 13, 2011, renewing the licence of UBL Funds to undertake asset management services;
3. SECP letter No. NBFC/MF-RS/UGSF/2011/289 dated June 20, 2011, registering the Fund as a Notified Entity and approving the Management Company to be the management company of the Fund;
4. SECP letter No. NBFC/MF-RS/UGSF/2011/217 dated May 16, 2011, approving the appointment of CDC as the trustee of the Fund;
5. SECP letter No. SCD/AMCW/MF/JD-VS/UGSF/319/2011 dated July 7, 2011, approving this Offering Document;
6. Letter dated June 1, 2011 from KPMG Taseer Hadi & Co, Chartered Accountants, statutory auditors of the Fund, consenting to act as Auditors;
7. Letter dated March 19, 2011 from Mohsin Tayebalyand Co. consenting to their nomination as legal advisers of the Fund.

### 3. CONSTITUTION OF THE SCHEME

#### 3.1 Name and Category of the Collective Investment Scheme

"UBL Government Securities Fund", an Open end Income Scheme.

#### 3.2 Constitution

The Fund is constituted by a Trust Deed entered into at Karachi on May 19th, 2011 between:

**UBL FUND MANAGERS LIMITED**, a company incorporated under the Companies Ordinance, 1984 with its registered office at 8th Floor, State Life Building, I.I. Chundrigar Road, Karachi and Corporate Office at 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan. (Hereinafter called the "Management Company" which expression where the context so permits shall include its successors in interest and assigns) of the one part; and

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED ("CDC")**, a company incorporated under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (SECP) as a central depository company, with its Registered Office at CDC House 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi (hereinafter called the "Trustee", which expression, where the context so permits, shall include its successors in interest and assigns) of the Other Part.

#### 3.3 Duration

The duration of the Fund is perpetual. However, it can be wound up by the SECP or by the Management Company as stated in Clause 15 of this Offering Document under the heading "Revocation of the Fund"

#### 3.4 Trust Deed

The Trust Deed shall be subject to and governed by the Rules, Regulations and all other applicable laws and regulations. The terms and conditions of the Trust Deed and any Supplementary Trust Deed, made after getting prior approval of SECP, shall be binding on the Trustee, the Management Company and each Unit Holder as if each of them has been a party to it and has agreed to be bound by its provisions and each Holder authorizes and requires the Trustee and the Management Company to do as required of them by the terms of the Trust Deed.

#### 3.5 Modification of Trust Deed

3.5.1 The Trustee and the Management Company acting together shall be entitled by trust deeds supplemental hereto to modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Commission; provided that the Trustee and the Management Company shall certify in writing that in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or the Regulations or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of the Trust Deed to be more conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock Exchange or otherwise for the benefit of the Unit Holders and that it does not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

3.5.2 Where the Trust Deed has been modified, altered or added to, the Management Company shall notify the Unit Holders immediately by publication in a widely circulated newspaper in Pakistan.

3.5.3 If the Commission modifies the Rules and/or Regulations these shall deem to have been included in the Trust Deed without requiring any modifications as such and shall prevail in case of conflict with the provisions of the Trust Deed.

- 3.5.4 If at any time, any Clause of the Trust Deed is or becomes in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining Clauses of the Trust Deed hereof, nor the legality, validity or enforceability of such Clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

### 3.6 Offering Document

The provisions of the Trust Deed and the Regulations govern this Offering Document. This Offering Document sets forth information about the Fund that a prospective investor should know before investing in any Unit. Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors and Warning and Disclaimer contained in this Offering Document and should also consult their legal, financial and tax advisers before investing in the Fund

### 3.7 Modification of Offering Document

This Offering Document shall be updated to take account of any relevant material changes relating to the Fund. Such changes shall be subject to prior approval from the SECP and shall either be circulated to all Unit Holders or publicly notified by advertisements in the newspapers subject to the applicable provisions of the Trust Deed, the Rules and the Regulations.

### 3.8 Fund Structure

The Fund is an Open end Income Scheme. It shall offer and redeem Units on a continuous basis, subject to terms and conditions contained herein and in the Trust Deed, the Rules and the Regulations. There is no upper limit set on the Units to be issued to a single Person or on the total number of Units to be issued to the public. However, the Management Company may impose, from time to time, certain amounts of minimum monetary investment limits to facilitate economical and efficient management of the Fund.

### 3.9 Core Investors

The Core Investor has subscribed to the Core Units representing the seed capital of the Fund aggregating to Pakistani Rupees One Hundred Million (PKR 100,000,000), out of which at least Pakistani Rupees Fifty Million (PKR 50,000,000) shall remain invested in the Fund for at least two (2) years from the close of Initial Offering Period. The details of the Core Investor are as follows:

S. No.	Name of the Core Investor	Amount (PKR)
1.	United Bank Limited	100 million

### 3.10 Units

#### 3.10.1 Classes of Units

The Management Company shall issue the following Classes of Units:

- (a) Class "A" (Core Units), which shall be issued to the Core Investors at Par Value with no Front-end Load and Back-end Load and shall be subject to the condition that such Units worth of at least Pakistani Rupees Fifty Million (PKR 50,000,000) shall not be redeemable for a period of two (2) years from the close of Initial Offering Period. Such Units are transferable with this condition and shall rank pari passu with all other Units, save for this condition. Any transfer of these Core Units, during the period starting from their issue till the close of two years from Initial Offering Period shall be effected only on receipt by the Registrar of a written acceptance of this



condition by the transferee. A notation of such conditions and their termination date shall be entered into the Register and shall be printed on any Account Statement, Certificate or transfer instrument issued in respect of such Units;

- (b) Class "B" Units, which shall be the Pre-IPO Units; these units shall be issued at Par Value (with no Front-end Load and/or Back-end Load).
- (c) Class "C" Units, which shall be issued to investors during and after the Initial Offering Period with a Front-end Load and/or Back-end Load as specified in "Annexure A" to this Offering Document.

**NOTE:** The details of the current level of Front-end Load, Back-end Load and the Management Fee charged on these units is specified in "Annexure A" of this Offering Document.

Regardless of the Types and Classes of Units, All Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Fund proportionate to the Units held by such Unit Holder. The Fund is divided into units each having a par value of Rs. 100/- (Rupees One Hundred Only).

### 3.10.2 Core Units

Core Units shall be subscribed by the Core Investors for an aggregate amount of Pakistani Rupees One Hundred Million (PKR 100,000,000) as prescribed in Regulation 44 (3)(e)(ii) of the Regulations and shall be issued at the Par Value. Out of Pakistani Rupees One hundred million (Rs. 100 million), at least Pakistani Rupees Fifty Million (PKR 50,000,000) shall remain invested in the Fund for at least two (2) years from the close of Initial Offering Period.

### 3.11 Initial Offering Period

During the Initial Offering Period, Units shall be offered at Offer Price. The Initial Offering shall be for Class "C" Units with no Front-end Load and/or Back-end Load. The Initial Offering Period shall be made for two (2) Business Days and shall commence at the start of the banking hours on 25th July, 2011 and shall close at the end of the Cut-Off Time on 26th July, 2011. During the Initial Offering Period the Units shall not be redeemed.

### 3.12 Transactions in Units after Initial Offering Period

After the Initial Offering Period, the sale of Units shall continue at the Offer Price and shall be redeemed at the respective Redemption Price as per Clauses 6.10.4 and 6.10.10, respectively. Different classes of Units may have differing applicable quantum of Front-end Load added to the NAV for determining the Offer Price thereof. The Management Company shall announce and make available the Offer Price to the public through its website and at the office and branches of the Distribution Companies as of the close of each Business Day calculated on the basis of the NAV on the same day. The Management Company shall also announce the Redemption Price on a daily basis on all Business Days. The Offer Price and the Redemption Price shall be determined by the Management Company under the provisions of the Trust Deed and as per Clauses 6.10.4 and 6.10.10, respectively, of this Offering Document. The Offer Price and Redemption Price so calculated shall be applicable for the Business Day on which the application for purchase or redemption of units is received within the cut-off timings as specified in Clause 6.3.3 and Clause 6.4.3 respectively.

### 3.13 Physical/Scrip less Units

Units will be issued in registered, un-certified form and will be confirmed to investors by means of an Account Statement issued by Transfer Agent subject to Clause 12.7.1 and Clause 12.7.2.

## 4. INVESTMENT OBJECTIVES AND RESTRICTIONS

### 4.1 Investment Objective

The objective of the fund is to generate a competitive return with minimum risk, by investing primarily in Government Securities.

### 4.2 Investment Policy

#### 4.2.1 Authorised Investments:<sup>1</sup>

The maximum and minimum weightings of the Fund at any time in the Authorized Investments shall be as follows:

Instruments / Securities	Maximum Exposure (% of Net Assets)	Minimum Exposure (% of Net Assets)	Minimum Issuer/ Instrument Rating
Government Securities	100%	70%*	N/A
Cash at Bank (excluding TDR) and other near cash instruments like T-Bills/GoP Ijara with maturity not exceeding 90 days	30%*	10%**	AA- or Above
Deposits with Scheduled Banks and Reverse Repo against Government Securities, with maturity of up to 6 months	30%	0%	AA- or Above
Deposits with Scheduled Banks and Reverse Repo against Government Securities, exceeding maturity of 6 months	15%	0%	AA- or Above

\* On monthly average basis calculated at the end of each month. In the event of any breach in the same due to increase or decrease in net assets due to issuance or redemption, the breach shall be regularized within one month of the breach.

\*\* As per Circular No. 3 of 2015 dated January 26, 2015.

#### **NOTE:**

- (a) All the instruments will be invested within the Duration Parameter defined in Clause 4.2.2 under the heading of "Investment Strategy".
- (b) All authorized investments specified above are subject to any change or amendment in the Regulations by the SECP.

<sup>1</sup> Amended as per 7<sup>th</sup> Supplement effective dated 27.07.2018

## 4.2.2 Investment Strategy

The weighted average time to maturity of the Fund shall not exceed 4 years and this shall also apply to Government Securities. This is intended to reduce risk while providing competitive returns and maintaining liquidity.

The Fund's investment strategy shall be based on prevailing market conditions and fundamental credit analysis of counterparties.

Specifically, the investment strategy shall focus on the following key broad parameters:

- (a) **Sponsor of the counterparty:** Investments shall be made keeping in mind the market reputation and past track record of the counterparty and its mainsponsors.
- (b) **Strength of financials and ability to repay:** The strength and stability of counterparty earnings shall be taken into consideration.
- (c) **Rate of return offered:** Attempt shall be made to invest in those instruments that offer competitive returns vis-à-vis other similar investments in the market.
- (d) **Industry fundamentals and future outlook:** Industry outlook and its future potential shall also be looked into at the time of investing. The Fund shall seek to invest in those money market and fixed income instruments that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay.

## 4.3 Benchmark

The Benchmark of UBL Government Securities Fund (UGSF) shall be as follows:

Six (6) months PKRV rates.<sup>1</sup>

## 4.4 Investments outside Pakistan

- 4.4.1 Investments made by the Fund outside Pakistan shall be subject to prior approval from the Commission and the SBP. These investments will enable the Fund to diversify the risk as well as avail opportunities for higher returns in markets that are undervalued. Such Investments may be made up to 30% of net assets of the Fund and are subject to a cap of US\$ 15 million. The Management Company may expand this limit subject to approval of State Bank of Pakistan and SECP.
- 4.4.2 In case the limit on foreign investment is exceeded, the Management Company shall regularise the excess within three (3) months of breach of the limit.

<sup>1</sup> Amended in 3<sup>rd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 07-10-2016

4.4.3 The Fund Property can be invested in international investments, including the following:

- (a) International profit bearing securities issued by foreign governments;
- (b) International money market and fixed income instruments issued by foreign governments;
- (c) foreign currency bank deposits;
- (d) foreign currency bank accounts in Pakistan;
- (e) government securities based Mutual Funds;

4.4.4 Whilst investing internationally, the Fund Property shall not be placed in any investment that has the effect of making the Fund's liability unlimited.

4.4.5 If the Fund is invested outside Pakistan, the currency of such investments shall be convertible currencies, such as the US Dollar, Pound Sterling, Euro and Japanese Yen or any other convertible currency; provided that the currency of such instruments may be some other currency where the Management Company is of the opinion that there exists a cost effective conversion mechanism to convert such currency into Pakistani currency or into any convertible currency.

4.4.6 Not more than 50% of the permissible limit of the international investments shall be placed in any one country. Not more than 5% of the NAV at the time of investment shall be invested in any one security outside Pakistan

4.4.7 Arrangements for international custody of securities, where required, shall be made with reputable institutions and procedures shall be agreed upon by the Trustee. The Management Company shall make best efforts to minimize costs affiliated with international transactions so that the savings can be passed on to the Unit Holders

## **4.5 Investment Restrictions**

4.5.1 The Management Company, on behalf of the Fund shall not at any time ;

- (a) purchase or sell:
  - (i) bearer securities;
  - (ii) securities on margin;
  - (iii) securities which result in assumption of unlimited or undetermined liability (actual or contingent);
  - (iv) real estate, commodities or commodity contracts;
  - (v) securities of the Management Company; or
  - (vi) any investment other than Authorised Investments as defined herein;

- 
- (b) take exposure to equity securities/equities or debt securities of a company;
  - (c) affect a short sale in a security whether listed or unlisted;
  - (d) purchase any security in a forward contract;
  - (e) participate in a joint account with others in any transaction;
  - (f) take exposure of more than thirty per cent (30%) of its Net Assets in any single group;
  - (g) take exposure of more than ten per cent (10%) of its Net Assets in the Management Company's listed group companies;
  - (h) issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;
  - (i) apply for de-listing from a Stock Exchange, unless it has obtained prior written approval of the Commission;
  - (j) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person:

Explanation: Reverse repo transactions involving Government Securities under an agreement shall not be prohibited under sub-Clause (j), provided that risk management parameters are disclosed in this Offering Document;

- (k) sell or issue Units for consideration other than cash, unless permitted by the Commission;
- (l) exceed its Exposure to any single entity from an amount equal to ten per cent (10%) of total Net Assets of the Fund; provided that where the Exposure exceeds the limits specified in this sub-Clause (l) because of corporate actions, including due to market price increase or decrease in Net Assets, the excess Exposure shall be regularized within three (3) months of the breach of limits or a further period of three (3) months if such extension is granted by the Commission on an application made by the Management Company;
- (m) invest in any security of a company
- (n) take Exposure in any other collective investment scheme, except in the case of foreign investment;
- (o) take Exposure to CFS and Spreads;
- (p) exceed the limit of four (4) years for the weighted average time to maturity of its Net Assets and this shall also apply to Government Securities;
- (q) rollover the investments, if the borrowing limits have already been exhausted by the Fund or redemptions are pending for more than six (6) days;
- (r) pledge any of its Investments held or beneficially owned by it, except as allowed under these Regulations;

- (s) make a loan or advance money to any person from the assets of the Fund;
- (t) merge with any other collective investment scheme, or acquire or takeover the management of a collective investment scheme, unless it has obtained the prior written approval of the Commission;
- (u) undertake brokerage services on Stock Exchanges or in money market;
- (v) make any investments during the Initial Offering Period;
- (w) invest less than twenty five per cent (25%) of the Net Assets in cash and near cash instruments which include cash in Bank Accounts (excluding TDRs) and treasury bills not exceeding ninety (90) days maturity; or
- (x) invest more than fifteen per cent (15%) of the Net Assets in non traded securities including reverse repo, bank deposits and anything over six (6) months maturity which is not a marketable security.
- (y) take exposure in Certificates of Investment (COI) and Certificates of Musharaka (COM);
- (z) place funds with any NBFC and Modaraba;
- (za) place funds with any bank with a rating lower than AA- or above.
- (zb) place funds with any DFI.

4.5.2 All restrictions specified in Clause 4.5.1 are subject to any change or amendment made in the Regulations by the Commission.

4.5.3 Foreign investment by the Fund shall be subject to the condition that it shall not exceed:

- (a) thirty percent (30%) of the Net Assets; and
- (b) United States Dollars Fifteen Million (USD 15,000,000),

or some other limit or condition imposed by the Commission or the SBP.

## 4.6 Borrowing and Borrowing Restrictions

### 4.6.1 **Limit**

Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may, at any time at the request of the Management Company, concur with the Management Company in making and varying arrangements with Banks or Financial institutions for borrowing by the Trustee for the account of the Fund; provided that borrowing for the account of the Fund shall not be made except and only for meeting redemption requests and such borrowing shall not exceed fifteen per cent (15%) or such other limit as may be specified by the Commission of the value of the total Net Assets at the time of borrowing and shall be repayable within a period of ninety (90) days or otherwise as may be provided under the Regulations; provided further that the charges payable to such Bank, Financial Institution are not higher than the normal bank charges; provided further that if borrowing for the account of the Fund is made within the maximum limit applicable thereof at the time of the borrowing but subsequent to such borrowing the value of the total Net Assets has

reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, then in such case the Management Company or the Trustee shall not be under any obligation to reduce such borrowing so as to bring it within the revised limit applicable thereto.

#### **4.6.2 Pledge**

For the purpose of securing any such borrowing the Trustee may on the written instruction of the Management Company mortgage, charge or pledge any part of the Fund Property, provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Regulations.

#### **4.6.3 Guarantees**

Neither the Trustee nor the Management Company shall be required to issue any guarantees or provide security over their own assets for securing such borrowings. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such borrowings.

#### **4.6.4 Liability of the Trustee and Management Company**

The Trustee or the Management Company shall not incur any liability by reason of any loss to the Fund or any loss that a Unit Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made in accordance with the terms of the TrustDeed.

### **4.7 Restrictions on transaction with Connected Persons**

4.7.1 The Management Company on behalf of the Fund shall not, without the approval of its Board of Directors in writing and consent of Trustee, purchase from or sell any securities to any Connected Person or employee of the Management Company.

4.7.2 The Fund Property shall not be invested in any security of a company if any director or officer of the Management Company individually owns more than five percent (5%) of the total amount of securities issued, or the directors and officers of the Management Company collectively own more than ten percent (10%) of those securities.

4.7.3 Where cash forming part of the Fund Property is deposited with the Trustee or the Custodian that is a banking company or an NBFC, a return on the deposit shall be paid by such banking company or NBFC at a rate that is not lower than the rate offered by such banking company or NBFC to its other depositors on deposits of similar amount and maturity.

4.7.4 All transactions with Connected Persons carried out by the Management Company on behalf of the Fund shall be in accordance with the provisions of the Constitutive Documents and shall be disclosed in the annual report of the Fund.

### **4.8 Valuation of Fund Property**

4.8.1 The Net Assets of the Fund shall be computed in accordance with any such method of valuation of assets and liabilities as may be specified in Non-Banking Finance Companies and Notified Entities Regulations, 2008 and/or modified by the Commission from time to time;

4.8.2 The valuation shall be conducted as at the close of the Business Day in Pakistan.

- 4.8.3 All amounts in foreign currencies shall be converted into Pakistani Rupees based on the quotations by the National Bank of Pakistan or the Authorised Dealer(s). The conversion shall take place at the buying rate of the National Bank of Pakistan / Authorised Dealer(s).

## 4.9 Risk Disclosure and Disclaimer

Investment process requires disciplined risk management. The Management Company will incorporate adequate safeguards for controlling risks in the portfolio construction process of the Fund. The risk control process involves reducing risks through optimal portfolio diversification. The Management Company believes that this diversification would help achieve the desired level of consistency in returns.

The Management Company's investment team aims to identify securities following proper credit evaluation of the securities proposed to be invested. It will be guided by the ratings of rating agencies such as Pakistan Credit Rating Agency or JCR-VIS Credit Rating Company Limited or any other rating agencies that may be registered with the SECP from time to time or any other reputed international credit rating agencies.

Investors must realise that all investments in mutual funds and securities are subject to market risks. Our target return/dividend range cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

- a) **Government Regulation Risk:** Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to change in these regulations or policies which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.
- b) **Government Risk:** The Fund shall be primarily investing in Government Securities and the risk of government default may exist and may affect the NAV of the Fund.
- c) **Price Risk:** Fixed income securities, which include treasury bills, pay fixed rate of return. The value of the Fund, due to its holdings in such securities, will rise and fall as interest rates change. For example, when interest rates rise, the value of an existing fixed income security may fall.
- d) **Credit Risk:** This is the risk that a security's issuer or the counterparty in the case of reverse repurchase or other arrangement may not meet its obligation in full and/or on time to pay interest and repay capital or other financial obligations. Credit risk comprises default risk and downgrade risk. Each can have a negative impact on the value of the income and money market instruments. The Management Company shall help mitigate this risk by continuously reviewing the market conditions and shall also consider individual credit risks, but it should be understood that the market value of fixed income instruments will fluctuate with changes in interest rate levels. Credit risk in the Fund shall also be further mitigated as the minimum rating threshold is "AA-".
- e) **Credit Spread Risk:** This is the risk that there may be an increase in the difference between the return/markup rate of any issuer's security and the return/markup rate of a risk free security. The difference between this return/mark up rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of income and money market instruments.



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- f) **Performance Risk:** Performance risk is the uncertainty relating to the performance of the Fund with respect to its ability to earn consistent income stream as outlined in its investment objective. There is a risk that the NAV of the Fund might go down.
  - g) **Default Risk:** This is the risk that the issuer of the security will not be able to pay the obligation, either on time or at all;
  - h) **Events Risk:** There may be adjustments to the performance of the Fund due to events including, but not limited to, natural calamities, market disruptions, mergers, nationalisation, insolvency and changes in tax law.
  - i) **Interest Rate Risk:** A rise or decline in interest rates during the investment term may result in a change in return provided to the investors.

### Disclaimer

The Units of the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by the SECP, any Government Agency, the Trustee (except to the extent specifically stated in this document and the Trust Deed), the Management Company or any of the shareholders of the Management Company or any of the Core Investors or any other Bank or Financial Institution.

The portfolio of the Fund is subject to market risks and risks inherent in all such investments. The target return/dividend range of the Fund cannot be guaranteed. The price of a Unit after the Initial Offering Period is not guaranteed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

The Fund may also invest outside Pakistan and such investments may be exposed to certain additional risks, including political, economic and exchange rate risks that may reduce the value of the investments. However, studies show that diversifying internationally tends to reduce the overall volatility of a portfolio and may thus reduce risks for investors.

**Investors are requested to read the Risk Disclosure in Clause 4.9 and Warning Statements contained in Clause 18 respectively.**

## 5. OPERATORS AND PRINCIPALS

### 5.1 Management Company - UBL Fund Managers Limited

UBL Funds is a wholly owned subsidiary of United Bank Limited (UBL), recognized as one of the trusted names in the banking sector. UBL Funds was incorporated in August 2002, and since then it has been a leader in providing innovative solutions for growing customer needs in a dynamic market. It was the first asset management company (AMC) to be launched by a Bank in Pakistan. The assets under management (AUM) of UBL Funds were Rs. 24.80 billion as of 31 March 2011, making it one of the largest private sector AMCs with respect to AUM in open-end mutual funds.

UBL Funds has been awarded a Management Quality Rating of "AM2" from JCR VIS Credit Company Limited.

UBL Funds is currently managing (8) mutual funds, eight (8) investment plans and two (2) voluntary pension schemes as of 31st March 2011.

### SHAREHOLDING STRUCTURE

Name	Paid Up Capital	
	Number of Shares	Amount in Rupees
United Bank Limited	24,999,992	249,999,920
Others	8	80
Total	25,000,000	250,000,000

## 5.2 Funds under management of UBL Funds

### UBL LIQUIDITY PLUS FUND (ULPF)

UBL Liquidity Plus Fund (ULPF) is an open-end money market fund that is especially designed for corporate and individual investors who are looking for a safe investment avenue to park their cash. The fund offers competitive, tax-free returns on investment and also provides a 'Same Day Redemption Facility' (subject to certain conditions) to facilitate investors.

Date of launching	19 June 2009	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2010)	Rs. 7,838 Million	
Net Assets (as at 30 June 2009)	Rs. 1,287 Million	
NAV (as at June 30 2010)	Rs. 102.95	
NAV (as at June 30 2009)	Rs. 100.22	
Listing	Islamabad Stock Exchange	
<b>Fund Rating:</b> <b>(Credit Rating Agency: JCR-VIS)</b>	AA+	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended 30 June 2010	10.52%	Rs.2.9449 per 100 units
Year ended 30 June 2009		
(since public launch)	9.07%	Rs. 0.1842 per 100 units

### UBL SAVINGS INCOME FUND (USIF)

UBL Savings Income Fund is an open-end Income fund which aims to provide a competitive rate of return, with a moderate level of risk to its investors by investing in fixed income securities / instruments. The Fund invests in Government Securities, deposits with and lending to banks & DFIs, Commercial Paper, Spreads and CFS (Continuous Funding System), The Fund aims to maintain weighted average time to maturity of the portfolio not exceeding 4 years.

Date of launching	14 October 2010	
Par Value of units	Rs. 100	
Net Assets (as at 30 December 2010)	908 Million	
NAV (as at 30 December 2010)	102.4005	
Listing	Islamabad Stock Exchange	
<b>Fund Rating:</b> <b>(Credit Rating Agency: JCR-VIS)</b>	AA-	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended 30 December 2010 (since public launch)	11.58%	NIL

### UBL ISLAMIC SAVINGS FUND (UISF)

UISF is an open-end Shariah Compliant Income Fund which aims to provide a competitive return with a moderate level of risk to its investors by investing in Shariah-compliant fixed income securities / instruments. The Fund invests in both Government-issued and private Islamic debt securities including Ijarah/Sukuks, with the remainder in placements with Islamic banks, and licensed Islamic windows of conventional banks. The Fund aims to maintain weighted average time to maturity of the portfolio not exceeding 4 years. The fund operates under the expert guidance of a renowned Shariah Advisory Board which includes Mr. Hassan Kaleem and Mr. Najeeb Khan.

Date of launching	7 November 2010	
Par Value of units	Rs. 100	
Net Assets (as at 30 December 2010)	1,238 Million	
NAV (as at 30 December 2010)	101.7003	
Listing	Islamabad Stock Exchange	
<b>Fund Rating:</b> <b>(Credit Rating Agency: JCR-VIS)</b>	AA-	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended 30 December 2010	11.84%	NIL

### UNITED GROWTH & INCOME FUND (UGIF)

UGIF is an open-end aggressive income fund which was publicly launched in March 2006. It invests in fixed income instruments like PIB's, T-Bills, Term Finance Certificates and other medium to long term fixed income securities. UGIF has two classes of units: Income & Growth. Currently, Income Units carry a flat one and a half per cent (1.5%) Front-end Load whereas Growth Units carry a step down back-end load of maximum three per cent (3%) depending upon the time of encashment.

The investment objective of UGIF is to invest in medium to long-term fixed income instruments as well as short-tenor money market instruments and seeks to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term.

Date of launching	2 March 2006	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2010)	Rs. 8,231 Million	
Net Assets (as at 30 June 2009)	Rs. 15,859 Million	
Net Assets (as at 30 June 2008)	Rs. 14,626 Million	
Net Assets (as at 30 June 2007)	Rs. 11,479 Million	
Net Assets (as at 30 June 2006)	Rs. 1,303 Million	
NAV (as at 30 June 2010)	Rs. 100.8203	
NAV (as at 30 June 2009)	Rs. 97.9604	
NAV (as at 30 June 2008)	Rs. 103.4033	
NAV (as at 30 June 2007)	Rs. 111.6250	

NAV (as at 30 June 2006)	Rs. 109.5939	
Listing		Karachi Stock Exchange
<b>Fund Rating</b> <b>(Credit Rating Agency: JCR-VIS)</b>	BBB-	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Year ended 30 June 2010	9.26%	Rs. 3.22 per 100 units
Year ended 30 June 2009	6.43%	8.69 units per 100 units
Year ended 30 June 2008	9.46%	9.18 units per 100 units
Year ended 30 June 2007	11.51%	11.40 units per 100 units
Year ended 30 June 2006		
(since public launch)	9.88%	9.25 units per 100 units

### UNITED STOCK ADVANTAGE FUND (USF)

USF is UBL Funds' first open-end equity fund which was launched in August 2006. The investment objective of the fund is to provide investors long-term capital appreciation through investing in a mix of equities that offer both capital gain and dividend yield potential. The fund aims to maximise total returns and outperform the KSE-100 Index. USF offers class "A" units to its investors with a one time nominal flat front-end load of two and a half per cent (2.5%) which is built into the offer price.

Date of launching	4 August 2006	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2010)	Rs. 1042 Million	
Net Assets (as at 30 June 2009)	Rs. 1649 Million	
Net Assets (as at 30 June 2008)	Rs. 2521 Million	
Net Assets (as at 30 June 2007)	Rs. 1254 Million	
NAV (as at 30 June 2010)	Rs. 80.36	
NAV (as at 30 June 2009)	Rs. 64.75	
NAV (as at 30 June 2008)	Rs. 103.01	
NAV (as at 30 June 2007)	Rs. 129.73	
Listing	Karachi Stock Exchange	
<b>Fund Rating:</b> <b>(Credit Rating Agency: JCR-VIS)</b>	MFR 4-Star	
<b>Performance:</b>	<b>Return</b>	<b>Payout</b>
Year ended 30 June 2010	24.11%	Rs. 48.44 per 100 units
Year ended 30 June 2009*	-35.25%	None
Year ended 30 June 2008*	-4.11%	3.01 units per 100 units
Since public launch to 30 June 2007	29.73 %	20.76 units per 100 units

## UNITED COMPOSITE ISLAMIC FUND (UCIF)

UCIF is an open-end fund which offers its investors an opportunity to invest in a diversified portfolio of Shariah compliant investments. The fund seeks to maximise medium to long term returns for a given level of risk. The balance is invested in non-equity instruments such as Sukuk bonds, Musharikhah and Murabaha certificates, and other Islamic instruments. Up to thirty per cent (30%) of the fund can be invested in foreign securities. The fund operates under the expert guidance of a renowned Shariah Advisory Board which includes Mr. Hassan Kaleem and Mr. Najeeb Khan.

Date of launching	24 December 2006	
Par value of units	Rs. 100	
Net Assets (as at 30 June 2010)	Rs. 524 Million	
Net Assets (as at 30 June 2009)	Rs. 823 Million	
Net Assets (as at 30 June 2008)	Rs. 1218 Million	
Net Assets (as at 30 June 2007)	Rs. 965 Million	
NAV (as at 30 June 2010)	Rs. 95.18	
NAV (as at 30 June 2009)	Rs. 81.80	
NAV (as at 30 June 2008)	Rs. 105.36	
NAV (as at 30 June 2007)	Rs. 114.86	
Listing	Islamabad Stock Exchange	
<b>Fund Rating:</b> <b>(Credit Rating Agency: JCR-VIS)</b>	MFR 4-Star	
<b>Performance:</b>	<b>Return</b>	<b>Payout</b>
Year ended 30 June 2010	16.36%	Rs. 28.30 per 100 units
Year ended 30 June 2009*	-18.38%	None
Year ended 30 June 2008	0.81%	5.14 units per 100 units
Since public launch to 30 June 2007	14.88 %	9.90 units per 100 units

## UNITED ISLAMIC INCOME FUND (UIIF)

An open end Islamic aggressive income fund, UIIF endeavours to provide attractive returns to its investors by investing in Shariah compliant income instruments while taking into account capital security and liquidity considerations. UIIF invests in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns while preserving capital over the long-term. The fund operates under the expert guidance of a renowned Shariah Advisory Board which includes Mr. Hassan Kaleem and Mr. Najeeb Khan.

Date of launching	20 October 2007	
Par Value of units	Rs. 100	
Net Assets (as at 30 June 2010)	Rs. 890 Million	
Net Assets (as at 30 June 2009)	Rs. 1814 Million	
Net Assets (as at 30 June 2008)	Rs. 1445 Million	

NAV (as at 30 June 2010)	Rs. 102.0194	
NAV (as at 30 June 2009)	Rs. 102.8735	
NAV (as at 30 June 2008)	Rs. 100.5184	
Listing	Islamabad Stock Exchange	
<b>Fund Rating:</b>	BBB-	
<b>Performance:</b>	<b>Return</b>	<b>Payout</b>
Year ended 30 June 2010	5.44%	3.23 units per 100 units
Year ended 30 June 2009*	3.31%	4.86 units per 100 units
Since public launch to 30 June 2008	9.27 %	5.85 units per 100 units

## UBL CAPITAL PROTECTED FUND - II

An open-end investment scheme, UCPF-II offers 100% security of the principal investment while providing an opportunity to earn potentially higher returns than traditional savings schemes.

Date of launching	23 May 2010
Par Value of units	Rs. 100
Net Assets (as at 30 June 2010)	Rs. 199 Million
NAV (as at 30 June 2010)	Rs. 100.32
<b>Dividend Payout:</b>	
Since public launch to 30 June 2010	Rs. 0.3142 per unit
<b>Asset Class as % NAV (as of June 30, 2010)</b>	
TDRs	85%
Equity	5%
Cash and equivalent	10%
Leverage	-
Fund Rating	
Credit Rating Agency: JCR-VIS)	AA+(cpf)

## 5.3 INVESTMENT PLANS

### Mahana Munafa Plan (conventional and Shariah compliant)

With Mahana Munafa Plan the investors will earn profit on a regular basis so that a household can be managed without cutting corners. While the investors enjoy a regular source of income, their initial investment will remain in safe hands.

The investment portfolio of the Mahana Munafa Plan (conventional) comprises one hundred per cent (100%) investment in the USIF, whereas the investment portfolio of the Mahana Munafa Plan (Shariah compliant) comprises one hundred per cent (100%) investment in the UISF.

For further information, please refer to the offering document of the Mahana Munafa Plan on the Management Company's website (<http://www.ublfunds.com.pk>).

### **Profit + Growth Plan (conventional and Shariah compliant)**

With the Profit + Growth Plan a portion of the investors' savings will be invested to provide investors with regular profit allowing them to take care of their daily household expenses, while the remaining amount will be invested for long term capital appreciation that will help meet the investors' future goals.

The investment portfolio of the Profit + Growth Plan (conventional) comprises seventy per cent (70%) investment in the UGIF-Income Units and thirty per cent (30%) investment in USF, whereas the investment portfolio of the Profit + Growth Plan (Shariah compliant) comprises of seventy per cent (70%) investment in UIIF - Income Units and thirty per cent (30%) investment in UCIF.

For further information, please refer to the offering document of the Profit + Growth Plan on the Management Company's website (<http://www.ublfunds.com.pk>).

### **Sarmaya Izafa Plan (conventional and Shariah compliant)**

With the Sarmaya Izafa Plan the profit realised on investment is automatically reinvested into the account of the investor along with the principal investment. Thus savings grow large enough to take care of the investor's future responsibilities with ease.

The investment portfolio of the Sarmaya Izafa Plan (conventional) comprises seventy per cent (70%) investment in USF and thirty per cent (30%) investment in the UGIF - Growth Units, whereas the investment portfolio of the Sarmaya Izafa Plan (Shariah compliant) comprises one hundred per cent (100%) investment in UCIF.

For further information, please refer to the offering document of the Sarmaya Izafa Plan placed on the Management Company's website (<http://www.ublfunds.com.pk>).

### **UBL PRINCIPAL PROTECTED PLAN - I (UPPP - I)**

The UBL Principal Protected Plan Series offers investment plans that are based on the world renowned investment methodology, Constant Proportion Portfolio Insurance (CPPI) - introduced for the first time in Pakistan.

The first plan from the series, UPPP-I, was launched in July 2008. Based on the CPPI Methodology, UPPP-I offers investors exposure to equity markets while protecting their capital at the end of the three (3) year term of the plan. The investment portfolio of UPPP-I comprises USF, UGIF, and ULPF.

For further information, please refer to the offering document of UPPI - I on the Management Company's website (<http://www.ublfunds.com.pk>).

### **Mera Kal - UBL Children Savings Plan (UCP)**

This is a systematic investment plan designed exclusively for persons aged between 0 to 25 years that allows investors to invest regular sums of money in their account from time to time on a periodic basis, thus growing their savings and enabling them to meet their child's future needs such as education etc.

The investment portfolio of UCP comprises seventy per cent (70%) investment in USF and thirty per cent (30%) investment in UGIF - Growth Units.

For further information, please refer to the offering document of UCP on the Management Company's website (<http://www.ublfunds.com.pk>).



## 5.4 Board of Directors and Management

### 5.4.1 Board of Directors

The board of directors of UBL Fund Managers comprises:

Name of Director	Position	Other Directorships	Occupation	Address
Mr. Tariq Kirmani	Director/ Chairman	1. National Bank of Pakistan 2. Asia Care Health and Life Insurance 3. BYCO Petroleum Limited 4. BYCO Oil Pakistan Limited 5. Marie Adelaide Leprosy Centre 6. Pakistan Sports Trust 7. National Academy for Performing Arts 8. Professional Education Foundation 9. Greenstar Social Marketing Pakistan	Business Manager	79-A/1 Khayaban-e- Shahbaz, Phase-VI, DHA, Karachi
Mir Muhammad Ali, CFA	Chief Executive/ Director	1. CFA Association of Pakistan 2. TIPS Foundation (as Trustee)	Investment Manager	48/1, 6th Commercial Street Phase 4, D.H.A, Karachi
Mr. Aameer Karachiwalla	Director	1. United Executors & Trustees Co. Ltd. 2. United National Bank, London 3. UBL Insurers Limited	Banker	23/B GF-1, Sea View Apartment, Phase-V, DHA, Karachi
Mr. Ali Sameer Farooqui	Director	1. United Executors & Trustee Co. Ltd.	Banker	4, Khayaban-e-Hafiz, Phase V, DHA, Karachi
Mr. Shabbir Hashmi	Director	1. Engro Corporation Limited 2. Engro Polymer & Chemicals Limited, 3. Engro Powergen Limited 4. Engro Energy Limited 5. Engro Fertilizers Limited 6. Sind Engro Coal Mining Company Limited 7. Central Insurance Company Limited 8. LMKR Holdings, Mauritius 9. LMKR Pakistan (Pvt) Limited.	Business Executive	90/1, 11 <sup>th</sup> Street, Khayaban-e-Sehar, Phase VI, DHA, Karachi,
Mr. Saeed Iqbal	Director	1. World Bridge International 2. World Bridge Pakistan 3. Cinepax Limited 4. Techlogix International Limited	Banker	43/6/G, Block 6, P.E.C.H.S., Karachi

Name of Director	Position	Other Directorships	Occupation	Address
Mr. Rayomond H. Kotwal	Director	1. UBL Insurers Limited 2. Pakistan Parkinsons Society	Banker	L-61, Cyrus Colony, Mehmoodabad Road, Karachi.

### **Mr. Tariq Kirmani - Director/Chairman**

Soon after completing his Masters in Business Administration (MBA) Mr. Kirmani embarked upon a rewarding career, starting with a multi-national Oil Company (Caltex later Chevron Pakistan) in 1969 and worked for seven years in the United States of America, United Arab Emirates and Australia in different senior management positions in Marketing Operations and Finance. In 1991, Mr. Kirmani became the first Pakistani to be elected as a Company Director of the mentioned multi-national company.

In April, 1999 he joined Pakistan State Oil (PSO) as Deputy Managing Director and went on to become the Managing Director in July 2001. He turned around this public sector organization and converted it into a customer focused entity, giving it a new brand image and making it profitable while aggressively competing with other multi national companies.

With PSO's successful turn-around and his 37 years of multi faceted experience in the corporate sector both domestic and international, the Government of Pakistan (GoP) appointed Mr. Tariq Kirmani, as Chairman, Pakistan International Airlines (PIA) in April, 2005. He served the airline for two years until April 2007.

Mr. Kirmani has served on the Boards of various companies and now is serving as a Director on the Board of National Bank of Pakistan (NBP), Asia Care Health and Life Insurance Company Limited, Byco Petroleum Pakistan Limited (BPPL), Byco Oil Pakistan Limited (BOPL), Marie Adelaide Leprosy Centre (MALC), Pakistan Sports Trust (PST), National Academy of Performing Arts (NAPA), Professional Education Foundation (PEF) and Greenstar Social Marketing Pakistan.

### **Mir Muhammad Ali, CFA - Chief Executive Officer**

Mir Muhammad Ali, CFA has extensive experience in investment banking and fund management during the last fifteen (15) years. Prior to joining UBL Funds he was with the Asian Development Bank (ADB). He represented ADB on the board of several companies, including an asset management company. Prior to joining ADB, Mir worked as Divisional Head Investment Banking of UBL. Mir was instrumental in setting up of the Investment Banking Group (IBG) at UBL which obtained the best investment bank award for the year 2002-2003 from the CFA Association of Pakistan. Apart from carrying out a large number of debt and capital market transactions, Mir's achievements included: (i) setting up UBL Funds, which was the first AMC to be set up by any commercial bank in Pakistan - this in turn enabled the launching of the first true money market fund in Pakistan; (ii) execution of Pakistan's first listed asset backed securitisation transaction. During his career, he has also worked for various institutions such as Pakistan Kuwait Investment Company Limited, IBM World Trade Corporation and ANZ Grindlays Bank Limited.

Mir is an MSc in Finance from University of Strathclyde in Glasgow, Scotland. He was awarded the prestigious Chevening Scholarship from the British Council for his MSc. He is an MBA from the Institute of Business Administration with a Gold Medal for an overall first position in 1988-89. He is also a CFA Charter Holder.

### **Mr. Aameer Karachiwalla - Director**

A Chartered Accountant from England and Wales, Mr. Karachiwalla comes with more than eighteen (18) years of experience of working in the banking and corporate sector. Before joining UBL, he worked for Citicorp Investment Bank, American Express Bank and in the automotive industry.

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**Mr. Ali Sameer Farooqui - Director**

As Group Executive, Credit Policy, Mr. Ali Sameer Farooqui is responsible for managing the entire risk portfolio for UBL in all areas of business and operation. Ali is an MBA with a concentration in Finance with over twenty (20) years of work experience. He has previously been involved in the areas of Corporate, Investment Banking and Credit at various institutions, both locally and internationally. He started his career at American Express Bank as a trainee officer in 1985 and subsequently served in institutions like Jardine Fleming/Robert Fleming, London, and Prime Commercial Bank.

He has been with UBL since the beginning of 2001 and has been integrally involved in UBL's turn around, pre and post privatisation. Prior to Risk and Credit Policy, Ali was successfully engaged in leading the remedial effort on UBL's non-performing assets at Special Assets Management Group. In addition, he also held joint charge of UBL Funds as its Chief Executive for six (6) months in 2005. Ali is a part of UBL's Executive Committee and various other senior management forums. He is also the Secretary of UBL's Board Risk Management Committee.

**Mr. Shabbir Hashmi - Director**

Mr. Hashmi joined as an independent director on the Board of Directors of UBL Funds in August 2009. Besides holding this office, he is a Board member of Engro Corporation Pakistan Limited, Engro Polymer & Chemicals Limited, Engro Power Gen (Pvt) Limited, Engro Energy Limited, Sind Engro Coal Mining Company Limited, Central Insurance Co. Limited, LMKR Holdings Mauritius and LMKR Pakistan (Pvt) Limited.

Mr. Hashmi is an engineer from DCET, Pakistan and holds an MBA from John F. Kennedy University, USA. He has more than 25 years of project finance and private equity experience. Until recently he led the regional operations of Actis Capital (formerly CDC Group PLC) for Pakistan and Bangladesh. Prior to joining Actis he worked for eight (8) years with the World Bank and US Aid specializing in the energy sector.

**Mr. Saeed Iqbal - Director**

Mr. Saeed Iqbal is currently Group Head Investment Banking at UBL and leads an award winning team that has been conferred the title of "Largest Corporate Finance House" for three (3) successive years by the CFA Association of Pakistan. Earlier Mr. Iqbal established the Project & Structured Finance business within UBL, leading the advisory/arranging teams for a number of significant transactions in the power, energy, telecom, petrochemicals and water sectors. Prior to joining UBL, Saeed was the Head of Structured Finance at ANZ Investment Bank, Pakistan where he was responsible for originating, structuring and executing projects in the energy, telecom, oil & gas, infrastructure and ports sectors, amongst others. Saeed holds a B.Sc. (Econ) Honours degree from the London School of Economics and Political Science and an MA Development Economics from the University of Sussex.

**Mr. Rayomond H. Kotwal - Director**

Mr. Kotwal is a seasoned Finance professional with over 25 years of experience covering diverse roles and markets. He holds a Masters Degree in Electrical Engineering & Computer Science from Massachusetts Institute of Technology (MIT) and in Business Administration from the Institute of Business Administration (IBA). After graduating from MIT, Mr. Kotwal worked in the semiconductor industry in New York after which he returned to Pakistan and joined ICI in 1989. There he held a number of Finance roles, eventually heading the Treasury, Finance and Corporate Accounting units.

Mr. Kotwal joined Citibank in 1997 as the Deputy Financial Controller for the Consumer Banking Division. He held a number of senior Finance roles, serving as the Chief Financial Officer both locally and in international markets. In addition to his Finance responsibilities, Mr. Kotwal also served as Public Affairs Head from 2001-2004 and as Chief of Staff to the Country Head.

Before joining United Bank Limited as CFO in May 2010, Mr. Kotwal worked at NIB Bank Limited as CFO from July 2008 to May 2010.

#### 5.4.2 Performance of the public listed companies where the Directors are holding similar offices.

##### United Bank Limited

(Rupees in Millions)	2006	2007	2008	2009	2010
Profit before tax	14,499	13,796	14,052	14,392	17,688
Profit after tax	9,666	9,237	8,445	9,487	11,020
Paid up Capital	647	809	1,011	1,112	1,224
Shareholders' Equity	33,177	47,890	49,395	67,318	75,134
Total Assets	435,889	546,636	620,707	640,449	725,389
Earnings per share (Rs.)	14.72	8.87	7.51	8.56	9.01

##### ENGRO Corporation Limited

(Rupees in Millions)	2006	2007	2008	2009	2010
Profit before tax	3444	4,235	5,204	5,214	1,811
Profit after tax	2547	3,155	4,240	3,957	1,675
Paid up Capital	1,682	1,934	2,128	2,979	3,277
Shareholders' Equity	9370	15,741	21,053	26,888	27,053
Total Assets	15981	38156	57164	93,709	31,010
Earning per share (Rs.)	13.17	16.51	16.81	14.08	20.72

##### ENGRO Fertilizers Limited

(Rupees in Millions)	2010
Profit before tax	5,205
Profit after tax	3,729
Paid up Capital	10,728
Shareholders' Equity	13,639
Total Assets	98,053
Earning per share (Rs.)	3.48

**ENGRO Polymer & Chemicals Limited\***

<b>(Rupees in Millions)</b>	<b>2008*</b>	<b>2009</b>	<b>2010</b>
<b>Profit before tax</b>	459	(249)	(1,289)
<b>Profit after tax</b>	353	(232)	(814)
<b>Paid up Capital</b>	5,203	5203	6,635
<b>Shareholders' Equity</b>	6,566	6,360	6,906
<b>Total Assets</b>	18,279	22,556	24,134
<b>Earning per share (Rs.)</b>	0.68	(0.45)	(1.29)

*\*Financials from the year of listing*

**National Bank of Pakistan**

<b>(Rupees in Millions)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Profit before tax</b>	26,311	28,061	23,001	22,300	24,415
<b>Profit after tax</b>	17,022	19,034	15,459	17,562	27,563
<b>Paid up Capital</b>	7,090	8,154	8,969	10,763	13,455
<b>Shareholders' Equity</b>	53,045	69,271	81,637	94,792	103,762
<b>Total Assets</b>	635,133	762,194	817,758	944,233	1,035,024
<b>Earning per share (Rs.)</b>	15.81	17.68	14.36	16.92	13.05

**Byco Petroleum Limited**

<b>(Rupees in Millions)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Profit before tax</b>	301	(628)	183	(10,327)	(1,488)
<b>Profit after tax</b>	197	(681)	15	(10,332)	(1,616)
<b>Paid up Capital</b>	2,450	2,450	3,921	3,921	3,921
<b>Shareholders' Equity</b>	2758	2013	3528	(6,676)	8,068
<b>Total Assets</b>	7375	15,242	32,061	31,618	32,148
<b>Earning per share (Rs.)</b>	0.80	(2.37)	0.04	(26.35)	(4.12)

### 5.4.3 Particulars of Management

#### **Mir Muhammad Ali, CFA - Chief Executive Officer**

For background please see above.

#### **Mr. Hasnain Raza Nensey - Chief Investment Officer (CIO)**

Hasnain Raza Nensey is the CIO at UBL Funds and has been with the organization since 2005. Prior to this, he was CIO at ABAMCO Limited where he was also a member of the Investment Committee which at that time oversaw cumulative investments of over Pakistani Rupees Seventeen Billion (PKR 17,000,000,000) in three (3) open-end and five (5) closed-end mutual funds. Due to the fact that the funds under management were a combination of pure equity, income and balanced types, Hasnain has first hand exposure and knowledge of both equity and fixed income markets. Hasnain started his career in 1993 with JS Group where he worked as an Equity Analyst covering the Energy and Textile Sector companies listed on the Karachi Stock Exchange. In late 1994, he was actively involved in the formation of ABAMCO Limited, the first private sector asset management company in Pakistan. Hasnain has also been involved in the textile and property development businesses for a number of years from 1997 onwards.

Hasnain has a BSBA Degree with a concentration in Finance and Marketing from Boston University in Massachusetts, USA. He is also an MBA from Babson College in Massachusetts, USA which is very well known for its specialisation in entrepreneurial studies.

#### **Ms. Maleeha Mimi Bangash - Chief Strategy Officer (CSO)**

Ms. Maleeha Mimi Bangash has around fifteen (15) years of rich and varied international experience based in Singapore, Pakistan, and Turkey in the areas of Investment Advisory and Finance. She has obtained her MBA degree with Honors from University of Chicago in Investment and Finance and MBA from LUMS in Marketing and Finance.

She has assumed leadership roles and has been instrumental in the success of key projects. In Singapore, as Vice President Business Development of an international investment advisory firm she devised the firm's positioning strategy and assisted in the establishment of its Singapore office. Upon her return from Singapore she was instrumental in the successful launch of a leading local asset management firm and has headed its Marketing, Retail & Institutional Sales areas. She also brings with her regulatory experience, from her last appointment as Commissioner/ Member Competition Commission of Pakistan, where she was responsible for the areas of Advocacy, Research and Merger Review.

Her articles have been published in various business publications and she has been featured in Global Competition Review as a prominent woman in anti-trust in 2009.

#### **Mr. Aly Osman- Head of Compliance & Internal Audit**

Mr. Aly Osman is the Head of Compliance & Internal Audit at UBL Fund Managers Limited reporting functionally to the Board Audit Committee (BAC). He is primarily responsible for providing independent, objective assurance and consulting services designed to add value and improve the Company's and its funds operations, facilitate the achievement of Company objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Mr. Aly Osman is an Associate Member of the Institute of Cost and Management Accountant Pakistan (ACMA). Mr. Aly Osman has over thirteen (13) years of professional experience. Prior to joining UBL Funds, he was working as the Chief Compliance & Risk Officer at JS Investments Limited for one and

a half (1.5) years. Before that, he was working with the SECP as Joint Director, heading the Stock Exchanges, Depository and Clearing, Policy and Regulation Wing of the SECP's Securities Market Division wherein he was involved in formulating the regulatory framework for securities markets, reviewing and developing laws, rules and regulations relating to Stock Exchanges, CDC and the National Clearing Company, advising on legal, technical issues and risk management systems pertaining to securities markets. He also attended a number of local and international training courses and workshops on Enterprise Risk Management (ERM), Counter Party Credit Risk Assessment, Value at Risk (VaR), Anti Money Laundering (AML), Corporate Governance and Securities Markets systems and structures.

#### **Mr. Hassan Abbas - Chief Operations Officer**

Hassan Abbas has extensive experience in equity trading, money market and inter-bank operations as well as settlements. Before joining UBL Funds, he was working as Finance Manager and Company Secretary at Woodward's Pakistan (Pvt.) Ltd. Prior to that, Hassan was associated for over ten (10) years with Khadim Ali Shah Bukhari Securities Ltd (KASB), which is one of the leading brokerage houses in Pakistan.

He has been with UBL Fund Managers since its inception in 2002 and played an instrumental role in setting up of the company.

#### **Mr. Rahim Khakiani - Chief Financial Officer & Company Secretary**

Rahim Khakiani brings with him a diversified experience of over twelve (12) years in finance, external audit and management consulting. Prior to joining UBL Funds, he was associated with JS Investments Limited as Head of Finance for over three (3) years, where he was instrumental in running the entire finance department. His achievements include: (i) successful listing and initial public offering of ordinary shares of JS Investments Limited, (ii) securitisation of future management fee of Pakistani Rupees Seven Hundred Million (PKR 700,000,000), (iii) streamlining the systems and procedures of the finance department and implementation of full scale ERP based asset management software.

Prior to JS Investments Limited, he was associated with chartered accountancy practice with two of the leading accounting firms i.e. KPMG Taseer Hadi & Co. and Ernst and Young Ford Rhodes Sidat Hyder & Co. At these firms he was involved in finalisation of various important assignments which included external audits, due diligence and business valuation and other management consulting assignments for leading clients.

Rahim is a qualified Chartered Accountant and a Cost and Management Accountant. In addition to this he has passed MA (Economics) from Karachi University with concentration in mathematical economics and econometrics. He has also cleared Level 1 of the CFA Institute.

#### **Mr. Salim Sadruddin - Head of Corporate Sales**

Salim Sadruddin Mehdi is the Head of Corporate Sales at UBL Funds. Prior to this, he headed Institutional Sales at National Fullerton Asset Management Ltd (NAFA) where he spearheaded the financial institutional clients and major corporate accounts. He was instrumental in raising substantial AUM during his tenor at NAFA, where the total AUM increased from approximately Pakistani Rupees Three Billion (PKR 3,000,000,000) to Pakistani Rupees Thirty Five Billion (PKR 35,000,000,000) in a short span of two (2) years.

Salim began his career as an internee at Citibank in July 1995. With over a decade of work experience in the financial industry, he has gained adequate knowledge and proficiency in the areas of Treasury Markets, Trade Finance, Institutional Banking, Risk Management and Corporate and Institutional Sales. During his career he has worked at different financial institutions and NBFIs at senior levels, such as

Vice President ,Sales & Marketing at Ramada Securities & Derivatives Ltd; Vice President, Financial Institutions Division at PICIC Commercial Bank; Vice President, Financial Institutions Division (FID), International Banking Group at Habib Bank Limited.

Salim has BSc (Marketing) from Southeastern University, Washington D.C., USA and MBA (Finance) from Greenwich University. He has also successfully completed the Canadian Securities Course (CSC).

#### **Mr. Farooq Ahmed - Head of Retails Sales**

Mr. Farooq Ahmed, a graduate of IBA, Karachi, has to his credit an experience of about sixteen (16) years related to sales, marketing, channel development management, account management and customer services in diversified industries including banking, fertilizer, textiles and telecoms. His corporate sojourn covers The Bank of Tokyo Limited, Engro Chemicals Pakistan Ltd, Artal Poultry and Stork Pakistan. His last assignment has been with WorldCall Telecom Limited, pioneering economical telecom solutions to retail and corporate subscribers in Pakistan. He has an extensive exposure of attending courses, seminars and exhibitions internationally. His strategic core competency has been his planning and execution skills and the ability to formulate systems for the existing and new business developments. The driving factor of his success has been his curiosity for challenges, teamwork and his zero tolerance over mediocrity.

#### **Mr. Syed Ali Turab Alvi - Head of Risk Management**

With over 8 years of experience in managing investments in local as well as International markets, Mr. Alvi holds a Bachelors Degree in Computer Engineering and Electrical Engineering from Cornell University, NY, US.

Ali currently heads the Risk Management department at UBL Fund Managers and has led the in-house Research team in the past. Before joining UBL Fund Managers, he served as an equity fund manager and investment analyst at AKD Investment Management and also worked on the Wall Street for 2 years, as a portfolio manager with Franklin Capital Group.

#### **Mr. Asif Mobin - Fund Manager: United Stock Advantage Fund and UBL Capital Protected Fund- II**

Asif Mobin has eleven (11) years of experience in the financial markets of Pakistan. Prior to UBL Funds, he worked for Global Securities Pakistan Limited as Vice President, Equity Sales, where his responsibilities were to advise and facilitate clients (both institutional and retail) in the buying and selling of shares, develop research material and perform technical analysis. Asif started his career in 2000 with Bank Al-Falah Limited as an equity dealer in the Treasury Department. In 2005, he moved to KASB Bank as Incharge, Equity Desk in the Capital Markets Department. He is also a visiting faculty member of Iqra University. Asif is an MBA from Iqra University, Karachi.

#### **Mr. Junaid Qamar - Head of Fixed Income Funds**

Junaid Qamar has 11 years of cumulative experience in the financial markets of Pakistan and US. Before joining UBL Funds, he worked at Arif Habib Investment Management Limited as Senior Dealer - Debt Funds. Prior to that, he worked with Pearson Inc. NY, a British media group (managing treasury and commercial paper portfolio worth USD 2Bn) and Robert Half International (a NY based financial consulting firm).

Junaid holds a B.S. in Accounting and Economics from College of Staten Island (CUNY), New York and also an MBA in Finance and Investments from Wagner College, New York.



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**Mr. Wahaj Aslam - Fund Manager: United Composite Islamic Fund, United Islamic Income Fund and UBL Islamic Savings Fund**

Wahaj Aslam has over six (6) years of professional experience in capital markets. He is currently serving as fund manager for Islamic Funds namely UIIF, its blended counterpart UCIF and UISF. Prior to this, he has been managing the fixed income funds of UBL Funds, where he was involved in the active management of over Pakistani Rupees Thirty Billion (PKR 30,000,000,000) in funds under management.

Wahaj graduated as an MBA from Shaheed Zulfiqar Ali Bhutto Institute of Science & Technology (SZABIST) and is also a candidate of CFA Institute.

**Mr. Asad Raza Bhojani - Fund Manager, UBL Retirement Savings Fund & UBL Islamic Retirement Savings Fund**

Asad Bhojani has a total of ten (10) years of investment experience. Prior to joining UBL Funds, Asad was employed by Legal & General Investment Management in the UK where he worked as Manager - Asset Allocation for two (2) years, managing over GBP 20 billion of investments. He has also worked for the global consulting firm Watson Wyatt in the UK as an investment strategy consultant for six (6) years, advising institutional clients with investments ranging from GBP 20 million to GBP 30 billion.

Asad is a Fellow of the Institute of Actuaries, UK and has a BSc in Actuarial Science from the London School of Economics & Political Science.

**Mr. Adeel Shakir - Manager Strategy and Product Development**

Adeel Shakir is responsible for structuring, developing, and launching new products in line with strategic business plan of the company which involves conceptualizing, researching and developing new business and product ideas. He is also responsible to work closely with the CSO for formulation and implementation of strategic business plan for the company. He developed the entire framework/structure for various products such as Separately Managed Accounts (SMA) and administrative plans (namely, Mahana Munafa Plan, Sarmaya Izafa Plan and Profit + Growth Plans - both conventional and Islamic options). He also developed the first ever CPPI based Principal Protected Plan (UPPP-II) in Pakistan with a unique Profit Lock-in feature. Lately, he launched Voluntary Pension Schemes - URSF & UIRSF (both Conventional & Islamic) and Low Risk Savings Income Schemes (conventional and Islamic) for the company and is currently involved in developing various innovative products and investment solutions. He also developed a phantom share incentive scheme for UBL Funds' employees.

Mr. Adeel has attended/represented UBL Funds at various international product related workshops.

Prior to this, he was working for JS Investments Limited for a period of almost two (2) years, where he worked as an Assistant Manager/Analyst in the Research Department. He played a key role in developing/constructing the first-ever market risk model for equity stocks and KSE100 in Pakistan and regularly advised fund managers on selection of value stocks on the basis of fundamental, technical and risk analysis; which played a key role for equity portfolio construction. Mr. Shakir also possesses expertise in application of Value at Risk (VaR) - an internationally recognised Market Risk Measurement Tool.

He holds an MBA in finance and Bachelors in Business Administration from Institute of Business Management (IOBM), Karachi.

## **Mr. Syed Faisal Zaidi - Manager Compliance**

Faisal Zaidi is responsible for the Compliance Function at UBL Funds and has eight (8) years of experience in mutual fund industry. He has been involved in development and implementation of various internal policies and adoption of international best practices. Faisal has been included in launch teams of various products where he was responsible for successful launch of new product in all aspects. Faisal is also a part of the team responsible for System Deployment at UBL Funds. Prior to this he was working with CDC as Deputy Manager, Trustee Operations where he was looking after operations and compliance of a portfolio of Pakistani Rupees One Hundred and Twenty Five Billion (PKR 125,000,000,000). Prior to that, he was working with Arif Habib Investment Management Limited as Executive Officer, Finance and Operation.

Faisal Zaidi is a Qualified Cost and Management Accountant from the Institute of Cost and Management Accountants of Pakistan.

## **5.5 Role of the Management Company**

### **5.5.1 The Management Company shall:**

- (a) manage the Fund in the best interests of the Unit Holders, in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties, including Connected Persons and group companies, or its officers, and subject to the restrictions and limitations as provided in the Trust Deed, the Rules and Regulations, and subject to any directives, guidelines issued by the Commission;
- (b) comply with the provisions of the Rules, the Regulations and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of the Trust Deed to be the act of the Management Company;
- (c) account to the Trustee for any loss in value of the Fund Property where such loss has been caused by its negligence or reckless or willful act or omission or of its officers, officials or agents;
- (d) be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager, as if they were its own acts and omissions;
- (e) have the primary responsibility for all record keeping, regular determination and announcement of Unit prices and for producing financial reports from time to time as provided in the Rules, the Regulations and the Trust Deed;
- (f) maintain the books of accounts and other records of the Scheme for a period of not less than ten (10) years;
- (g) within four (4) months of the close of the Accounting Period of the Scheme, transmit to the Unit Holders, the Trustee, the Commission and Stock Exchanges on which the Units are listed, the annual report, as per Schedule V of the Rules, of the Fund including:
  - (i) a copy of the balance sheet and income statement;
  - (ii) a cash flow statement;

- (iii) a statement of movement in Net Assets and reserves;
  - (iv) the Auditor's report of the Fund; and
- (h) within one month of the close of first and third quarters and within two (2) months of the close of second quarter of the year of account of the Fund, prepare and transmit to the Unit Holders, the Trustee, the Commission and Stock Exchanges on which the Units of the Fund are listed:
- (i) a copy of the balance sheet as at the end of that quarter;
  - (ii) a copy of the income statement;
  - (iii) a cash flow statement;
  - (iv) a statement of movement in Net Assets and reserves; and
  - (v) a statement showing the Investments owned at the beginning of the relevant period, the Investments purchased or sold during such period and the Investments held at the end of such period, together with the value (at carrying and at market) and the percentage in relation to the Net Assets and the issued capital of the person whose securities/Investments are owned for that quarter, whether audited or otherwise;

provided that the Commission, subject to any conditions it may impose, may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the Management Company's website and the Management Company shall make a printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested;

- (i) maintain a record of Unit Holders of the Fund, and inform the Commission and the Trustee of the address where the Register is kept;
- (j) at the establishment of the Fund and upon any vacancy appoint the Auditor, with the consent of the Trustee, from the approved list of auditors circulated by the Commission, who shall be a chartered accountant and independent of the auditor of the Management Company and the Trustee, and the Auditor shall not be appointed for more than five (5) consecutive years;
- (k) obtain a fund stability rating of the Fund once the Fund becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and shall also be published in the annual and quarterly reports of the Fund;
- (l) ensure, where it delegates the Distribution Function, that:
  - (i) the Distributors/Distribution Companies to whom it makes the delegation have acquired and are maintaining the associate membership of the association of distributors (as and when applicable and prescribed by the association) constituted in consultation with the Commission and are abiding by the code of conduct prescribed by the association; and
  - (ii) the written contract with the Distributors/Distribution Companies clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information;
- (m) process the payment instrument immediately on receipt of an application;
- (n) be obliged to provide such information and record to the Trustee as may be necessary for the Trustee to discharge its obligations under the Regulations and the Trust Deed;

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- (o) provide settlement instructions to the Trustee relating to any investment or disinvestment transactions entered into by the Management Company on behalf of the Fund, and shall ensure the settlement instructions are given to the Trustee promptly after entering into the transaction so as to facilitate timely settlement by the Trustee;
  - (p) intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received;
  - (q) maintain investor records, and for this purpose the Management Company may appoint a Registrar for performing Registrar Functions; provided that the Management Company may itself perform Registrar Functions instead of appointing a Registrar;
  - (r) have the right to remove or replace from time to time the Registrar;
  - (s) not be under any liability, except such liability as may be expressly assumed by it under the Trust Deed or implied on it by the Rules, the Regulations or other applicable law, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee or for anything except its own negligence or willful breach of duty hereunder or the negligence or willful breach of duty by any of the Management Company's delegates. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed, the Management Company shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder;
  - (t) if it considers necessary, request the Trustee, for the protection of Fund Property or safeguarding the interests of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or take or participate in any corporate or shareholders' action in respect of the Fund Property or any part thereof. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Scheme arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages or other liabilities shall be borne by the Scheme;
  - (u) appoint and designate a qualified individual as fund manager for management of the Fund who is responsible for the management of not more than three (3) collective investment schemes at a time or such lesser number as may be specified by the Commission;
  - (v) subject to Clause 5.5.1(x), in case of investments of the Fund made outside Pakistan, be allowed to appoint investment advisors, at its own cost, to assist in investing the assets of the Fund or the Management Company may itself invest and manage part or whole of the assets of the Fund abroad, at its own cost; provided that the Management Company shall be responsible for all acts of such investment advisors;
  - (w) in consultation with the Trustee, be allowed to appoint advisors and professionals in foreign countries for making investments of the Fund in such countries, for issuing Units to the investors in such countries and to determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee and their respective obligations in relation thereto; provided that any fees and charges for any such arrangement shall be borne by the Management Company;
  - (x) bear all expenditure in respect of the secretariat and office space of the Management Company and its professional management, including all administrative and accounting expenses; and
  - (y) be responsible for maintaining proper accounts and records of the Fund which enable a complete and accurate view to be formed of:
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- (i) the assets and liabilities of the Fund;
  - (ii) the income and expenditure of the Fund;
  - (iii) all transactions for the account of the Fund;
  - (iv) amounts received by the Fund in respect of issues of Units and any other receipts made by or into the Fund;
  - (v) amounts paid out by the Fund on redemption of Units, by way of distribution and any other payments by or from the Fund; and
  - (vi) amounts paid out by or from the Fund in the event of winding up and termination of the Fund.
- (z) develop criteria for appointing a diverse panel of brokers and monitoring compliance thereof to avoid undue concentration of business with any single broker.
- (aa) ensure that all the designated points for acceptance of applications for issuance, redemption, conversion, etc of Units of the Scheme have appropriate date and time stamping mechanism for timely acknowledgement of the said applications.
- (bb) clearly specify Cut-off time for acceptance of application forms of issuance, redemption, conversion etc of Units of the Scheme in the Offering Document, on its web site and at designated points. Such Cut-off time shall uniformly apply on all Unit Holders.
- (cc) ensure that no entry and exit to the scheme including redemption and issuance of units to the same unit holders on different NAV shall be allowed other than cash settled transactions based on the formal issuance and redemption request.
- (dd) formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.
- (ee) ensure all valid redemption requests are paid based on ranking of the request in a queue.

#### 5.5.2 The Management Company shall not:

- (a) acquire or take over the management of any other collective investment scheme, unless it has obtained the prior approval of the Commission in writing to do so;
- (b) pledge any of the securities held or beneficially owned by the Fund except as allowed under the Regulations;
- (c) accept deposits from a collective investment scheme;
- (d) make a loan or advance money to any person from the assets of the Fund;
- (e) participate in a joint account with others in any transaction on behalf of the Fund, except for collection account of the Fund;
- (f) apply any part of assets of the Fund to real estate;
- (g) make any investment of the Fund with the purpose of having the effect of vesting the management or control over the affairs of the investee company with the Management Company or its group;

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- (h) enter, on behalf of a Collective Investment Scheme, into transactions with any broker that exceed thirty per cent of the commission paid by a Collective Investment Scheme in any one accounting year;
  - (i) undertake brokerage services on any Stock Exchange or in the money market;
  - (j) enter into underwriting or sub-underwriting contracts on behalf of the Fund;
  - (k) maintain its own equity portfolio, except for the investments made by it into the schemes or pension funds being managed by it or its subsidiaries licenced as Non-Banking Finance Companies;
  - (l) open or close or arrange to open or close any account for the Fund with a Bank, broker or depository without the prior approval of the Board of Directors of the Management Company. If the Management Company has obtained approval of its Board of Directors for opening or arranging to open an account with any particular Bank, it may open accounts with any branch of that Bank and shall obtain approval thereafter from its Board of Directors in the subsequent meeting.
  - (m) net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.
  - (n) The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the investments that are due to be received.

## **5.6 CHANGE OF MANAGEMENT COMPANY**

- 5.6.1 The Commission may either on its own or on the recommendation of the Trustee remove the Management Company by giving at least ninety (90) days notice in writing for sub-Clause (a) hereunder and immediate notice for sub-Clauses (b), (c) and (d) to the Management Company if any of the following events has occurred:
- (a) the Management Company has willfully contravened the provisions of the Trust Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has been brought to its notice by the Trustee and/or by the Commission;
  - (b) the Management Company goes into liquidation;
  - (c) a receiver is appointed over any of the assets of the Management Company; or
  - (d) if the Management Company becomes ineligible to act as a management company of the Fund under the provisions of the Rules, the Regulations or any other law for the time being in force.
- 5.6.2 The Management Company may retire at any time with the prior written consent of the Commission and by giving at least three (3) months notice in advance to the Trustee. Provided that until a new management company is appointed, the Management Company shall continue to perform its functions as the Management Company.
- 5.6.3 If the Commission has cancelled the registration of the Management Company under the provisions of the Rules or the Regulations, the Commission shall appoint another asset management company as the management company of the Fund with the consent of the Trustee in accordance with the provisions of the Trust Deed and the Regulations.
- 5.6.4 Upon a new management company being appointed, the Management Company shall take immediate steps to hand over all the documents and records pertaining to the Fund to the new management company and shall pay all sums due to the Trustee.

- 5.6.5 Upon its appointment, the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Management Company hereunder, as fully as though such new management company had originally been a party hereto.
- 5.6.6 The Trustee may immediately upon the issuance of notice of removal of the Management Company under Clause 5.6.1 or retirement of the Management Company under Clause 5.6.2 appoint an auditor with the consent of the Commission from amongst the panel of auditors designated as "A" category by the SBP for the audit of Financial Institutions, as Auditor.
- 5.6.7 The Auditor appointed under Clause 5.6.6 shall be other than the existing auditors of the Management Company and the Trustee.
- 5.6.8 The Auditor appointed under Clause 5.6.6 shall have the same scope as that which the existing Auditor has for the annual audit, or such other enhanced scope as may be specified by the Trustee or the Commission.
- 5.6.9 The Auditor appointed under Clause 5.6.6 shall submit the report of his audit to the Trustee not later than thirty (30) Business Days from his appointment and the Trustee shall ensure that a copy of the report shall also be provided to the Commission, the outgoing Management Company and the new Management Company.
- 5.6.10 The cost of the audit conducted by the Auditor appointed under Clause 5.6.6 shall be shared equally by the outgoing Management Company, the new Management Company and the Fund.
- 5.6.11 In case of change, the old Management Company shall continue to be liable for any default in or non-performance of its duties as the Management Company or for any negligence on its part or on part of its officer or officials, nominees or agents and for any acts or omissions effectuated prior to and upto the effective date of change of Management in accordance with the provision of the Trust Deed and Offering Document, the Rules and the Regulations, where after the new Management Company shall be responsible for the same. Further the Old Management Company shall indemnify the new Management Company in respect of any default, non performance or violations of the terms and conditions of the trust deed, offering document, the Rules and / or Regulations that may have taken place, advertently or inadvertently prior to and upto the Effective date and which may come to the notice of the trustee and the new Management Company or the Commission at any time after the effective date.

## 5.7 The Trustee

### 5.7.1 Name and Registered Address

The trustee of the Fund is:

**Central Depository Company of Pakistan Limited**

CDC House, 99-B, Block 'B',  
S.M.C.H.S, Main Shahrah-e-Faisal,  
Karachi - 74400, Pakistan

### 5.7.2 CDC's Vision Statement

To be a leading national institution providing quality services to capital and financial markets stimulating economic growth.

### 5.7.3 **CDC's Mission Statement**

CDC is committed to provide secured and dependable services to the capital and financial markets in an efficient and cost-effective manner comparable to the best international practices. CDC's aim is to be the centre of excellence by continuously employing state-of-the-art technology and the best talent available in the country, while maintaining good corporate governance in its working. It is committed to provide its employees an environment of professional and personal growth.

### 5.7.4 **Brief Profile**

CDC was incorporated as a public limited company on 21 January 1993 in Pakistan and received certificate of commencement of business on 10 August 1994. The principal business activity of the company is to manage and operate the Central Depository System (CDS), which is an electronic book entry system to record and transfer securities. It was formed for facilitating efficient, risk free and cost effective settlement of securities in accordance with the international standards to cope up with the ever-rising volume of trading in securities at the Stock Exchanges in Pakistan.

From the year 2002, CDC expanded its business activity to provide trustee/custodial services to the mutual funds industry. Currently, CDC is acting as the trustee for open-end mutual funds, closed-end mutual funds and voluntary pension funds under management of all the leading asset management companies, investment advisers and voluntary pension fund managers of Pakistan. All trustee related operations of CDC are completely automated and supported by strong and efficient computerised systems and dedicated staff. The Trustee Division has the benefit of CDC's existing structure, as well as that for handling the National Clearing and Settlements System.

In a short span of time after introducing its trusteeship business, CDC has emerged as the largest trustee/custodial service provider in Pakistan.

### 5.7.5 **Shareholders**

Following are the sponsors and the shareholders of the CDC:

The Karachi Stock Exchange (Guarantee) Limited
Lahore Stock Exchange (Guarantee) Limited
Citibank Overseas Investment Corporation
MCB Bank Limited
Habib Bank Limited
National Investment Trust Limited
Industrial Development Bank of Pakistan
NIB Bank Limited
Islamabad Stock Exchange (Guarantee) Limited
Crescent Steel And Allied Products Limited
Al-Zamin Leasing Corporation Limited
Shakarganj Mills Limited
IGI Insurance Ltd.
Innovative Investment Bank Limited
Crescent Standard Business Management (Pvt.) Limited



### 5.7.6 **Management**

CDC is run purely on professional management basis and most of the directors on the Board of Directors of CDC represent their respective investor institutions, without any personal stake in the company. The chief executive of CDC is a highly qualified professional, without any affiliation in any investor institution. Operations of the company are carried out by a team of high caliber professionals from a wide spectrum of relevant disciplines, possessing graduate and postgraduate qualifications from distinguished local and international institutions.

### 5.7.7 **Basic Role of the Trustee**

- a. The Trustee shall comply with the provisions of the Trust Deed, the Rules, the Regulations and the Offering Document for any act or matter to be done by it in the performance of its duties, and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company; provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties as if these were its own acts and omissions, and shall account to the Fund for any loss in value of the Fund Property where such loss has been caused by willful act or omission of the Trustee or any of its directors, officers, nominees or agents. The Trustee shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances of Force Majeure.
- b. The Trustee shall take into its custody or under its control all the property of the Fund and hold it in trust for the Unit Holders in accordance with the Rules, the Regulations, the Trust Deed and all applicable laws, rules and regulations, and all cash and registerable assets shall be registered in the name of, or held to the order of, the Trustee.
- c. Whenever pursuant to any provision of the Trust Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorised in writing by the Management Company to accept.
- d. The Trustee shall carry out the instructions of the Management Company in all matters, including investment and disposal of the Fund Property and purchase and sale of Investments, unless such instructions are in conflict with the provisions of the Constitutive Documents, the Rules, the Regulations or any applicable law or regulations.
- e. The Trustee shall accept instructions given electronically to the Trustee based on distinctive users IDs and passwords allocated to authorised person(s) of the Management Company through a computerised system which both the Management Company and the Trustee have agreed in writing.
- f. The Trustee shall carry out settlements in a timely manner in accordance with the dictates of the specific transactions as instructed by the Management Company, unless such instructions are in conflict with the provisions of the Constitutive Documents or the Regulations.
- g. The Trustee shall, on the instruction of the Management Company, from time to time appoint, remove or replace one or more Custodians for performing custodial services on behalf of the

Fund at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Management Company; provided that the Trustee may also itself perform custodial services on behalf of the Fund with the approval of the Management Company at competitive terms, as part of its normal line of business.

- h. The Trustee shall make available or ensure that there is made available to the Management Company such information and reports as the Management Company may reasonably require from time to time in respect of the Fund Property and all other matters relating to the Fund.
- i. The Trustee shall issue a report to the Unit Holders, which shall be included in the annual and second quarter report of the Fund, and therein state whether in its opinion the Management Company has in all material respects managed the Fund in accordance with the provisions of the Rules, the Regulations and the Constitutive Documents, and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- j. The Trustee may require the Auditor to provide such reports as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible.
- k. The Trustee shall authorise and facilitate the Management Company to receive the copies of statements of account for all Bank Accounts being operated by the Trustee as Trustee.
- l. The Trustee shall, if requested by the Management Company, institute or defend any suit, proceeding, arbitration or inquiry, or take or participate in any corporate or shareholders' action in respect of the Fund Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all necessary or incidental acts, things and deeds. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Fund, and the Trustee shall be indemnified against all such costs, charges and expenses; provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under the Constitutive Documents or the Regulations. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Fund arising from or consequent to any such suit, proceeding, arbitration or inquiry, or corporate or shareholders' action, or otherwise howsoever, and (save as herein otherwise provided) all such losses, claims, damages and other liabilities shall be borne by the Fund.
- m. The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Regulations and the Trust Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company or for anything except its own gross willful acts or omissions breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed, the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder. Notwithstanding its removal or resignation, the Trustee shall remain entitled to the benefit of this Clause.
- n. The Trustee shall provide the Management Company with regular reports or other documents issued by the issuers of Investments, any recipients of any of the Fund Property (such as deposits, refunds, distributions of dividends, income, profits, repayment of capital or payments for any other reason), any depository, an intermediary or agent in any transaction or from any

court, government, regulator, stock or other exchange or any other party having any connection with the transaction of the Fund Property. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Fund Property, subject to Clause 5.7.7(l).

- o. The Trustee shall promptly provide proxies if requested by the Management Company with regard to any voting rights attached to any Investment.
- p. The Trustee shall be required to adhere to performance standards, as mutually agreed between the Management Company and the Trustee from time to time.
- q. The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the Regulations are complied with.
- r. The Trustee shall ensure that the sale, purchase, issue, re-purchase, redemption, transfer and cancellation of Units are carried out in accordance with the provisions of the Constitutive Documents.
- s. The Trustee shall arrange for its system to be audited annually by an auditor, and shall provide the report of such audit to the Commission and the Management Company within four (4) months of the close of the financial year of the Fund.
- t. The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of brokers at the time of the offering of the Fund, and shall also ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.
- u. The Trustee shall ensure that Units are not issued until realisation of subscription money. For this purpose, the Management Company shall provide the Trustee with details of subscription on a regular basis.
- v. The Trustee shall ensure that the methodology and procedures adopted by the Management Company in calculating the value of Units are adequate and the pricing and valuation for sale, issue, repurchase, redemption and cancellation are carried out in accordance with the provisions of the Trust Deed, the Offering Document, the Regulations and any applicable regulatory requirements.
- w. The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.
- x. The Trustee shall comply with the directions of the Commission given in the interest of the Unit Holders.
- y. The Trustee shall ensure that the conditions under which the Fund was registered are complied with.
- z. Neither the Trustee nor the Custodian (if the Trustee has appointed another person as Custodian) nor the Management Company nor any of their Connected Persons shall sell, purchase or deal in the sale of any Investment or enter into any other transaction with the Fund (save in the capacity of an intermediary).
- aa. The Trustee shall promptly report to the Management Company any dividends, other forms of income or inflows and any rights or warrants relating to the Investments that are received by the Trustee from time to time.

- bb. The Trustee shall ensure that where applicable, payments against investments are made against delivery and vice versa, unless specified otherwise.

#### **5.7.8 CHANGE OF TRUSTEE**

- a. The Trustee may, subject to prior approval of the Commission and under intimation to the Management Company, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed, with the approval of the Commission, or from the date of assumption of assets of the Fund by the newly appointed trustee, whichever is later. In the event of the Trustee desiring to retire, the Management Company shall, within a period of ninety (90) days, with the prior written approval of the Commission and by a deed supplemental hereto, appoint a new trustee in place of the retiring Trustee, under the provisions of the Rules and the Regulations, and shall also provide in such deed for automatic vesting of all the assets of the Fund in the name of the new trustee.
- b. Where the Commission is of the opinion that the Trustee has been in violation of the Regulations or the Trust Deed or that the Trustee has been found guilty of misconduct or that the Trustee has failed to discharge its obligations under the Regulations or the Trust Deed, it may remove the Trustee after giving the Trustee an opportunity of being heard.
- c. The Management Company may, by giving reasons in writing, apply to the Commission for change of the Trustee and propose a new trustee.
- d. The Commission, if satisfied by the reasons given by the Management Company and after providing an opportunity of hearing to the Trustee, may approve the removal of the Trustee and the appointment of a new trustee in its place.
- e. Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Fund Property, including any amount held in any of the Bank Accounts, to the new trustee and make payments to the new trustee of all sums due from the Trustee.
- f. The new trustee shall exercise all powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder, as fully as though such new trustee had originally been a party hereto.
- g. Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under the Trust Deed and the Regulations, the Trustee shall remain responsible to liquidate any liability for which the Trustee may have become liable under the Trust Deed or the Regulations and shall also remain entitled to the benefit under the terms of the Trust Deed until the removal or resignation of the Trustee is effective.
- h. The Management Company may immediately upon the issuance of notice of removal of the Trustee under Clause 5.7.8(c) appoint auditors with the consent of the Commission from amongst the panel of auditors designated as "A" category by the SBP for the audit of Financial Institutions.
- i. The auditors so appointed shall be other than the existing Auditor and shall be other than the auditors of the Management Company and the Trustee.
- j. The auditors appointed under Clause 5.7.8(h) shall have the same scope as that of the Auditor for the annual audit, or such other enhanced scope as may be specified by the Management Company or the Commission.
- k. The auditor appointed under Clause 5.7.8(h) shall submit his report of audit to the Management Company not later than thirty (30) Business Days from his appointment. The Management

Company shall ensure that a copy of the report shall also be provided to the Commission, the outgoing Trustee and the new trustee.

- I. The cost of such audit shall be shared equally by the outgoing Trustee, the new trustee and the Fund.

## **5.8 Custodian**

5.8.1 The CDC shall also be performing the function of the Custodian. The salient features of the custodian function are:

- a) Segregating all property of the Fund from the Custodian's own property and that of its other clients.
- b) Assuring the smooth inflow/outflow of dematerialised securities and such other instruments as required.

5.8.2 The Trustee may, if it considers necessary, appoint additional custodians with the approval of the Management Company and at such terms and conditions approved by the Management Company, for the safekeeping of any portion of the Fund Property.

## **5.9 Auditors of the Fund**

The auditors of the Fund are:

**KPMG Taseer Hadi and Co.  
Chartered Accountants**

Sheikh Sultan Trust Building No. 2,  
Beaumont Road,  
Karachi

## **5.10 Registrar of the Fund**

As at the time of this Offering Document, UBL Funds shall be performing the Registrar Functions at its operations office at 4th Floor, STSM Building, Beaumont Road, Civil Lines, Karachi. In case of any change of the address of the operations office, the Unit Holders shall be notified by a notice published in one newspaper in English and one newspaper in Urdu having wide circulation in Pakistan.

## **5.11 Legal Advisers of the Fund**

The legal advisers of the Fund are:

Mohsin Tayebaly and Co.  
2nd Floor, Dime Centre,  
BC-4 Block 9, Kehkashan, Clifton,  
Karachi-75600. Pakistan.

## **5.12 Distributors**

5.12.1 Parties detailed in Annexure 'B' of this Offering Document have each been appointed as Distributors. The addresses of the Distributors are given in Annexure 'B' of this Offering Document. These may be increased or decreased by the Management Company from time to time. The Management Company may from time to time, appoint additional Distributors or terminate the arrangement with any Distributor and intimate the Trustee accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.

5.12.2 The Distributors will be responsible for receiving applications for Purchase of Units and Redemption/ Transfer applications. They will be interfacing with and providing service to Unit Holders, including

receiving applications for change of address and other particulars or application for issuance of duplicate certificates, requests for income tax exemption/zakat exemption, etc. for immediate transmission to the Management Company or Registrar as appropriate for further action.

### **5.13 Bank Accounts**

- 5.13.1 The Management Company shall perform all banking activities of the Fund through the Trustee.
- 5.13.2 The Trustee shall open Bank Accounts titled "CDC - Trustee UBL Government Securities Fund" at such Bank, with minimum AA- rating, at such branches as may be agreed between the Trustee and the Management Company from time to time for the Fund for collection, investment, redemption or any other use of the Fund's monies.
- 5.13.3 Notwithstanding anything in the Trust Deed, the beneficial ownership of the balances in all Bank Accounts of the Fund shall vest in the Unit Holders.
- 5.13.4 All bank charges for opening and maintaining Bank Accounts for the Fund shall be charged to the Fund.
- 5.13.5 The amounts received from the Core Investors against subscription of Core Units and from Pre-IPO investors against the issue of Pre-IPO Units shall be deposited in a separate Bank Account titled "CDC Trustee - UBL Government Securities Fund Pre-IPO Account" with a minimum 'AA-' rated scheduled commercial Bank. Income earned in this account up to the day immediately preceding the Initial Offering Period shall, after deducting all expenses that may be incurred by the Management Company, be paid to the Investors in proportion to their respective investments in the form of additional Units or cash (after deducting all related expenses). Provided that the additional units, so issued, shall be issued at Par-Value and shall not be charged a Front-end Load. The remaining amount after payment of Income to Core Investors and other Pre-IPO investors shall be transferred to the main Bank Account of the Fund upon the close of the Initial Offering Period.
- 5.13.6 The Trustee shall, if requested by the Management Company, open Bank Accounts titled "CDC - Trustee UBL Government Securities Fund" in foreign countries where investments are made on account of the Fund with minimum AA- rated reputed banks, if such investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorised to sign and submit the prescribed account opening forms of such Banks. The opening, operation and maintenance of such Bank Accounts in foreign countries shall always be subject to the approval of the SBP & SECP and the exchange control regulations, as well as any directives of the SBP and the Commission. Any such proposal by the Management Company shall be submitted to the Commission and SBP with the prior consent of the Trustee. While opening and operating any type of account and/or making investments in offshore countries on the instructions of Management Company, if the Trustee is required to provide any indemnities to offshore parties then Trustee and the Fund would be counter indemnified by the Management company to such extent.
- 5.13.7 The Management Company shall not open or close or arrange to open or close any account for the Fund with a Bank without the approval of the Board of Directors of the Management Company. If the Management Company has obtained approval of its Board of Directors for opening or arranging to open an account with any particular Bank, it may open accounts with any branch of that Bank and shall obtain approval therefore from its Board of Directors in the subsequent meeting.
- 5.13.8 The Trustee shall, if requested by the Management Company at its discretion also open a separate Account titled CDC-Trustee UBL Funds at bank(s) designated by the Management Company. These account(s) shall be temporary collection accounts, where collections received on account of subscription of Units by investors of various administrative plans that are managed by UBL Fund Managers as the management company shall be held prior to their being allocated and transferred to pertinent unit trust(s) for investments on daily basis. Provided however, in relation to the other unit trusts managed by the Management Company mentioned above, there are similar provisions in the trust deeds of such funds and have common Trustee between them.

## 6. PRINCIPAL FEATURES

### 6.1 Minimum Amount of Investment

The minimum initial and subsequent amount of investment in the Fund is Pakistani Rupees Five Hundred (PKR 500). However, since as an administrative arrangement, the Management Company may be offering various plans; the minimum amounts for the plans shall be specified in the respective Supplementary Offering Documents. The Management Company reserves the right to alter the minimum amounts stated hereinabove subject to prior approval of the Commission. In the event, the investment in any investor's account falls below the minimum level as a result of revised limits, changes in valuation, redemption, transfer or transmission, the Management Company may instruct the Registrar to close such account by redeeming the Units in such accounts at the close of any Accounting Period at the price applicable to redemptions on such date.

### 6.2 Features of Units

- 6.2.1 Units will be issued in registered, un-certificated form and will be confirmed to investors by means of an Account Statement issued by Transfer Agent subject to Clause 12.7.1 and Clause 12.7.2.
- 6.2.2 Requests for redemption, transfer or transmission of Units shall be processed only on the production of the Prescribed Application Form, Account Statement or Certificate(s) (as the case may be) if issued earlier. In the event of loss or defacing of Certificates, the process shall be carried out subject to appropriate safeguards to the satisfaction of the Trustee and the associated cost, if any, shall be borne by the Unit Holder.
- 6.2.3 The Registrar may register a pledge/lien on any Units in favour of any third party with the specific authority of the Management Company, if ordered by the Unit Holder. However, the pledge/lien shall be valid only if evidenced by a statement or letter issued by the Registrar indicating the Units marked in favour of the pledgee. The onus for due process having been followed in registering a lien shall lie with the Management Company.
- 6.2.4 The Unit Holder may opt to invest in the fund through Systematic Investment Plan (SIP) facility/Systematic Investments. This facility allows unit-holders to invest predetermined amounts in the fund at predefined intervals. The Unit holder may systematically invest in the fund monthly, quarterly, semi-annually, annually. The investment amount and the frequency of investment shall be specified by the unit holder in the Application Form for Purchase of Units. Any Unit holder can avail this facility subject to the terms and conditions as specified below:
  - (a) Minimum investment amount for systematic investments shall be Rs. 500 however; the Management Company may modify the minimum investment amounts from time to time, with prior notice to the Unit Holders;
  - (b) Unit Holders can opt to make systematic payments by submitting postdated cheques to the Distribution Company or by giving instructions to their banks to make payments to the Fund's account on the systematic investment date specified in the Application Form for Purchase of Units;
  - (c) The Offer Price applicable to subsequent systematic investments shall be of the cheque date or payment date;

- (d) In the event a cheque is returned unpaid, the Management Company shall cancel the Units booked and the unit holder shall be informed accordingly. The unit holder will be asked to submit fresh payment for the said Units which will then be booked based on the Offer Price announced by the Management Company on the day the said new Investment Form together with the payment is received by the Distribution Company.
- (e) Unit Holders can modify their account details by filling out an Account Update/Service Request Form and submitting it to the Distribution Company and their requests shall be facilitated accordingly.
- (f) In the event a Unit Holder decides not to continue with the Systematic Investment Plan facility, the Unit Holder should inform the Management Company of his intention in writing and the Management Company shall return any post dated cheques kept for systematic investments.

6.2.5 The Management Company may offer Systematic Withdrawal Plan (SWP) facility/Systematic Withdrawals to Unit Holders), which gives them flexibility to withdraw certain amount from their investments in the fund at pre-defined intervals (i.e. monthly, quarterly, semi-annually, annually). The withdrawal amount, frequency of withdrawal, and the systematic withdrawal option shall be specified by the unit holder in the Application Form for Purchase of Units. The Management Company may offer both or any of the following Systematic Withdrawal options to unit holders:

- (i) **Fixed Withdrawal Option:** In case of fixed withdrawal option, the unit-holder will have the option to redeem fixed amount from the fund at pre defined intervals (i.e. monthly, quarterly, semi-annually, annually). The periodic redemption amount and its frequency shall be specified by the unit holder in the Application Form for Purchase of Units. In case of fixed withdrawal option, the capital invested may deplete in case sufficient returns are not earned to cover the amount of relevant interval payment required by the Unit Holder.
- (ii) **Regular Profit Option:** In case of regular profit option, the unit-holder will have the option to redeem the profit amount equal to periodic appreciation in the NAV of the fund at pre defined intervals (i.e. monthly, quarterly, semi-annually, annually).

Any Unit holder can avail this facility subject to the terms and conditions as specified below:

- (a) The minimum withdrawal amount for fixed withdrawal option shall be Rs. 500 for all pre defined intervals.
- (b) The Redemption Price applicable for systematic withdrawals shall be the price calculated on the day of the withdrawal and such withdrawal dates are decided by the Unit Holder at the time of registration.
- (c) Systematic withdrawals shall not be allowed on pledged units, however, if part of the units of the Unit Holder is pledged, withdrawal on the remaining unpledged units shall be allowed.
- (d) In case the value of investments of the Unit Holder falls below Rs. 500 further systematic withdrawal shall not be allowed.
- (e) Units under systematic withdrawal option shall not be issued in physical form.



- (f) Unit Holders can modify their withdrawal amount in the fixed withdrawal option by filling out an Account Update/Service Request Form and submitting the same to the Distribution Company and their requests shall be facilitated accordingly.
- (g) In the event a Unit Holder decides not to continue with the Systematic Withdrawal Plan facility, the Unit Holder should inform the Management Company of his intention in writing.

6.2.6 The Management Company may offer Systematic Conversion Plan (SCP) facility/Systematic conversion to Unit Holders, wherein, Unit-Holders can opt to convert certain amount from the fund to any other fund(s) offered by the Management Company, at predefined intervals (i.e. monthly, quarterly, semi-annually, annually). The conversion amount, frequency of conversion, and the systematic conversion option shall be specified by the unit holder in the Application Form for Purchase of Units. The Management Company may offer both or any of the following Systematic conversion options to unit holders:

- (i) **Fixed Conversion Option:** Under the fixed conversion option, the unit holder can opt to convert fixed amount from the fund into another fund offered by the Management Company and having same Trustee at predefined intervals (i.e. monthly, quarterly, semi-annually, annually).
- (ii) **Regular Conversion Option:** Under the regular conversion option, the unit holder can opt to convert the profit amount of the fund equal to periodic appreciation of the NAV of the fund to another fund offered by the Management Company and having same Trustee, at predefined intervals (i.e. monthly, quarterly, semi-annually, annually).

Any Unit holder can avail this facility subject to the terms and conditions as specified below:

- (a) The minimum conversion amount for systematic conversion plan shall meet minimum investment requirement for another fund to which Units are being converted.
- (b) The Conversion for systematic conversions shall take place at the redemption price calculated on the day of the conversion and such conversion dates are decided by the Unit Holder at the time of registration.
- (c) Systematic conversions shall not be allowed on pledge units, however, if part of the units of the Unit Holder is pledged, conversions on the remaining unpledged units shall be allowed.
- (d) In case the value of investments of the Unit Holder falls below Rs. 500 further systematic conversions shall not be allowed.
- (e) Conversions shall be subject to Front-end load and Back-end Load/charges/fees specified in the respective Offering Document for the Units being converted and the Units of other scheme.
- (f) Units under systematic conversion option shall not be issued in physical form.
- (g) Unit Holders can modify their systematic conversion options by filling out an Account Update/Service Request Form and submitting the same to the Distribution Company and their requests shall be facilitated accordingly.

- (h) In the event a Unit Holder decides not to continue with the Systematic Withdrawal Plan facility, the Unit Holder should inform the Management Company of his intention in writing.

The Management Company may introduce changes in systematic withdrawal plan, systematic investment plan or systematic conversion plan from time to time, through amendment to this Offering Document, subject to prior approval by the Trustee and the Commission and intimation to the Unit-holders. However, any changes introduced in systematic withdrawal plan, systematic investment plan or systematic conversion plan, would not be binding on existing unit holders.

## **6.3 Purchase of Units**

### **6.3.1 Who Can Apply?**

Any investor or any related group of investors qualified or authorised to purchase the Units may make applications for purchase of units of the Fund. The onus for being so qualified lies with the investor and neither the Management Company, the Trustee, the Registrar, the Distributors, nor the Investment Facilitators accept any responsibility in this regard. Application may be made pursuant to the procedures described in sub-Clause 6.3.2 below, including but not limited to:

- (a) Citizens of Pakistan resident in Pakistan; provided that applications for minors beloweighteen (18) years of age may only be made by their guardians.
- (b) Companies, corporate bodies, Financial Institutions, Banks, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and/or bye-laws.
- (c) Pakistanis resident abroad, foreign nationals and companiesincorporated outside Pakistan can apply for Units subject to the regulations of the SBP and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile andcitizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations/laws. Any person making an application on behalf of such persons for the purchase of Units shall warrant that he is duly authorised to purchase such units.
- (d) Provident, pension and gratuity funds constituted by companies registered under the Income Tax Ordinance 2001, subject to conditions and investment limits laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.
- (e) Provident, pension and gratuity funds constituted by organisations other than companies under Section 20(h) of the Trusts Act 1882, (II of 1882).
- (f) Insurance companies under the Insurance Ordinance, 2000.
- (g) Non-profit organisations under section 211 of the Income Tax Rules, 2002.

### 6.3.2 **Purchase Application Procedure**

- a) Fully completed application form for purchase of Units, accompanied by the full amount of the investment by cheque, bank draft, pay order or online transfer as the case may be in favour of "CDC - Trustee UBL Government Securities Fund" and crossed "Account Payee only" and copies of the documents mentioned in sub-Clauses (b) , (c), and (d) below, should be delivered at any of the Authorised Branches of the Distributors (as mentioned in Annexure "B" of this Offering Document). Such forms have to be submitted within the cut-off timings as specified in Clause 6.3.3. Only Authorised Branches of the Distributors as stated below in Annex 'B' are authorised to collect application and payment instrument for issue of Units. Further, it is to be noted that the requirements in the application forms in respect of documents/ information may be varied in light of any amendments made to such requirements by the SECP or amendments to other regulatory requirements.
- b) The prescribed application form shall not be considered to be duly completed if there is not attached to it a photocopy of each of the following, verified to the satisfaction of the Management Company:
  - i. the Computerised National Identity Card (CNIC) of the applicant or his Passport;
  - ii. proof of business or employment of the applicant; and
  - iii. such other documentary requirements as are noted in the prescribed application form.
- c) For a corporate body, partnership, registered society or a trust the following documents shall be required, as applicable:
  - i. copy of the memorandum and articles of association/charter/bye-laws or rules and regulations verified as true copy by the company secretary or equivalent responsible official;
  - ii. copy of the relevant resolution of the board of directors or other governing body approving the investment by the company in the Fund, certified as true copy by the company secretary or equivalent responsible official;
  - iii. copy of power of attorney and/or relevant resolution of the board of directors or other governing body delegating any of its officer to invest in the Funds and/or to realise the investment, certified as true copy by a notary public and a company secretary or equivalent responsible official;
  - iv. copy of the CNIC of the officer to whom the authority has been delegated, certified as true copy by a notary public and a company secretary or equivalent responsible official;
  - v. copy of the CNICs of all directors, partners, governing body members or trustees as the case may be; and
  - vi. audited accounts of the company or, as applicable, copies of the latest financial statements of the partnership, society, association or trust.
- d) In case of existing Unit Holders, if any of the documents have previously been submitted, fresh submission of documents will not be required, provided that the submitted documents are valid and acceptable to the Management Company and there have been no material changes in the status of the Holder.

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- e) The Distributor shall be entitled to verify the particulars given in the application form. In case of any incorrect information, the application may be rejected.
  - f) The applicant shall be provided a copy of the application form duly signed and stamped by the authorised officer of the Authorised Branch of the relevant Distributor/Management Company, where application for purchase of the Units was submitted, as the case may be, as a confirmation of the receipt of the application.
  - g) The Offer Price determined at the end of the Business Day on which application form for purchase of Units has been received shall apply to all application forms for purchase of Units, complete in all respects, including payment instrument received by the Distributor within the Cut-off timings specified in Clause 6.3.3 on that Business Day. Any Investment Request Forms received after the Cut-off timings will be transferred to the next Business Day. Provided that if a Business Day is not a dealing day, the Offer Price calculated on the next dealing day shall apply to the purchase request.
  - h) In the event payment has been accepted by cheque, bank draft or pay order the payment shall be deemed to be complete on the date the cheque bank draft or pay order is received by the Distributor. However, NAV shall be locked at the date of receipt of cheque and Units shall be issued upon realisation of funds. If the cheque is returned, no Units shall be issued. A Cheque shall be received on the condition that it is not post dated and is drawn on a Bank in the local town of the distributor or investment center. Timely deposit of cheque shall be the responsibility of Distributor. However, in case of any negligence by the Distributor with respect to delay etc. the Management Company shall make good the loss to the Unit Holder from resources of the Management Company.
  - i) The Management Company, subject to prior satisfaction of the Trustee, may make arrangements to receive applications to issue Units through electronic, on-line IVR (Interactive Voice Response) or other means.
  - j) Requests for issue of Units may be accepted through the ATM facilities of Banks with prior approval of the SECP and intimation to the Trustee only when the relevant Banks have been instructed by the Management Company to accept requests to purchase or redeem Units through such facilities.
  - k) In general, payments from outside Pakistan shall be deemed to be complete on the date the Trustee receives the payments from international investors, in the Bank Account of the Fund.
  - l) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant to remove the discrepancy; in the event the discrepancy is not removed in the said fifteen (15) days, the amount shall be refunded without any profit and deduction. However, in the event the Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor shall advise the applicant in writing to remove the discrepancy within fifteen (15) days and if the investor, in the opinion of the Registrar, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.
  - m) The Management Company may issue Units in de-materialised form registered with a recognised depository company subject to the satisfaction of the Trustee.

### 6.3.3 **Cut-off Timings**

Cut-off timings for receiving applications forms shall be:

Every Dealing Day 4:00 P.M<sup>2</sup>

### 6.3.4 **Joint Application**

- a) Joint application can be made by up to four (4) applicants. Such persons shall be deemed to hold Units on joint holder basis. However, each person must sign the application form and submit a copy of their CNIC or Passport.
- b) The Transfer Agent shall not register more than four (4) joint Holders for a Unit. In case of the death of any one of the joint Holders the survivor or survivors shall be the only persons recognised by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided, however, the Trustee shall require the survivors to provide succession certificates or other such mandate from a court or lawful authority.
- c) Where Units are registered in the name of joint Holders and subsequently additional Units are purchased by the same joint Holders but the application is made in different order, such additional units shall be registered under a different account.

## 6.4 **Redemption of Units**

### 6.4.1 **Who Can Apply?**

All Unit Holders, other than the holders of Core Units are eligible to redeem their Units. No redemption shall be allowed during the Initial Offering Period. Holders of Core Units shall be eligible for redemption after the expiry of the period of two (2) years from the date of the closure of the Initial Offering Period; however such units shall be eligible for transfer subject to the condition that the new transferee of such units agrees to the same condition for the balance period, if any.

### 6.4.2 **Redemption Application Procedure**

- (i) The Holder can request for redemption on any given Business Day by submitting the complete prescribed Redemption Application Form (the Form) and surrendering the endorsed Certificate (if issued) to any Authorised Branch of the relevant Distributor.
- (ii) In case of applications for redemption by joint Holders, unless the joint Holders of Units have specified otherwise, such application should be signed by all joint Holders (see Clause 6.4.6 below) and all joint Holders should endorse the Certificates. No money shall be paid to any intermediary except the Holder/joint Holder.
- (iii) The Management Company, subject to prior satisfaction of the Trustee, may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means, subject to the satisfaction of the Trustee.
- (iv) Requests for redemption of Units may be accepted through the ATM facilities of Banks with prior approval of the SECP and intimation to the Trustee only when the relevant Banks have been instructed by the Management Company to accept requests to purchase or redeem Units through such facilities.

<sup>2</sup> Amended in 2<sup>nd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 27-01-2015

- (v) It is specifically provided that the Management Company shall not use flipping mechanism i.e. redemption and re-issuance of Units to the same Unit Holders based on different NAVs without cash settlement.
- (vi) No netting off transaction (adjustment of the assets of the Fund against the investment of Unit Holders) is allowed within the Fund.

#### 6.4.3 **Cut-off timings**

Cut-off timings for receiving redemption applications shall be:

Every Dealing Day 4:00 P.M.<sup>3</sup>

Maximum interval between the request for redemption and payment of the redemption proceeds shall be six (6) days as mentioned in Clause 26.7 of the Trust Deed.

#### 6.4.4 **Payment of Redemption Proceeds**

- a) Units shall be redeemed on the basis of daily Net Asset Value, announced by the Management Company as of the close of the Business Day on which a correctly filled Redemption Form is submitted with the Distributor within the cut-off timings of the fund specified in Clause 6.4.3 above.
- b) Payment shall be made by either online transfer into the account specified by the Unit Holder in the application form (at a Bank agreeable to the Management Company), or by a crossed cheque or demand draft in favour of the Unit Holder or first-named joint Holder in the event of joint Holders and shall be sent at the Holder's or first-named joint Holder's address provided by him in the Form.
- c) The amount payable on redemption shall be paid to the Holder or in case of Joint Holders to the first named joint Holder or any other joint Holder specified in the application for redemption of Units by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Holder within six (6) Business Days from the date of presentation of the duly completed redemption application (please refer to Clause 6.4.2 and Clause 6.4.4 for redemption procedure) at the Authorised Branch or office of the Distribution Company. The Management Company may, with the prior approval of Commission and to the satisfaction of Trustee make arrangements for making redemption payments by transferring the redemption proceeds to the Holder's designated bankers or by crediting the Holder's credit or debit card.
- d) The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint holders, eligibility to receive the redemption money shall depend on the initial instructions given by the Unit Holders.
- e) **Procedure for Redemption and Re-investment of Units:**<sup>1</sup>

The Management Company shall give the option to the unit holders to conduct transactions through Form or through a standing instructions duly signed by the customer and transactions shall be executed accordingly.

<sup>1</sup> Amended as per 10<sup>th</sup> SOD of UGSF effective date July 27, 2020.

<sup>3</sup> Amended in 2<sup>nd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 27-01-2015

**6.4.5 Circumstances under which the dealing methodology can change**

- (i) A permanent change in the method of dealing shall be made after expiry of a thirty-day(30) notice to Unit Holders and with the prior approval of the Trustee to this effect.
- (ii) A temporary change shall only be made:
  - (a) in circumstances mentioned in Clause 6.7 below, having regard to the interests of unit holders;
  - (b) if the possibility of a change and the circumstances in which it can be made have been fully disclosed in the Offering Documents;
  - (c) With the approval of the Trustee.

**6.4.6 Joint Holders**

Unless the joint Holders of Units have specified otherwise, all the joint holders shall sign requests for redemption of such Units.

**6.4.7 Partial Redemption**

Partial redemption of Units covered by a single Certificate is not permitted.

**6.4.8 Verification of the Form**

The Registrar will verify:

- (i) The holding stated on the application for redemption form; and
- (ii) Signature of the Holder(s).

**6.4.9 Payment against redemption not to be made to any intermediary**

Payment shall be made only to the respective Unit Holder and no payment shall be made to any intermediary. In case of joint Holders, payment shall be made to the Holder named first in the Register or any other joint Holder specified in the application for redemption of Units.

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<sup>3</sup> Amended in 2<sup>nd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 27-01-2015

## **6.5 Procedure for Transfer of Units**

### **6.5.1 Transfer Application Procedure**

The procedure herein below is designed for paper-based transactions. The Management Company may at a later date introduce electronic/internet based alternatives for the transactions with prior approval of the Commission and satisfaction of Trustee.

- (a) A Holder can transfer Units held by him by:
  - (i) Transferring, pledging or otherwise encumbering the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee. The Transfer Application Form to be signed by the transferor and transferee can then be submitted to any of the Authorised Branches of the relevant Distributor along with the relevant Certificate, if issued.
  - (ii) Giving the Trustee/Distributor such notice in writing of his desire or transfer such Unit to some other person.
- (b) Any person becoming entitled to hold the Units in consequence of the death, insolvency or winding up of any sole Holder or the survivors of a joint Holder shall be registered as the Holder or joint Holder as the case may be subject to providing such evidence as to his title as the Trustee shall consider sufficient.



- (c) Application for transfer can be submitted on any Business Day during banking hours. The transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register.
- (d) Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value. Where Certificates have been issued, the Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed, subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in Clause 33 of the Trust Deed.
- (e) There shall be no charge of Front-end Load on transfer of the Units. Any taxes or duties, applicable on the transfer and transmission, shall, however, be payable by the transferee.

### 6.5.2 Cut-off Timings<sup>4</sup>

- (a) Cut-off timings for receiving applications of transfer shall be:  
Every Dealing Day 4:00 P.M.
- (b) Cut-off timings for receiving applications of conversion shall be:  
Every Dealing Day 4:00 P.M.

### 6.5.3 Partial Transfer

Partial transfer of Units subject to the relevant conditions is permitted. However, partial transfer of Units covered by a single Certificate is not permitted. Unit Holders may apply for the splitting of the Certificate before applying for a transfer. The Management Company may impose the necessary charges at its discretion for such a service.

## 6.6 Procedure for Pledge/Lien/Charge of Units

- 6.6.1 All Unit Holders are eligible to apply for pledge/lien/charge of Units if they so desire. Such pledge /lien/charge can be made via the Pledge /Lien Form as attached in Annexure "C" of this Offering Document. These forms may be obtained from Distributors, Investment Facilitators, Management Company or through the Management Company's website.
- 6.6.2 Any Unit Holder and/or joint unit holder(s) (as per the mandate in the Investment Application Form) may request the Transfer Agent to record a pledge/lien on all or any of his Units in favour of any third party legally entitled to invest in such Units in its own right. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Registrar with lien on such Units marked in favour of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.
- 6.6.3 The lien once registered shall be removed by the authority of the party in whose favour the lien has been registered or through an order of a competent court. Neither the Trustee, the Management Company nor the Registrar, shall be liable for ensuring the validity of any such pledge/charge/lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien

<sup>4</sup> Amended in 2<sup>nd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 27-01-2015

shall be at the full discretion of such party and neither the Trustee, the Management Company nor the Registrar shall take any responsibility in this matter.

- 6.6.4 Payments of dividends or the issue of Bonus Units and redemption proceeds of the Units or any benefits arising from the Units that are kept under lien/charge/pledge, shall be made to the order of the Unit Holder.
- 6.6.5 The Distributor and/or Management Company shall be entitled to verify the particulars given in the Pledge of Unit Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- 6.6.6 Fully completed Pledge of Unit Form shall be submitted by the Unit Holders. This Form should be delivered to any of the Authorised Branches of the Distribution Companies within the cut-off timings specified in Clause 6.6.7 on the Business Day or as announced by the Management Company from time to time.

#### **6.6.7 Cut-off Timings<sup>5</sup>**

Cut-off timings for receiving applications for pledge of Units shall be:

Every Dealing Day 4:00 P.M.

- 6.6.8 All risks and rewards, including the right to redeem Units and operate accounts but excluding the entitlement to dividends or the Bonus Units, shall rest with the pledge/lien charge holder, unless otherwise instructed in writing to the Management Company by the Holder.

### **6.7 Suspension of Issuance and Redemption of Units**

- 6.7.1 The Management Company may suspend the issue or redemption of Units at any time for an indefinite period in following circumstances:
- (a) during any period when any Stock Exchange on which any of the Investments for the time being are listed or dealt in is closed or when dealings in such Investments are restricted or suspended on such Stock Exchange;
  - (b) during the existence of any state of affairs or force majeure which in the opinion of the Management Company constitutes an emergency as a result of which disposal of any of the Investments would not be reasonably practicable or might seriously prejudice the interests of the Fund or the Unit Holders;
  - (c) if any breakdown occurs in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot be promptly and accurately ascertained;
  - (d) during any period when remittance of money which shall or may be involved in the realisation of any Investment or in the payment for any Investment cannot in the opinion of the Management Company be carried out within a reasonable time;
  - (e) if the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value;

<sup>5</sup> Amended in 2<sup>nd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 27-01-2015

- (f) if the Management Company is of the view that the investment of inflow of substantial funds shall be difficult, the Management Company shall decline applications for issue of Units;

provided that prior approval of the Board of Directors of the Management Company is required for suspension of redemptions of Units; provided further that the Management Company shall terminate any such suspension at the order of the Commission at any time.

- 6.7.2 Suspension under Clause 6.7.1 shall take effect forthwith upon declaration thereof by the Management Company and shall terminate on the day following the first Subscription Day on which conditions giving rise to the suspension shall, in the opinion of the Management Company, have ceased to exist and no other conditions under which suspension is authorised under the Trust Deed exists. In case of suspension and termination of suspension, the Management Company shall immediately notify the Commission and Trustee, and publish the same in at least two daily newspapers, one of which shall be in the English language and one of which shall be in the Urdu language, circulating in Pakistan.
- 6.7.3 Notwithstanding anything contained in any other provision of the Trust Deed, where the Commission is of the opinion that it is in the interests of the Unit Holders, it may direct that the operations of Fund, including the issuance, sale or redemption of Units, shall be suspended with effect from such date as specified by the Commission.
- 6.7.4 In case of suspension of redemption of the Units, the Management Company shall simultaneously suspend issuance of fresh Units and any transactions in the Administrative Plans until redemption of Units is resumed

## **6.8 Queue System**

- 6.8.1 In the event redemption requests for Units on any day exceed ten percent (10%) of the Net Assets, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent (10%) of the Net Assets. The Management Company shall proceed to sell adequate assets of the Fund or arrange borrowing on behalf of the Fund, or do both, as it deems fit in the best interests of the Unit Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. The redemption requests in excess of ten percent (10%) of the Units in issue shall be carried over to the next Business Day; provided that if the carried over requests and the fresh requests received on the next Business Day still exceed ten percent (10%) of the Net Assets as on that day, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated. Such procedure shall continue till such time that the outstanding redemption requests come down to a level below ten per cent (10%) of the Units then in issue.
- 6.8.2 In the event that the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price. Interim distributions of the proceeds may be made if the Management Company finds it feasible.

## **6.9 Winding up in view of major redemptions**

In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Fund Property being run down to an unmanageable level or is of the

view that the sell-off of assets is likely to result in a significant loss in the value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the queue system, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets and determining the final Redemption Price.

#### **6.10 Frequency of Valuation, Dealing, Determination and Announcement of the Price**

- 6.10.1 For information on the classes of Units and the Initial Offering Period, please refer to Clause 3.10 and Clause 3.11 respectively.
- 6.10.2 Subsequent to the Initial Offering Period, the Management Company shall announce the Offer and Redemption (Repurchase) Prices daily, calculated on the basis of the NAV and adjusted for the Front-end Load and/or Back-End load (if any) as the case may be, Transaction Costs and Duties and Charges as are described herein. The Management Company shall satisfy the Trustee that the method of calculation is adequate for ensuring accurate calculation of the prices and the prices shall likewise be cleared to the satisfaction of the Trustee. The Management Company shall announce the NAV latest by 18.30 hours daily and shall communicate the same to MUFAP.
- 6.10.3 The Offer Price shall be calculated and announced by the Management Company on each Subscription Day, as may be determined by the Management Company from time to time.
- 6.10.4 **Determination of Offer Price:** The Offer Price shall be equal to the sum of:
- a) the Net Asset Value as of the close of the Business Day;
  - b) any Front-end Load at the discretion of the Management Company but not exceeding the limit specified in the Offering Document for certain classes of Units; and
  - c) such amount as the Management Company may consider to be an appropriate provision for Duties and Charges in accordance with the Trust Deed and the Regulations.
  - d) The Offer Price may be calculated up to four decimal places.
- 6.10.5 Unit purchase requests, complete in all respects, received by the Management Company/Distributor before Cut-off Time shall be priced on the basis of NAV determined at the close of that Day.
- 6.10.6 In the event the amount paid by a Unit Holder pursuant to sub-Clause 6.10.4(c) as provision for payment of Duties and Charges is insufficient to pay in full the Duties and Charges incurred by the Fund, the Management Company shall be liable for the payment in full of the amount of such shortfall.
- 6.10.7 In the event the amount paid by a Unit Holder pursuant to sub-Clause 6.10.4(c) as provision for payment of Duties and Charges exceeds the amount of Duties and Charges incurred by the Fund, the Management Company shall instruct the Transfer Agent to issue additional Units or fractions thereof to the Unit Holder based on the price applicable to the Units issued against the relevant application, or refund such excess amount to the Unit Holder through transfer to the bank account provided by the Unit Holder in the Application Form for purchase of Units or through a cheque in the name of the relevant Unit Holder and crossed "A/C payee only" dispatched to his registered address.

- 6.10.8 If the variation of the Net Asset Value on any day at any time exceeds or falls short by five per cent (5%) of the Net Asset Value calculated pursuant to sub-Clause 6.10.4 above for the current Offer Price, the Management Company shall suspend any offer of Units and shall calculate forthwith a new Offer Price as soon as possible. The Management Company shall also inform the SECP and the Trustee of the suspension of offer of Units along with the announcement of the new Offer Price, as per the procedure laid down in Clause 6.10.9.
- 6.10.9 The Offer Price determined by the Management Company shall be announced and made available to the public at the Authorised Branches on all Subscription Days before 6:30pm daily and published on the website of the Management Company and of the MUFAP, and at the discretion of the Management Company may also be published in two daily newspapers, one in English and one in Urdu, widely circulated in Pakistan.
- 6.10.10 **Determination of Redemption Price:** After the Initial Offering Period, the Redemption Price of any Unit shall be equal to the Net Asset Value of the Unit as of the close of the Business Day, less:
- (a) any Back-end Load charged on the Units in accordance with the Offering Document; and
  - (b) such amount as the Management Company may consider an appropriate provision for Duties and Charges.

Such sum shall be adjusted downwards to the nearest paisa.

Redemption requests complete in all respects, received by the Management Company/Distributor before Cut-off Time shall be priced on the basis of NAV determined at the close of that Day.

- 6.10.11 Units, whether issued before or during the Initial Offering Period, shall not be redeemed before the close of the Initial Offering Period.
- 6.10.12 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-Clause 6.10.2(b) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of such shortfall amount.
- 6.10.13 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to Clause 6.10.2(b) exceeds the relevant amount of Duties and Charges, such excess amount shall be returned to the respective Unit Holder immediately.
- 6.10.14 The Management Company shall announce the Redemption Price on a daily basis on all Business Days. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of the Trust Deed. However, if the event in Clause 6.8.1 or Clause 6.8.2 of this Offering Document come into application, the redemption value shall be determined in accordance with the procedure laid out in the said Clauses.
- 6.10.15 If the variation of the Net Asset Value on any day at any time exceeds or falls short by five per cent (5%) of the Net Asset Value calculated pursuant to sub-Clause 6.10.10 above for the current Redemption Price, the Management Company shall suspend any redemption of Units and shall calculate forthwith a new Redemption (Repurchase) Price as soon as possible. The Management Company shall also inform the SECP and the Trustee of the suspension of redemption of Units along with the announcement of the new Redemption Price, as per the procedure laid down in Clause 6.10.16.
- 6.10.16 The Redemption Price determined by the Management Company shall be made available to the public at the Authorised Branches and the Management Company and at the office of the Transfer Agent before 6:30pm daily and published on the website of the Management Company and of the MUFAP. At the discretion of the Management Company, the Redemption Price may also be published in at least two daily newspapers, one English and one Urdu, widely circulated in Pakistan.

## 6.11 Offer and Redemption of Units outside Pakistan

- 6.11.1 Subject to foreign exchange control and prior approval of the SECP and other applicable laws, rules and regulations and any permissions required to be obtained under law from regulatory authority, in the event of arrangements being made by the Management Company for the issuance of Units for delivery in any country outside Pakistan, the price at which such Units may be issued, may at the discretion of the Management Company, include, in addition to the Offer Price as herein before provided, a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation, whether national, municipal or otherwise leviable in that country in respect of such issue or on the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.
- 6.11.2 In the event that the Redemption Price is paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of the Management Company, include, as a deduction to the Redemption Price as herein before provided, a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise, leviable in that country in respect of such payment or redemption. It is clarified that the Offer Price and Redemption Price shall be calculated and paid in Pakistani Rupees and the Fund shall not carry any exchange risk. The relevant foreign investor will invest at the exchange rate prevailing at that time and redemption and other payments to such investor shall be made by the Fund in Pakistani Rupees, and such investor shall be responsible for converting such payments into the desired foreign currency.
- 6.11.3 The currency of transaction of the Fund is the Pakistani Rupee and the Management Company, Trustee or any Distribution Companies are not obliged to transact the issuance or redemption of Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for remittance of the dividends or redemption proceeds in foreign exchange or for any obligations arising there from.
- 6.11.4 The Management Company shall appoint one or more Banks as the Authorised Dealer, subject to SBP approvals, to manage offer and redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange Regulation, 1947.
- 6.11.5 Payments made in foreign currency to purchase Units shall be converted into Pakistani Rupee through the Authorised Dealer using SBP's quoted rates for conversion of foreign exchange into Pakistani Rupees (or National Bank of Pakistan's, in case SBP rates are not available) and any conversion cost, Duties and Charges and Front-end Load shall be deducted from the payment before Units are issued. The Units issued shall be denominated in Pakistani Rupees using the conversion rates quoted by the Authorised Dealer at the issue date of the Units (buying rate for the relevant currency).
- 6.11.6 At the option of the Management Company, payments made in foreign currency for Units purchased may directly be made part of Fund Property without conversion into Pakistani Rupees after deduction of the relevant Duties and Charges, Transaction Costs and applicable Front-end Load. The Units issued shall be denominated in Pakistan Rupees using a conversion rate quoted by the Authorised Dealer at the issue date of the Units.
- 6.11.7 Payments to be made in foreign currency on redemption of Units shall be converted from Pakistani Rupees through the Authorised Dealer, using the SBP's quoted rates (or National Bank of Pakistan's in case the SBP rates are not available) and any conversion cost, Duties and Charges, and Back-end Load shall be deducted from the payment to be made.

- 6.11.8 At the option of the Management Company, payments to be made in foreign currency for Unit redemptions may directly be paid from foreign currency dominated bank accounts that are part of Fund Property, after deduction of the relevant Duties and Charges, Transaction Costs and applicable Front-end Load.
- 6.11.9 The Management Company will make arrangements from time to time for receiving account opening forms, investment request forms and payments from outside Pakistan and will disclose these arrangements through its website, Distributors and Investment Facilitators outside Pakistan.
- 6.11.10 The Management Company shall arrange the remittance and / or fulfill any foreign exchange formalities at State Bank of Pakistan (SBP) through Trustee (if required). Furthermore, in case of any remittance is delayed or cannot be made due to in-availability of foreign currency from the State Bank of Pakistan and / or delay due to approval process at SBP, both management company and Trustee shall not be responsible for the same. The Fund shall not be liable for payment of any bank charges and other levies, if any in relation to issue and redemption of Units outside Pakistan.

## 6.12 Procedure for Requesting Change in Unit Holder Particulars<sup>1</sup>

### 6.12.1 Who Can Request Change?

All Unit Holders are eligible to change their Unit Holder details if they so desire. For such change in particulars, a request shall be made via the Service Request Form or, any document (supported by the evidence) provided by the investor through his Distributor, Investment Facilitator or provided directly to the Management Company through Digital means. In the case where Units are held in CDS account then requests should also be made as per above mentioned procedure.

However, in the case where the Unit Holder desires to change Unit Holder details pertinent to their respective CDS account then request should be made through CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

### 6.12.2 Application Procedure for Change in Particulars

a. Some of the key information which the Unit Holder can change is as follows:

- i. Change in address
- ii. Change in Bank Account details
- iii. Account Operating instructions
- iv. Frequency of profit payments
- v. Systemic Conversion Option

Change will not be allowed in Title of account, Address and CNIC number of the Unit Holder (without any documentary evidence). Any addition or deletion in joint account holder is not allowed.

b. Fully completed Form or any document (supported by evidence) deemed fit by the management has to be submitted by unit holder(s). This Form should be delivered to any of the Authorized Branches of the

<sup>1</sup> Added as per 11<sup>th</sup> SOD effective date Nov 13,2020

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Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within Business Hours on a Dealing Day.

- c. The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- d. The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes. These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.
- e. Unless the Joint Unit Holder(s) have specified otherwise (except for bank account detail), all the Joint Unit Holder(s) shall sign the Service Request Form.



## **7. DISTRIBUTION POLICY**

### **7.1 Declaration of Dividend**

- 7.1.1 The Management Company shall, for every Accounting Year of the Fund, distribute by way of dividend to the Unit Holders not less than ninety per cent (90%) of the accounting income of the Fund received or derived from sources other than unrealised capital gains as reduced by such expenses as are chargeable to the Fund under the Regulations.

Explanation- The expression "accounting income" means income calculated under the International Accounting Standards and verified by the Auditors.

The amount so determined shall be distributed among the Unit Holders within forty five (45) days of announcement of such distribution.

- 7.1.2 In no case, the time period for closure of register for dividend declaration shall exceed six (6) working days at a time and a total of forty five (45) days in a calendar year.

### **7.2 DISTRIBUTION OF INCOME**

- 7.2.1 Subject to Clause 7.2.2, the Management Company may decide to distribute, wholly or in part, the distributable income in the form of Bonus Units and/or cash dividends or the Management Company may give an option to the Unit Holders to receive cash payout instead of Bonus Units as mentioned in 7.2.4 below. After fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units the Management Company shall inform the Trustee of such distribution.
- 7.2.2 In case of cash dividends, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purpose of the Trust Deed be treated as part of the Fund Property, but shall be held by the Trustee upon trust to distribute the same as herein provided. The Trustee may rely on the amount certified by the Auditors as the dividend payable in cash after adjusting for dividend being distributed in the form of Units.
- 7.2.3 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holder the certificate in respect of such deductions in the prescribed form or in a form approved or required by the concerned authorities.
- 7.2.4 In case of cash dividends, distribution payments shall be made by warrant or by way of transfer of amount to the Unit Holder's designated bank account by the Trustee or sent through the registered post to the registered address of the Unit Holder, or in case of joint Unit Holders, to the joint Holder first named on the Register. Every such warrant shall be made payable to the order of the Unit Holder and payment of the warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the money payable. However, the receipt of Holder's designated bankers in respect of the amount distributable to the Holder as arranged for payment by the Management Company shall be a good discharge of such payment in case of transfer of amount to the Unit Holder's designated bank account by the Trustee. In case the warrant is lost, defaced or time barred, the distribution payments, in case of cash dividend shall take place through a cheque.

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- 7.2.5 Bonus Units shall rank pari passu as to their rights in the Net Assets, earning, and the receipt of the dividends and distributions, with the existing Units of the respective Fund from the date of issue of these Units.
- 7.2.6 In case of distribution in the form of Bonus Units, the Management Company may offer Unit Holders the option to receive the amount equivalent to their share of the annual distribution in cash. In such an event, the Management Company shall at the end of the Accounting Period cause to redeem such number of the relevant class of Units that equates to the value of the Bonus Units for the period. The Redemption Price shall be determined on the basis of the NAV at the distribution date after appropriating the dividend but Back-end Load shall not be charged for such redemptions. The payment of the cash equivalent shall be made, net of taxes and Zakat that the Management Company and/or the Trustee are obliged to recover, in the same manner that applies in the case of payment of cash dividends as described in Clause 7.2.1.
- 7.2.7 Where Units are placed under pledge/lien, the payment of dividends or the issue of Bonus Units and redemption proceeds of the Units or any benefits arising from the said units that are kept under lien/charge/pledge shall be paid to the order of the Unit Holder and any Bonus Units that the pledged or lien Units are entitled to, shall be issued in favor of the Unit Holder free from the pledge or lien.

## 8. FEES, CHARGES AND EXPENSES

The following expenses shall be borne by the Fund:

### 8.1 Remuneration of the Management Company

- 8.1.1 The Management Company shall be entitled to an accrued remuneration equal to an amount not exceeding three (3) percent of the average annual net assets of the Scheme that has been verified by the Trustee and is paid in arrears on monthly basis during the first five (5) years of existence of the Scheme and thereafter of an amount equal to two (2) per cent of such assets or such other amount as may be specified by the Commission.
- 8.1.2 The remuneration shall begin to accrue from the day after the end of the Initial Offering Period. In respect of any period other than a full Accounting Period such remuneration shall be prorated on the basis of the actual number of days during such period for which such remuneration has accrued.
- 8.1.3 Such remuneration shall be paid to the Management Company in arrears on monthly basis.
- 8.1.4 In consideration of the foregoing and save as provided in the Trust Deed, the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Fund.
- 8.1.5 The Management Company shall bear all expenditures in respect of its secretariat, office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed.
- 8.1.6 The Management Company shall not make any charge against the Unit Holders, the Fund Property or the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorised under the provisions of the Regulations and the Trust Deed to be payable out of the Fund Property.

### 8.2 Remuneration of the Trustee

- 8.2.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges specified below. The remuneration shall begin to accrue from the day after the end of the Initial Offering Period. For any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the calendar month.

Tariff (Flat Rate)
0.055% p.a of Net Assets <sup>1</sup>

<sup>1</sup>Amended as per 13<sup>th</sup> SOD effective from October 1, 2021.

- 8.2.2 Such remuneration shall be paid to the Trustee in arrears within fifteen (15) days after the end of each calendar month.
- 8.2.3 In consideration of the foregoing and save as provided in the Trust Deed, the Trustee shall be responsible for the payment of all expenses incurred by it from time to time in connection with its duties as Trustee of the Fund. The Trustee shall not make any charge against the Unit Holders or against the Fund Property or against the Distribution Account, for its services or for its expenses, except such expenses as are expressly authorised to be paid out of the Fund Property under the provisions of the Rules, the Regulations and the Trust Deed.
- 8.2.4 The Trustee shall bear all expenditures in respect of its secretariat, office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed.
- 8.2.5 Any change in the remuneration of the Trustee agreed to by the Management Company shall require approval of the Commission.

### 8.3 Custodian Remuneration

The Fund shall pay the Custodian on the basis of the inflow and outflow of securities as per the tariff structure. For the time being, the CDC shall perform the functions of the Custodian.

The Trustee may, if it considers necessary, appoint additional custodians with the approval of the Management Company and at such terms and conditions approved by the Management Company, for the safekeeping of any portion of the Fund Property.

### 8.4 Formation Cost

- 8.4.1 Formation Cost, not exceeding one per cent (1%) of the amount received during Pre-IPO or Pakistani Rupees Five Million (PKR 5,000,000), whichever is lower, shall be borne by the Management Company and shall be reimbursable by the Fund, subject to the audit of such expenses over a period of not less than five (5) years or any other time period as may be specified by the Commission.

### 8.5 All other Fees and Charges

- 8.5.1 The following charges in relation to the fund shall also be payable out of the Fund Property:
- (a) remuneration of the Management Company;
  - (b) remuneration of the Trustee or Custodian;
  - (c) listing fee payable to the Stock Exchange, including renewals;
  - (d) charges and levies of any Stock Exchange, clearing company and central depository company;
  - (e) rating fee of the Fund payable to approved rating agency;
  - (f) Auditor's fees and out of pocket expenses as billed by him;
  - (g) fees payable to the SECP;
  - (h) brokerage and transaction costs related to investing and disinvesting of the assets of the Fund;
  - (i) expenses incurred by the Trustee in affecting registration of all registerable assets in the name of the Trustee;
  - (j) legal and related costs incurred in protecting the interests of the Unit Holders;

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- (k) bank charges, borrowing and financial costs;
  - (l) printing costs and related expenses for issuing the quarterly, half-yearly and annual reports, etc. of the Fund;
  - (m) taxes, fees, duties and other charges applicable to the Fund on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made overseas; and
  - (n) any other expense or charge as may be allowed by the SECP.

8.5.2 Any cost associated with sales, marketing and advertisement of the Fund shall not be charged to the Fund.

## 9. TAXATION

### 9.1 Taxation on income of the Fund and on Unit Holders

The following is a brief description of the income tax law (Income Tax Ordinance, 2001) currently in force and applicable in respect of the Fund.

#### 9.1.1 Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if the conditions stated in 9.1.2 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the rate of ten per cent (10%) for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;
- (c) Return from all other sources/instruments are taxable at the rate of thirty five per cent (35%), applicable to a public company.

#### 9.1.2 Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax stated under sub-Clause 9.1.1, the income of the Fund will be exempt from tax as per clause 99 of part I of the Second Schedule of the Income Tax Ordinance 2001, if not less than ninety per cent (90%) of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend (cash, stock or both).

#### 9.1.3 Withholding Tax

Under the provisions of Clause 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

#### 9.1.4 Taxation of Unit Holders and Liability to Zakat

##### (a) Withholding Tax:

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax at ten per cent (10%) according to the present rates, which may change in future.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

**(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund before the period of one year will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. As per section 37 (A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**(c) Tax Credit:**

Subject to obtaining the listing on any stock exchange in Pakistan, a Person other than a Company as defined in the Income Tax Ordinance, 2001, shall be entitled to a tax credit under section 62 (1) and (2) of the Income Tax Ordinance 2001 on purchase of new Units. The amount on which tax credit will be allowed shall be the lower of (a) amount invested, (b) ten per cent (10%) of the taxable income of the Unit Holder, and (c) Pakistani Rupees Three Hundred Thousand (PKR 300,000), and will be calculated by applying the average rate of tax of the Unit Holder for the tax year. If the Units so acquired are disposed within twelve (12) months, the amount of tax payable for the tax year shall be increased by the amount of the credit allowed.

**(d) Zakat:**

Units held by resident Pakistani Unit Holders shall be subject to Zakat at two and a half per cent (2.5%) of the Par Value or Redemption Price of Units, whichever is lower at the time of determining Zakat under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption payment, if Units are redeemed during the Zakat year before payment of dividend.

**9.1.5 Disclaimer:**

The tax and Zakat information given above is based on the Management Company's interpretation of the law, which to the best of the Management Company's understanding is correct and is included for general purposes only. In view of the individual nature of tax consequences, investors are expected to seek independent advice so as to determine the specific taxability arising from their investment in the units of the Fund. Furthermore, tax and Zakat laws, including rates of taxation and withholding tax are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

All information contained in Clause 9 is based on current taxation status. The exemptions and rates of taxation are subject to change from time to time, as may be announced by the Government of Pakistan.

## **10. REPORTS AND ACCOUNTS**

### **10.1 Accounting Period**

The Accounting Period shall commence from the date on which the Fund Property is first paid or transferred to the Trustee for the first period and from July 1 and ending on and including 30th June in the following years. Provided however, the Management Company may, with the prior approval of the SECP and intimation to the Trustee, change such date to any other date.

### **10.2 Accounting Date**

Accounting Date is 30th June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Management Company may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

### **10.3 Financial Reporting**

10.3.1 The following reports, together with any other information required by the Regulations, shall be sent to the Unit Holders physically (or through electronic means or on the web, subject to the SECP's approval):

- (a) audited annual financial statements, together with the Auditors' report, the report by the Directors of the Management Company and the report by the Trustee, within four (4) months of the close of each Accounting Period;
- (b) un-audited half yearly financial statements (subject to limited scope review by Auditors), together with the report by the Directors of the Management Company and the report by the Trustee, within two (2) months of the close of the second quarter of the Accounting Period, as per the Regulations;
- (c) un-audited quarterly financial statements, together with the report by the Directors of the Management Company within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by the SECP or the Regulations;

10.3.2 The Trustee shall issue a report to the Unit Holders to be included in the annual report and the second quarter, or at such times as directed by the SECP in accordance with the law, whether in its opinion the Management Company has in all material respects managed the Fund Property in accordance with the provisions of the Regulations and the Trust Deed and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof. The regularity of reporting will change if so required by the SECP or under the Regulations and the Ordinance.

10.3.3 The Management Company may transmit the quarterly accounts to the Unit Holders by placing them on its website subject to conditions prescribed by the SECP. However, the Management Company shall make available the printed copy of the quarterly accounts to any Unit Holder, free of cost, within seven (7) days of receiving such requests.



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**11. SPECIAL CONSIDERATIONS**

- 11.1 The Management Company has not authorised any person to give information or make any representations, either oral or written, not stated in this Offering Document in connection with the issue of units of the Fund. Prospective investors are advised not to rely upon any information or representation not incorporated in this Offering Document as the same has not been authorised by the Management Company. Any investment made by any person on the basis of statements or representations which are not contained in this Offering Document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- 11.2 The Management Company is committed to complying with all applicable anti-money laundering law and regulation in all of its operations. The Management Company recognises the value and importance of creating a business environment that strongly discourages money launderers from using the Management Company.
- 11.3 The Management Company may seek information or obtain and retain documentation used to establish identity. It may re-verify, identity and obtain any missing or additional information for this purpose.
- 11.4 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.

## **12. SERVICES TO UNIT HOLDERS**

### **12.1 Availability of Forms, Trust Deed and Offering Document**

All the forms mentioned and/or included in this Offering Document along with the Trust Deed and Offering Document shall be available at all the Authorised Branches of all Distribution Companies and the Management Company and from the Management Company's website <http://www.ublfunds.com.pk>.

### **12.2 Accounts with the Transfer Agent**

Once a Unit Holder has purchased a Unit from an Authorised Branch of the Distributor, all his records/forms shall be kept and maintained with the Transfer Agent.

### **12.3 Register of Unit Holders**

12.3.1 The Register shall be maintained by the Management Company or, if appointed, by the Transfer Agent at such place as is agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of the Trust Deed and the Regulations

12.3.2 Every Unit Holder shall have a separate Customer Identification Number (Customer ID). The Management Company shall use such Customer ID for recording Units held by the Unit Holder. Unit Holder's account identified by the Customer ID will reflect all the transactions in that account held by such unit holder. However, certain plans may allocate a separate series of account numbers which may not be linked to the other account number of the Unit Holder. The Holder shall be entitled to inspect his record in the Register and request copies thereof on any Business Day from 10.00 a.m. to 1.00 p.m., except during the days when the Register is closed in accordance with the provisions of the Trust Deed, with prior arrangement with the Management Company or the Transfer Agent.

12.3.3 The Register shall be conclusive evidence as to the Units held by each Holder. The Management Company shall ensure that the Transfer Agent (if an independent entity) shall at all reasonable times on all Business Days during business hours give the Trustee and its representatives reasonable access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto. Except when the Register is closed in accordance with the provisions of the Trust Deed, the Register shall during all Business Days (subject to such restrictions as are being imposed in this Offering Document and for a period or at least two (2) hours on each Business Day) be open in legible form to the inspection of any Holder without charge.

12.3.4 Any change of name or address of any Unit Holder as entered in the Register shall forthwith be notified in writing by the relevant Unit Holder to the Distribution Company or the Transfer Agent. The Distribution Company shall forward such application to Transfer Agent, who, on being satisfied therewith and on compliance with such formalities (including, in the case of a change of name, the surrender of any Certificate previously issued to such Unit Holder, and the payment of the applicable Duties and Charges) shall alter the Register or cause it to be altered accordingly and, in the case of a change of name, shall issue a new Certificate, if required, to such Unit Holder.

- 12.3.5 The Unit Holder of any Units shall be the only person to be recognised by the Trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognise the Unit Holder as the absolute owner thereof and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction; provided that the Management Company may authorise the Transfer Agent to record a pledge on any or all Units held by a Unit Holder in favour of a third party at the request of such Unit Holder or joint Unit Holders, as the case may be, in accordance with Clause 35 of the Trust Deed.
- 12.3.6 The executors or administrators or succession certificate holders of a deceased Unit Holder shall be the only persons recognised by the Trustee and the Management Company as having title to the Units represented thereby.
- 12.3.7 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Unit Holder or of the last survivor among the joint Unit Holders may, subject as hereinafter provided, upon producing such evidence as to his title as the Trustee shall think sufficient, either be registered himself as Unit Holder of such Unit upon giving the Management Company, the Distribution Company or the Transfer Agent such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of the Trust Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder.
- 12.3.8 The Trustee shall retain any money payable in respect of any Unit of which any person is under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Unit Holder of such Unit or shall duly transfer the same.

## 12.4 Information in the Register

The Register will contain the following

information: About Unit Holders

- (a) For individuals:
  - " Full name,
  - " Customer ID
  - " Father's/husband's name
  - " Addresses of Unit Holder
  - " CNIC and/or Passport Number (if applicable)
- (b) For institutions:
  - " Full name
  - " Customer ID
  - " Address
  - " National Tax Number (if applicable)

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## About Units

- (a) the number and type of the Units held and the distinctive numbers of Certificate(s), if any;
- (b) the date and Certificate numbers, if any, of Units acquired through transfer;
- (c) information about Certificates reported as lost or destroyed;
- (d) the date on which the name of every Unit Holder was entered in respect of the Units standing in his/her name;
- (e) the date on which any Transfer or Redemption is registered;
- (f) information about lien, pledge or charge on Units;
- (g) tax and Zakat status of the Unit Holder;
- (h) record of the signature of the Unit Holder;
- (i) nominees of the Unit Holder; and
- (j) such other information as the Management Company may require.

### **12.5 Closure of Register**

The Register may be closed with intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven (7) calendar days notice to Holders, provided that it is not closed for more than six (6) working days at a time and forty-five (45) days in any calendar year. During the period the register is closed, transfer applications shall not be received.

### **12.6 Account Statement**

The Management Company shall send directly to each Unit Holder a non-transferable account statement either electronically or otherwise, each time there is a transaction in a registration number, i.e.

- (a) any Unit is issued/subscribed;
- (b) any Unit is redeemed;
- (c) any Unit is transferred in favour of a third person;
- (d) any Unit is pledged;
- (e) any Unit is transferred from a third person in favour of the Unit Holder;
- (f) any Unit is consolidated/split;
- (g) additional Units are issued against re-investment of dividend or Bonus Units are issued;

- (h) any Unit is converted ;
- (i) the date of maturity of any Unit is determined or reached;
- (j) any such information which is required under the Rules or Regulations or determined by the Management Company to be noted in the Account Statement.

An account statement shall be posted within fifteen (15) Business Days after any transaction. However, in case you have subscribed for an administrative plan the frequency of statements shall be in accordance with the respective Supplementary Offering Documents.

## 12.7 Certificates

- 12.7.1 Upon being satisfied, that the proceeds for each Unit or fraction thereof has been received in full from the applicant, the Management Company shall intimate the Registrar/Transfer Agent who shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Holder.
- 12.7.2 Certificates shall be issued only if so requested by the Holder after issuance of electronic Units or at any later stage and upon payment of a fee not exceeding Pakistani Rupees Twenty Five (PKR 25) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee shall accrue to the Management Company.
- 12.7.3 Certificates for Core Units shall be issued to the Core Investors with clear markings identifying such Certificates as Certificates for Core Units and with clear identification that such Units are not redeemable for a period of two (2) years from the close of Initial Offering Period; provided that the Management Company may decide to allow Core Investors to hold Core Units in electronic form.
- 12.7.4 Certificates shall be issued for whole or fractional Units that have been fully paid for, in such denomination as may be required by the Holder; provided that the minimum denomination shall not be for less than one Unit.
- 12.7.5 Certificates where requested shall be issued as herein provided not later than forty five (45) Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorised nominee at his own risk by registered post or by delivery.
- 12.7.6 In case of Units held jointly, the Transfer Agent shall not issue more than one Certificate for the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders. All payments required to be made under the Trust Deed in respect of any Units (i.e. redemption and dividend) shall be made to first named joint Holder.
- 12.7.7 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the Unit Holder's registration number, name and address of the Management Company and the Trustee, a certificate number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 12.7.8 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorised officer of the Trustee and on behalf of the Management Company by a duly authorised

officer of the Management Company. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorised by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signature of the authorised representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as provided herein, notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorised signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorised signatory.

## **12.8 Replacement of Certificates**

- 12.8.1 Subject to the provisions of the Trust Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every Holder shall be entitled to receive upon surrender of the existing Certificate for any or all of his Units, one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- 12.8.2 In case any Certificate is lost, stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled, new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- a) returned the mutilated or defaced Certificate or furnished the Distribution Company/Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
  - b) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in newspapers inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent; and
  - c) furnished such indemnity as the Management Company and the Trustee may require. Neither the Management Company, Trustee, Distribution Company nor the Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-Clause.
- 12.8.3 Before issuing any Certificate under the provisions of this sub-Clause 12.8, the Distribution Company or Transfer Agent may require a fee of Pakistani Rupees Twenty Five (PKR 25) as certificate fee from the applicant, subject to revisions of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

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**13. AUDIT**

- 13.1 The Management Company shall at the establishment of the Scheme and upon any vacancy with the consent of the Trustee, appoint an Auditor, who shall be chartered accountant, and be independent of the auditor of the Management Company and the Trustee and such auditor shall not be the auditor of the Scheme for more than five (5) consecutive years. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one (1) year. The Management Company may at any time remove the Auditor and appoint another Auditor in its place. The same firm of chartered accountants cannot be appointed Auditor for more than five consecutive years.
- 13.2 The Auditor shall hold office until transmission of the annual report and accounts. The auditor shall be from the approved list of auditors circulated by the Commission from time to time, who shall be a chartered accountant and independent of the auditor of the Management Company and the Trustee.
- 13.3 A person not qualified to be an auditor of a public company under the Companies Ordinance, 1984 shall not be qualified to be the Auditor.
- 13.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment as Auditor of all persons who are partners in the firm for the time being.
- 13.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Fund, whether kept at the office of the Management Company, the Trustee, the Custodian, the Transfer Agent or elsewhere, and shall be entitled to require from the Management Company, the Trustee, the Custodian, the Transfer Agent and their officers and agents such information and explanations as considered necessary for carrying out the audit.
- 13.6 The Auditor shall prepare a written report to Unit Holders on the Fund's accounts, books of accounts, balance sheet, income and expenditure account and on every other document forming part of the balance sheet and income and expenditure account, including notes, statements or schedules appended hereto.
- 13.7 The contents of the Auditor's report shall be in accordance with the requirements laid down in the Regulations.
- 13.8 The Trustee shall be entitled to require the Auditor to provide such further reports as may be agreed between the Trustee and the Management Company to facilitate the Trustee in issuing the certification required under Regulations.

**14. GENERAL INFORMATION****14.1 Inspection of Constitutive Documents**

The copies of Constitutive Documents can be inspected free of charge at the registered office of the Fund or the registered office and place of business of the Trustee or at any of the Authorised Branches of the Distribution Company.

**UBL Fund Managers Limited**

- **Corporate Office:**  
11th Floor, Executive Tower, Dolmen City  
Block 4, Clifton  
Karachi, Pakistan
- **Operations Office:**  
4th Floor STSM Building,  
Beaumont Road, Civil Lines  
Karachi, Pakistan

**14.2 Date of Publication of Offering Document**

This Offering Document has been published on July 18th, 2011.



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**15. REVOCATION OF THE FUND**

- 15.1 The Fund may be terminated by the SECP on the grounds given in the Rules and Regulations.
- 15.2 The SECP may cancel the registration of the Fund upon representation to the SECP, by three fourth in value of the total Unit Holders, or if in the opinion of the SECP further continuation of the registration of the Fund will be detrimental to the interest of the Unit Holders or the market generally. Provided that the registration of the Fund shall not be cancelled without providing an opportunity of being heard to the Management Company and the Trustee.
- 15.3 The Management Company, after the prior written approval of the SECP, shall give at least three(3) months notice to the Unit Holders and Trustee if it intends to have the registration of the Fund cancelled.
- 15.4 At the end of such notice period given in sub-Clause 15.3, the SECP may by an order in writing cancel the registration of the Fund.
- 15.5 In case of cancellation of registration, the Management Company shall revoke the Fund and refund the proceeds to the Unit Holders in such manner and within such time as may be specified by the SECP.
- 15.6 Notwithstanding anything contained in any other provision, where in the opinion of the SECP or the Management Company any delay in the revocation of the Fund is detrimental to the interest of the Unit Holders or the market generally, the SECP may direct the immediate revocation of the Fund without first cancelling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the SECP.
- 15.7 Where the SECP grants approval under Regulation 45(1) of the Regulations or cancels the registration of the Fund or orders the revocation of the Fund, all issuance and redemption of units of the Fund shall stand suspended immediately.
- 15.8 In case of revocation of the Fund all Unit Holders shall be treated pari passu.

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**16. DISTRIBUTION ON REVOCATION OF THE FUND**

- 16.1 Upon the Trust being revoked the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments and other Fund Property then remaining in the hands of the Trustee and shall repay any borrowing effected by the Fund together with any mark-up remaining unpaid. In case of any shortfall, the Trustee shall not be liable for the same.
- 16.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders, pro rata to the number of Units held by them, all net cash proceeds derived from the realisation of the Fund Property after making the payment as mentioned in Clause 16.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case there is any deficit, the Management Company or the Trustee shall not be liable thereof and in case there is any surplus remaining in the hands of the Trustee, the same shall be distributed amongst the Unit Holders pro rata to the number of Units held by them.

## 17. FINANCIAL INFORMATION

### 17.1 Auditors Certificate on the Core Investor's investment in the Units



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi. 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet [www.kpmg.com.pk](http://www.kpmg.com.pk)

The Board of Directors  
UBL Fund Managers Limited  
11th Floor, Executive Tower  
Dolmen City, Block IV  
Clifton  
Karachi

Our ref KA

Contact Mazhar Saleem

27 June 2011

Dear Sirs,

UBL Government Securities Fund  
Certificate on core capital received

As requested, we are pleased to confirm that we have verified from the books of accounts and records of UBL Government Securities Fund ("the Fund") as of 23 June 2011, managed by UBL Fund Managers Limited ("the Management Company") that the following amount was received by the Fund from United Bank Limited towards the issuance of core units as follows:

	<b>Investment (Rupees)</b>
UBL Government Securities Fund	100,000,000

Yours faithfully,

*KPMG Taseer Hadi & Co.*

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

**17.2 Auditors Certificate on Net Asset Value of the Units**

KPMG Taseer Hadi & Co.,  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone +92 (21) 3568 5847  
Fax +92 (21) 3568 5095  
Internet www.kpmg.com.pk

The Board of Directors  
UBL Fund Managers Limited  
11th Floor, Executive Tower  
Dolmen City, Block IV  
Clifton  
Karachi

Our ref KA-ZS-1502

Contact Maziar Saleem

27 June 2011

Dear Sirs,

UBL Government Securities Fund  
Net Assets Value of the Fund

As requested, we have agreed from un-audited books and records of UBL Government Securities Fund ("the Fund") provided to us by UBL Fund Managers Limited ("the Management Company") that the Net Assets Value of the Fund as on 23 June 2011 were as follows:

	<b>UBL Government Securities</b>
Total assets of the Fund	101,030,000
Total liabilities of the Fund	(1,030,000)
Net assets of the Fund	100,000,000
Proposed units of the Fund	1,000,000
Net assets value of the Fund	100.00

The Fund is in process of issuance of units against the core capital received, therefore, this has been considered as units issued as on 23 June 2011 to determine the net assets value per unit as on that date.

Management is responsible for the above information. We have not audited or reviewed the financial statement from which the above information has been extracted and accordingly express no assurance thereon.

This certificate is being issued for inclusion in the Fund's Offering Document.

Yours faithfully,

*KPMG Taseer Hadi & Co.*

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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**18. WARNINGS****18.1 Offering Document**

The provisions of the Trust Deed, the Rules and Regulations govern this Offering Document. This Offering Document sets out the arrangements covering the basis of the Fund Units. It sets forth information about the Fund that a prospective investor should know before investing in any Unit of the Fund. Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager, or other financial adviser.

**18.2 Fluctuation in Price and Income**

Prices of Units and income from them may go up or down.

**18.3 Disclaimer**

- 18.3.1 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial and other market investments whether listed or otherwise. Capital invested in extreme circumstances may lose its entire value. However, diversification of the investment into a number of highlyliquid money market instruments tends to reduce the risk substantially. The historical performance of this Fund, financial and other markets or instruments or investments whether listed or otherwise included in the Fund portfolio does not necessarily indicate future performance.
- 18.3.2 Investors are advised to read the risk disclosure and disclaimer statements as mentioned in this Offering Document in Clause 4.9 above for more information concerning risks involved in investing in the Fund.
- 18.3.3 The units of the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by the SECP, any government agency, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other Bank or Financial Institution.
- 18.3.4 If you are in doubt about the contents of this Offering Document, you should consult your stock-broker, bank manager, legal adviser or other financial adviser.

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**19. ARBITRATION**

In the event of any disputes arising out of the Trust Deed or this Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and the conditions of the Trust Deed, this Offering Document and/or the Supplementary Offering Documents, the same shall be referred to arbitration by two (2) arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before the commencement of the reference and who shall hear the reference together with them. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties. The arbitrators and the umpires shall be selected from amongst senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, senior bankers, senior business men or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

**20. STATEMENT OF RESPONSIBILITY BY THE MANAGEMENT COMPANY**

The Management Company accepts responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

## 21. DEFINITIONS AND INTERPRETATIONS

- 21.1 Unless the context requires otherwise, the following words or expressions shall have the meaning respectively assigned to them:
- 21.1.1 "Accounting Date" means the thirtieth day of June in each year or such other date that may be determined by the Management Company with the written consent of the Trustee and after obtaining prior approval of the Commission and Commissioner of Income Tax.
- "Accounting Period" means a period ending on an Accounting Date and commencing, in case of the first such period, from the date on which the Fund Property is first paid or transferred to the Trustee and, in any other case, from the day after the preceding Accounting Period.
- 21.1.2 "Account Statement" means a statement of transactions in Units in the account of a Unit Holder.
- 21.1.3 "Administrative Plan" means any investment plan offered by the Management Company from time to time, subject to prior approval of SECP, that allows investors a focused investment strategy in any one or a combination of Open-end Collective Investment Scheme(s) managed by the Management Company that have a common Trustee.
- 21.1.4 "Annexure" means an annexure to Offering Document.
- 21.1.5 "Annual Fee" means any fee payable to the Commission under the Regulations.
- 21.1.6 "Auditor" means a firm of Chartered Accountants that is appointed by the Management Company with the consent of Trustee, as the auditor of the Fund.
- 21.1.7 "Authorised Branch" means any branch of a Distributor/ Distribution Company which has been from time to time authorised by the Management Company under intimation to the Trustee to perform the Distribution Function and whose address has been given in the Offering Document and on the website of the Management Company.
- 21.1.8 "Authorised Investments" means:
- (a) Government Securities as defined in the Regulations;
  - (b) "Reverse REPO" against Government Securities;
  - (c) Deposits with scheduled Banks and cash in bank account;
- 21.1.9 "Back-end Load" means the charge (excluding Duties and Charges) not exceeding five (5) percent of the Net Asset Value deducted from the Net Asset Value in determining the Redemption Price. Any Back-end Load charged shall become part of the Fund Property.
- 21.1.10 "Bank" means a banking company licenced under the Banking Companies Ordinance, 1962 or any other law for the time being in force or, if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 21.1.11 "Bank Accounts" means those accounts with Banks in the name of the Trustee the beneficial ownership of which vests with the Unit Holders.



- 21.1.12 "Base Currency" means the currency used in transacting and the pricing of Units and presenting the financial statements of the Fund, which shall be the Pakistani Rupee (PKR).
- 21.1.13 "Bonus Units" means the Units issued instead of cash dividend on distribution of the distributable income.
- 21.1.14 "Business Day" means any day on which Scheduled Banks and the Management Company is open for business in Pakistan.<sup>2</sup>
- 21.1.15 "Certificate" means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.
- 21.1.16 "Commission" or "SECP" means the Securities and Exchange Commission of Pakistan (SECP).
- 21.1.17 "Companies Ordinance" means the Companies Ordinance, 1984, as amended or substituted from time to time.
- 21.1.18 "Connected Person" shall have the same meaning as given in the Rules.
- 21.1.19 "Constitutive Documents" means the Trust Deed which is the principal document governing the formation, management and operation of the Trust, the Offering Document and all other related material agreements.
- 21.1.20 "Core Investor" means any investor, who subscribes to and holds Core Units. Particulars of the Core Investors shall be included in the Offering Document.
- 21.1.21 "Core Units" means such Units of the Scheme that are issued to Core Investors at Par Value with the condition that these are not redeemable for a period of two (2) years from the close of Initial Offering Period. However, such restricted Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the period starting from their issue till the close of two (2) years from Initial Offering Period, shall be affected only on the receipt by the Registrar/Transfer Agent of a written acceptance of this condition by the transferee. Particulars of the Core Investor(s) shall be included in the Offering Document that shall be issued for the Trust.
- 21.1.22 "Custodian" means a company which comes within the meaning of "custodian" as defined in the Rules and which for the time being may be appointed by the Trustee, with the approval of the Management Company, to hold and protect the Fund Property or any part thereof as custodian on behalf of the Trustee. The Trustee may also itself be a Custodian and provide custodial services for the Fund at competitive terms as part of the normal line of its business.
- 21.1.23 "Cut-Off Time" means the time specified in the Offering Document by the Management Company and communicated to the Trustee and the Unit Holders before which unit transactions for issue, redemption, conversion, transfer, pledge/lien etc. on a Business Day will be allowed.
- 21.1.24 "Dealing Day"<sup>6</sup> means every Business Day on which units will be available for dealing (purchase, redemption, transfer, switching, etc.) during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven (7) days' notice in two widely circulated English or Urdu newspapers in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).

<sup>2</sup> Amended as per 6th supplement dated 19-6-48

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<sup>6</sup> Amended in 2<sup>nd</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 27-01-2015

- 21.1.25 "Distribution Account" means the Bank Account, which may be a current, savings or deposit account maintained by the Trustee with a scheduled commercial bank, with a minimum rating of AA- and above, in which the amount required for the distribution of income to the Unit Holders shall be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Fund Property for the benefit of the Unit Holders.
- 21.1.26 "Distributor/Distribution Company" means a company, firm or Bank which is appointed by the Management Company for performing the Distribution Function, and shall include the Management Company if it performs the Distribution Function.
- 21.1.27 "Distribution Function" means:
- (a) receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
  - (b) interfacing with and providing services to the Unit Holders, including receiving redemption applications, transfer applications, conversion notices, pledge forms and applications for change of address or issue of duplicate Certificates, in accordance with the instructions given by the Management Company, the Trustee or the Transfer Agent, as appropriate;
  - (c) issuing receipts and acknowledgements in respect of (a) and (b) above;
  - (d) accounting to the Management Company for all (i) moneys received from the applicants for issuance of Units; (ii) payments made to the Unit Holders on redemption of Units; and (iii) all expenses incurred in relation to the Distribution Function; and
  - (e) any other Distribution Function as specified in the Constitutive documents of the Fund and determined by the Management Company from time to time.
- 21.1.28 "Duties and Charges" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, bank charges, transfer fees, registration fees and other duties, charges, costs and expenses, in connection with the increase or decrease of the Fund Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include any remuneration payable to any Distributor/Distribution Company, any Front-end Load, any commission payable to agents on sale or any commission, charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 21.1.29 "Exposure" shall have the same meaning as provided in the Regulations.
- 21.1.30 "Financial Institution" shall have the same meaning as provided in the Companies Ordinance.
- 21.1.31 "Financial Year" means the period commencing from 1st July in any year, and ending on 30th June in the following year.
- 21.1.32 "Force Majeure" means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not be limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any Party and which occurs after the execution of this Agreement and makes the performance of the Agreement in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other natural events and other

unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

- 21.1.33 "Formation Cost" means all expenses incurred in connection with the establishment and registration of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and expenses incurred during the Initial Offering Period.
- 21.1.34 "Front-end Load" means the charge (not including Duties and Charges) not exceeding five (5) percent of the Net Asset Value, if any, applicable to certain classes of Units in accordance with the Offering Document, except the Core Units and Pre-IPO units.
- 21.1.35 "Fund" or "Scheme" or "Trust" means the trust named "UBL Government Securities Fund" constituted under the Trust Deed for continuous offer for sale of Units.
- 21.1.36 "Fund Property" means the aggregate proceeds of the sale of all Units at Par Value/Offer Price after deducting therefrom or providing thereout any applicable Front-end Load as specified in the Offering Document, Duties and Charges applicable to the purchase or redemption of Units and any other expenses chargeable to the Fund, and after adding thereto any charges for redemption of Units in the form of Back-end Load as specified in the Offering Document, and includes the Investments and all income, profit, securities, deposits, cash, bank balances, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising therefrom and all cash, bank balances and other movable or immovable assets and property of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed and shall include the income, profit, interest etc. earned on the amount credited to the Distribution Account.
- 21.1.37 "Initial Offering Period" means a period determined by the Management Company not exceeding ninety (90) days during which Units shall be offered at the Offer Price, as provided in the Offering Document.
- 21.1.38 "Investment" means any Authorised Investment forming part of the Fund Property.
- 21.1.39 "Investment Policy" means the investment policy outlined in Clause 4.2.1 of this Offering Document.
- 21.1.40 "Management Company" means UBL Fund Managers Limited (UBL Funds) or any other management company of the Fund appointed in accordance with Clause 9 of the Trust Deed.
- 21.1.41 "Minimum Investment Amount" shall initially be Rupees Five Hundred (Rs 500/-) or as maybe determined by the Management Company from time to time as mentioned in clause 6.1 above
- 21.1.42 "Net Assets" means, in relation to the Fund, the excess of assets over liabilities of the Fund, such excess to be calculated in the manner specified under the Regulations.
- 21.1.43 "Net Asset Value" or "NAV" means per Unit value of the Fund, arrived at by dividing the Net Assets by the number of Units outstanding.
- 21.1.44 "Offer Price" means the sum to be paid to the Trustee for issuance of one Unit on application during and after the Initial Offering Period, such price to be determined pursuant to Clause 24.

- 21.1.45 "Offering Document" means the prospectus, advertisement or other document approved by the Commission, which contains the investment and distribution policy and all other information in respect of the Fund as required by the Regulations, and which is circulated to invite offers by the public to invest in the Fund, and includes any Supplementary Offering Document.
- 21.1.46 "Par Value" means the face value of a Unit that shall be Pakistani Rupees One Hundred (PKR100).
- 21.1.47 "Pre-IPO" means the period preceding the Initial Offering Period during which investments are made in the Scheme by the Core and Pre-IPO Investors.
- 21.1.48 "Pre-IPO Investor(s)" mean(s) the investors, other than the Core Investors, who make investments in the Scheme before the Initial Offering Period.
- 21.1.49 "Pre-IPO Units" means Units, other than the Core Units, issued to the Pre-IPO Investors at Par Value.
- 21.1.50 "Redemption Price" means the amount to be paid to a Unit Holder upon redemption of the Unit, such amount to be determined pursuant to Clause 6.10.10 of this Offering Document and Clause 27 of the Trust Deed.
- 21.1.51 "Register" means the register of the Unit Holders kept and maintained pursuant to the Regulations and the Trust Deed.
- 21.1.52 "Registrar" or "Transfer Agent" means a company that the Management Company may appoint for performing the Registrar Functions, and may include the Management Company.
- 21.1.53 "Registrar Functions" means the functions with regard to:
- (a) maintaining the Register;
  - (b) processing requests for issue, redemption, conversion, transfer and transmission of Units and requests for recording of pledge or lien or for recording of changes in information with regard to Unit Holders;
  - (c) issuing Certificates, including Certificates in lieu of undistributed income, to Unit Holders;
  - (d) allocating Units to Unit Holders on re-investment of dividends in accordance with Clause 39;
  - (e) cancelling old Certificates on redemption or replacement;
  - (f) maintaining records of lien, pledge or charge on Units, transfer or switching of Units and Zakat;
  - (g) keeping records of change of addresses and other particulars of the Unit Holders; and
  - (h) other related or incidental functions.
- 21.1.54 "Regulations" means the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and or circulars, directives and guidelines issued by the Commission, as amended or substituted from time to time.
- 21.1.55 "Rules" means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended or substituted from time to time.

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- 21.1.56 "Sales Agent" means an individual, firm, company or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Fund as its agents.
- 21.1.57 "SBP" means the State Bank of Pakistan.
- 21.1.58 "Stock Exchange" means stock exchanges registered under the Securities & Exchange Ordinance, 1969.
- 21.1.59 "Subscription Day" means every Business Day on which any class of Units is available for subscription; provided that the Management Company may, with the prior written consent of the Trustee and upon giving not less than (7) seven-day prior notice in at least two widely circulated newspapers, one in the English language and one in the Urdu language, declare any particular Business Day not to be a Subscription Day. Such notice shall be deemed to be duly served on the Unit Holders.
- 21.1.60 "Supplementary Offering Document" means a document supplemental to the Offering Document issued by the Management Company with the prior approval of the Commission and the Trustee.
- 21.1.61 "Supplementary Trust Deed" means a supplemental deed executed between the Management Company and the Trustee with the prior approval of the Commission for making amendments to the Trust Deed pursuant to Clause 42.
- 21.1.62 "Transaction Costs" means the costs incurred or estimated by the Management Company to cover the costs (including, but not restricted to, brokerage costs, Trustee charges, taxes or levies on transactions, etc., where applicable) related to the investing or disinvesting activity of the Trust's portfolio, inter alia, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price. Transaction Costs shall become part of Fund Property.
- 21.1.63 "Trust Deed" means this deed, as amended from time to time by any supplemental trust deed.
- 21.1.64 "Unit" means one undivided share in the Fund and, where the context so indicates, a fraction thereof.
- 21.1.65 "Unit Holder" means any investor for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provisions of the Trust Deed.
- 21.1.66 "Zakat" has the same meaning as in Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- 21.2 Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules and the Regulations. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural words, "written" or "in writing" include printing, engraving, lithography, or other means of visible reproduction.
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**22. SIGNATORIES TO THE OFFERING DOCUMENT**

UBL Fund Managers Limited, in its capacity as the Management Company, accepts the responsibility for the information contained in this Offering Document of UBL Government Securities Fund (UGSF) as being accurate at the date of its publication.

<b>Name</b>	<b>Position on the Board of the Management Company</b>	<b>Signature</b>
<b>Mr. Tariq Kirmani</b>	Director/Chairman	-sd-
<b>Mir Muhammad Ali, CFA</b>	Director/Chief Executive Officer	-sd-
<b>Mr. Aameer Karachiwalla</b>	Director	-sd-
<b>Mr. Ali Sameer Farooqui</b>	Director	-sd-
<b>Mr. Saeed Iqbal</b>	Director	-sd-
<b>Mr. Shabbir Hashmi</b>	Director	-sd-
<b>Mr. Rayomond H. Kotwal</b>	Director	-sd-

**Annexure "A"<sup>3</sup>****Front End Load defined under Annexure A is amended and now reads as follows:**

Front-end Load: 1% to 1%

Back-end Load: 0%

Management Company may waive the Front-end Load fully or partially at its own discretion to any investor.

<sup>4</sup>Note: 0% to 1% Front-End load may be charged if transactions are done online or through website of the UBL Funds as per SECP Circular No. 27 of 2017"

**Current Level of Management Fee: <sup>7</sup>**

The Management Company shall charge a fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations.

The fee is subject to a minimum of 1% and maximum of 1.25% of the average daily net assets of the Scheme subject to the guidelines as may be issued by the Commission from time to time.

Note:

Gross earnings of the Scheme would be calculated by adding up the following:

- 1) Realized and unrealized gains on securities including impact of amortization of any discounts and/or premium on these securities;
- 2) Any other income earned by any Authorized Investment of the Scheme While calculating Gross earnings of the Scheme, no deduction would be made whatsoever on account of management fee, tax, formation cost or any other expense chargeable to the Scheme.

<sup>3</sup> Amended as per 4<sup>th</sup> Supplement to the Offering Document of the Fund effective dated 05.06.2017

<sup>4</sup> Amended as per 5<sup>th</sup> supplement dated 5-3-18



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<sup>7</sup> Amended in 1<sup>st</sup> Supplement to the Offering Document of UBL Government Securities Fund (UGSF) dated 18-07-2013

**Annexure “B”****Distribution Details (Addresses of Management Company Investment Centers, Designated Branches of UBL and Other Distributors)****UBL Fund Managers Investment Centers**

<b>IC Region</b>	<b>Address</b>	<b>Phone #</b>
<b>KARACHI</b>	Main Khayaban-e-Shahbaz, Phase VI, DHA.	021-35854126 021-35349059
<b>KARACHI</b>	Gulshan-e-Iqbal - Data Trade Center, Main University Road	021-34826304 021-34826277
<b>HYDERABAD</b>	UBL Fund Managers Ltd, Mezzanine Floor, Civic Center Branch, United Bank Ltd, Thandi Sarak, Hyderabad.	022-2728333
<b>MULTAN</b>	UBL Fund Managers, 4th Floor, Chen One Tower, Abdali Road, Multan	061-4500095 061-4541440
<b>LAHORE</b>	6 Commercial Market, C Block, Model Town	042-111-825-262
<b>ISLAMABAD</b>	Basement UBL Building, Blue Area	051-111-825-262
<b>PESHAWAR</b>	State Life Building, The Mall	091-5274678

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**Designated UBL Branches**

<b>IC Region</b>	<b>Address</b>	<b>Phone #</b>
<b>SUKKUR</b>	UBL Fund Managers - UBL Clock Tower Branch – Sukkur	071-5618804
<b>LARKANA</b>	UBL Raza Shah Kabir Road Branch, Larkana	074-4045162
<b>NAWABSHAH</b>	Masjid Road UBL, Nawabshah.	0244-9370297
<b>RAWALPINDI</b>	UBL, Kamran Market Branch, Saddar, Rawalpindi Cantt.	051-5564475 051-7132183
<b>ATTOCK</b>	UBL Attock City Branch, Burq Road Attock City.	0572610020
<b>SARGODHA</b>	UBL Central Branch Railway Road Sargodha	0483-7168181 0483-7168182
<b>MIAN WALI</b>	UBL Ballu Khayl Mianwali (Br.code 0296)	0459-234690
<b>KHANEWAL</b>	UBL Main branch opposite TMA Office, Khanewal	065-2554732
<b>MUZZAFARGARH</b>	UBL Main Bazar, Muzzafar Garh.	066-2423090
<b>Vehari</b>	UBL Ghala Mandi Branch, Vehari.	0673361233
<b>KABIRWALA</b>	UBL Kutchery Road Branch, Kabirwala	0652411034
<b>MARDAN</b>	UBL Hub Branch (0273) Bank Road Mardan	0937-861127
<b>ABBOTTABAD</b>	UBL (1915) Building Branch, Mansehra Road, Abbottabad.	0992-331318
<b>NOWSHERA</b>	UBL Cantt Branch, Nowshera Cantt.	0300-5770898

## UBL Branches

### KARACHI

- 1) Saleh Muhammad Street (4)  
Br 5/41 Saleh Muhammed  
Street Karachi.  
2437758 , 2414766
- 2) Jodia Bazar (19)  
Para Lane, Jodia Bazar  
P.O.Box.4627, Karachi.  
2434679 , 2431102
- 3) Bunder Road (25)  
Central Bank Of India Building  
Opp. City Court M A Jinnah Road  
Karachi. 2628021 , 2625780
- 4) Napier Road (65)  
Kassim Chambers, Napier Road  
Karachi. 2775993 , 2731921
- 5) Nazimabad (69)  
First Chowrangi, Nazimabad,  
P.O.Box No.2135, Karachi.  
668-7556, 660-9086
- 6) S.I.T.E. (71)  
S.I.T.E., Manghopir Road,  
Karachi 2562185, 2577590
- 7) Vault (80)  
Jabees Chamber  
Abdullah Haroon Road,  
Saddar Karachi.  
5637138 - 9205312
- 8) Bombay Bazar (108)  
Bombay Bazar, C-1,  
Br-3 Bunder Road  
Qrts P.O.Box.5250  
Karachi. 2440551
- 9) Nishter Road (130)  
Nishter Road Shoe Market  
Karachi. 9215348 , 9215349
- 10) Pechs (147)  
295-296 P.E.C.H.S. Po Box No 3126  
Commercial Area Tariq Road,  
Karachi. 4542722-4553042

- 11) Kharader (255)  
Paria Street, Kharadar  
Karachi 2311130 , 2201036
- 12) Binnori Town (256)  
Near Guru Mandir  
Karachi. 9215569 , 9215570
- 13) Pib Colony (351)  
Plot.366/367, Main Road  
P.I.B.Colony,  
P.O.Box No.3427.  
Karachi. 9231137-9231840
- 14) Drigh Road Township (382)  
Nasirabad Shahfaisal Colony  
Drigh Road Karachi. 924-8490-1
- 15) Muhammad Ali Housing Society (453)  
Plot No.1/5-B Commercial Area,  
M.A.H.Society,  
Karachi. 4543926-4544528
- 16) Corporate (525)  
1st Floor, State Life Bldg # 1,  
Ubl Head Office,  
Karachi. 90332010
- 17) Ubl Bldg. North Nazimabad (544)  
Sf-14/B, Ubl Bldg North Nazimabad,  
Karachi. 6678047, 6677990
- 18) Avari Tower Karachi (598)  
Off Fatima Jinnah Road  
Crossing Shahrah-e-faisal  
Karachi 9201563-9204632
- 19) City (Main Branch) (605)  
Ubl Building I.I.Chundrigar Road  
P.O.Box.5221 Karachi. 90332704
- 20) Stock Exchange (682)  
Stock Exchange Bldg,  
Karachi. 2419406, 2419445
- 21) Ftc Branch (1796)  
Fin. & Trade Centre,  
Sharah-e-faisal,  
Karachi 9205947

## UBL Branches

### GUJRANWALA

1) Bank Square Gujranwala (8)  
G.T Road, Gujranwala  
055-9201241

### MULTAN

2) Hussain Agahi Multan (17)  
Hussain Agahi, P.O.Box No.52,  
Multan 061-9200176

### LAHORE

3) Bank Square Lahore (28)  
Al-jannat Bldg. Bank Square  
Lhr. 042-7360046

### SARGODHA

4) Block No 1 Sargodha (31)  
Block No.1 Sargodha Distt.  
Sargodha 048-3703815

### RAWALPINDI

5) Rawalpindi Cantt (41)  
Kashmir Road Saddar Rawalpindi.  
5563786/5770478

### LAHORE

6) S D Vault Lahore (49)  
65-Shahrahe Quaide Azam  
Lahore 042-7357968

### PESHAWAR

7) Peshwar City (53)  
Naz Cinema Road Peshawar City  
2213249

8) Hangu Road Kohat Cantt (121)  
Hangu Road Kohat Cantt.  
0922-519684/517142

### HYDERABAD

9) Station Road Hyderabad(189)  
Station Road Hyderabad  
022-9200705, 9200547

### SIALKOT

10) Mujahid Road Sialkot (206)  
Mujjahid Road P.O.Box No.130 Sialkot  
052-4601679

### GUJRANWALA

11) Aziz Bhatti Road Sheikhpura (210)  
Aziz Bhatti Road Sheikhpura  
056-9200074

### BAHAWALPUR

12) Farid Gate Bahawalpur (240)  
Farid Gate, Bahawalpur.  
062-9255374

### SUKKUR

13) Nishter Road Sukkur (247)  
Nishter Road, Po.Box No.126, Sukkur  
071-5620268

### MARDAN

14) Mardan Cantt (273)  
Bank Road Mardan  
0937-63037

### SARGODHA

15) Ballo Khel Mianwali (296)  
Balloo Khel Road Mianwali  
0459-234691

### BAHAWALPUR

16) Rahim Yar Khan Shahi Road(312)  
Shahi Road, Rahimyarkhan.  
068-9230234

### SAHIWAL

17) Sahiwal Mission Chowk (391)  
Mission Chowk Sahiwal  
040-4222216

### QUETTA

18) Quetta, Jinnah Road (476)  
Ubl, Jinnah Road Branch Quetta  
081-2821812

### SUKKUR

19) Jing Dist, Sukkur (482)  
Exxon Chemical Pakistan Ltd.,  
Daharki, Teh. Ubauro Dist. Ghotki,  
Sukkur 0723-642312

## UBL Branches

### **PESHAWAR**

20) D I Khan Circular Road (524)  
East Circular Road D.I.Khan  
0966-716452

### **LAHORE**

21) Model Town Lahore (635)  
S/9-C B.S. Model Town, Lahore.  
042-9231073

### **FAISALABAD**

22) Bank Square Faisalabad (686)  
Bank Square Branch Circular Road  
Faisalabad 041-9200909

### **ISLAMABAD**

23) Jinnah Avenue Islamabad (741)  
Jinnah Avenue, Blue Area, Islamabad.  
051-90332002, 051-2272770, 051-2823385

### **LAHORE**

24) Liberty Market Lahore (962)  
18-C Commercial Zone, Liberty Mkt. Lahore.  
042-5756405

### **ABBOTTABAD**

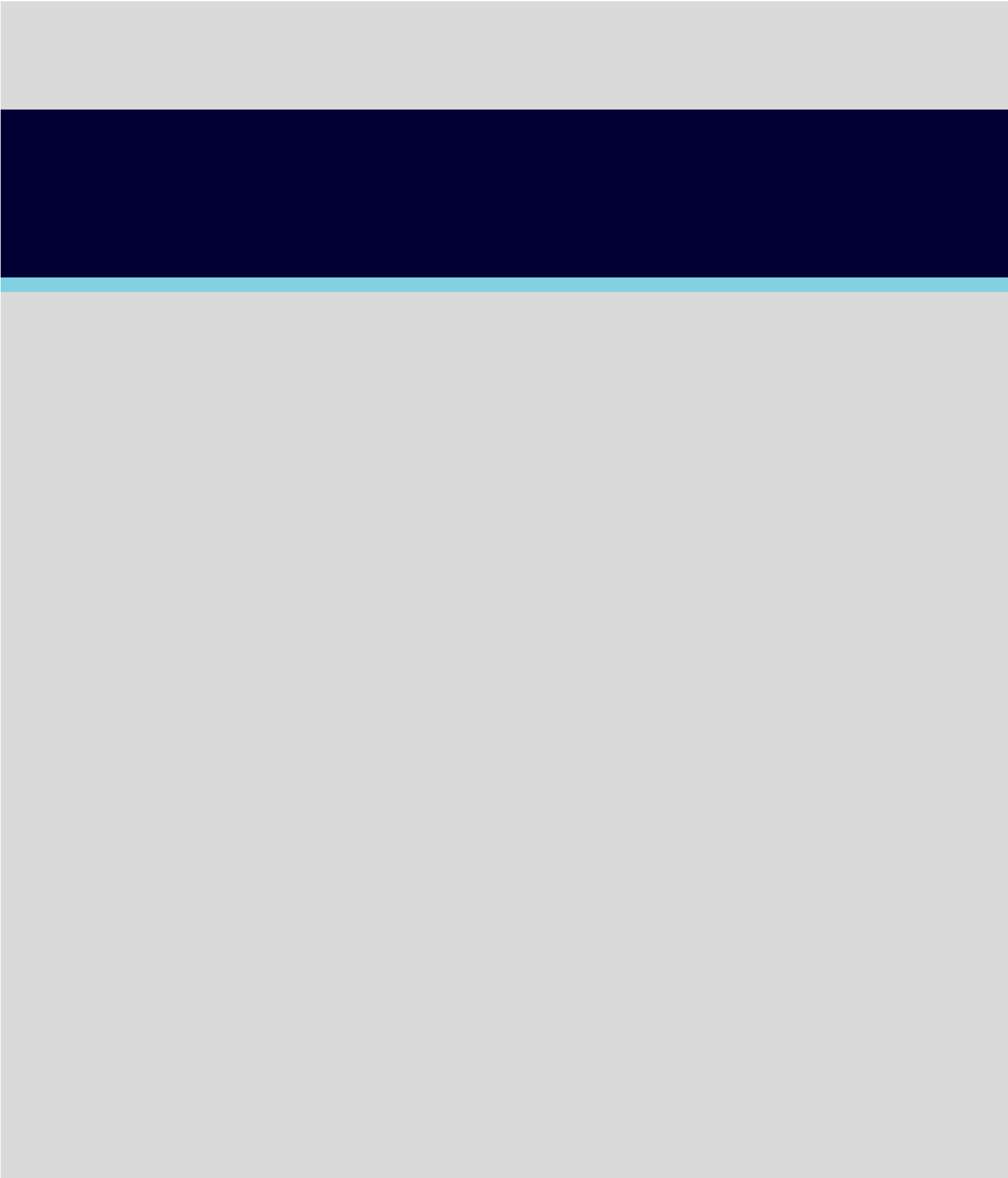
25) Ubl Bldg Br, Abbottabad (LambeDehri)  
(1915) Ubl Building Mansehra Road  
Abbottabad. 0992-335587 ; 341182

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**Other Distributors**

- |     |   |
|-----|---|
| 1.  | Pyramid Financial                         |
| 2.  | BMA Financials                            |
| 3.  | IGI Investments                           |
| 4.  | Reliance Financial Products               |
| 5.  | Access Financial Services                 |
| 6.  | Safe Securities                           |
| 7.  | Al-Habib Capital Market                   |
| 8.  | Flow (Pvt) Limited                        |
| 9.  | Foundation Securities                     |
| 10. | Atlas Capital Markets                     |
| 11. | Al-Falah Securities                       |
| 12. | JS Global                                 |
| 13. | InvestCapital                             |
| 14. | Elixir Securities                         |
| 15. | HSBC Bank Middle East Limited             |
| 16. | Bulls & Bulls (PVT) Ltd                   |
| 17. | Icon Securities (Pvt) Ltd                 |
| 18. | Vector Consulting (Pvt) Ltd               |
| 19. | Standard Chartered Bank (Pakistan)Limited |





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