

OFFERING DOCUMENT

Of

UNITED STOCK ADVANTAGE FUND (USF)
(An Open-ended Fund)

Managed by:
UBL FUND MANAGERS LIMITED
(Formerly United Asset UBL Funds Limited)
(A UBL Group Company)

TABLE OF CONTENTS

CLAUSE	PAGE
Introduction	
Regulatory Approval and Consent	
Filing Of the Offering Document	
1 CONSTITUTION OF THE SCHEME	
1.1 Constitution	
1.2 Registered Address, Place and Date of Creation	
1.3 Trust Deed	
1.4 Modification of Trust Deed	
1.5 Duration	
1.6 Open-ended Fund	
1.7 Units	
1.8 Initial Offer (Initial Offering Period)	
1.9 Transaction in Units after Initial Offering Period	
2 INVESTMENT OBJECTIVES, POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER	
2.1 Investment Objectives	
2.2 Investment Policy	
2.3 Investment Restrictions	
2.4 Risk Disclosure	
2.5 Disclaimer	
3 OPERATORS AND PRINCIPALS	
3.1 UBL Funds	
3.2 Funds under Management	
3.3 Core Investor	
3.4 Board of Directors and Management	
3.5 Role of the UBL Funds	
3.6 Other Functions and Responsibilities of the UBL Funds	
3.7 Trustee	
3.8 Registrar	19
3.9 Custodian	
3.1 Distributors and Investment Facilitators	
0 Auditors	
3.1 Legal Advisors	
1 Bankers	
3.1 	
2 	
3.1 	
3 	
4 CHARACTERISTICS OF UNITS	
4.1 Minimum amount of Investment	
4.2 Various Types of Units to be offered and their Features	
4.3 Purchase of Units	
4.4 Redemption of Units	
4.5 Procedure for Transfer of Units	
4.6 Procedure for Pledge / Lien / Charge of Units	
4.7 Suspension of Dealing, Queue System and Winding Up	
4.8 Issues and Redemption of Units in Extraordinary Circumstances	29
4.9 Frequency of Valuation, Dealing and Mode of the Price Announcement	
4.1 Offer (Purchase) and Redemption (Repurchase) of Units outside Pakistan	
0 	

5. **DISTRIBUTION POLICY**

1 Distribution Policy

5. Declaration of Dividend

2 Determination of Distributable Income

5.

3

CLAUSE	PAGE
5.4 Reinvestment of Dividend	33
5.5 Bonus Units	34
5.6 Payment of Dividend	34
5.7 Dispatch of Dividend Warrants / Advice	34
5.8 Closure of Register	34
6 FEES AND CHARGES	
6.1 Fees and Charges Payable by an Investor	35
6.2 Fees and Charges Payable by United Stock Advantage Fund	35
7 TAXATION	
7.1 Taxation on the Income of the Fund	38
7.2 Taxation on Unit Holders & Liability to Zakat	38
8 REPORTS AND ACCOUNTS	
8.1 Financial Year of United Stock Advantage Fund	
8.2 Financial Reporting	
9 SERVICE TO UNIT HOLDERS	
9.1 Availability of Forms	41
9.2 Accounts with Transfer Agent Applicability	41
9.3 Register of Unit Holders	41
9.4 Information in the Register	41
9.5 Closure of Register	42
9.6 Account Statement	42
9.7 Certificates	42
9.8 Replacement of Certificates	43
10 FINANCIAL INFORMATION	
10.1 Auditor Certificate on Core Investor and Pre-IPO Investor's Investment in the Units of the Fund	44
10.2 Auditors Certificate on the Net Asset Value of the Fund	46
10.3 List of Pre-IPO Investors	46
10.4 Formation Cost	46
11 WARNING	
11.1 Offering Document	
11.2 Fluctuation in Price and Income	
11.3 Disclaimer	
12 GENERAL INFORMATION	
12 Inspection of Constitutive Documents	
12.1 Statement of Responsibility	
1	
13 TERMINATION OF THE FUND	49
14 GLOSSARY	50
15 ARBITRATION	56
ANNEXURE A : Tariff Structure for Trusteeship of Open-ended Mutual Funds.	
B : Current Level of Front-end and Back-end loads and Management fee effective from close of Initial Offer.	
C : Distributor Details	

OFFERING DOCUMENT OF
UNITED STOCK ADVANTAGE FUND

MANAGED BY

UBL Fund Managers Limited (UBL FUNDS)

Formerly United Asset UBL Funds Limited

[An Asset UBL Funds Registered under the Non-Banking Finance Companies
(Establishment and Regulation) Rules, 2003]

Date of Publication of this Offering Document July 20th, 2006

Initial Offering Period: July 27th to August 1st, 2006 (Both days inclusive)

INTRODUCTION

The United Stock Advantage Fund (the Fund/the Scheme/the Trust/USF) has been established through a Trust Deed under the Trusts Act 1882, entered into between UBL Fund Managers Limited (UBL FUNDS), the UBL Funds and Central Depository Company of Pakistan Limited, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules).

The provisions of the Trust Deed govern this Offering Document. It sets forth information about the Fund that a prospective investor should know before investing in the Fund. Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager or other financial adviser.

Investors must recognize that all investments involve varying levels of risk. The portfolio of the Fund consists of market-based investments, listed as well as unlisted, that are subject to market fluctuations and risks inherent in all such investments. Investors are requested to read the Risk Disclosure, Disclaimer and Warning statements contained in Clause 2.4, Clause 2.5 and Clause 11 respectively, in this Offering Document.

REGULATORY APPROVAL AND CONSENT

Approval of the Securities & Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of United Stock Advantage Fund (the Fund) under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules). The SECP has also approved this Offering Document, under Rule 70 of the Rules.

It must be clearly 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.

Filing of This Offering Document

The UBL Funds has filed a copy of this Offering Document signed by the Chief Executive along with the Trust Deed with the SECP. Certified copies of these documents along with documents 1 to 7 below can be inspected at the registered office of the UBL Funds or the place of business of the Trustee:

1. The SECP's letter No. SEC/NBFC-JD-II/UBL FUNDS/373/2006 dated June 14th 2006 confirming UBL FUNDS's renewal of license to undertake Asset Management Service;
2. Trust Deed (Deed) of United Stock Advantage Fund dated June 05, 2006 between UBL Fund Managers Limited (UBL FUNDS) as the establisher and the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee;
3. SECP's letter No. NBFC - II/JD-II/UBL FUNDS/423 dated June 27, 2006 authorizing United Stock Advantage Fund;
4. SECP's letter No. SEC/NBFC-JD-II/346/2006 dated May 29, 2006 approving the appointment of CDC as the Trustee of United Stock Advantage Fund;
5. Letter from KPMG Taseer Hadi & Co., Auditors of United Stock Advantage Fund, consenting to the issue of statements and reports;
6. Letter of Consent by the legal advisors, Bawaney and Partners, to act as the legal advisor of the United Stock Advantage Fund;
7. The SECP's letter No SEC/NBFC-JD-II-USF/477/2006 dated July 18th, 2006 approving this Offering Document.
8. The Karachi Stock Exchange's Letter No. KSE/GEN-4847 dated July 14th, 2006 clearing the Offering Document of United Stock Advantage Fund.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Fund is an open-ended fund and has been constituted by a Trust Deed entered into at Karachi on June 05, 2006 **between:**

UBL Fund Managers Limited, an unlisted public limited Company incorporated under the Companies Ordinance, 1984 with its Registered Office at 8th Floor, State Life Building, I. I. Chundrigar Road, Karachi, Corporate Office at 11th Floor Executive Tower, Dolmen City, Block 4, Clifton, Karachi and Operations Office at 5th Floor, Office Tower, Techno City, Hasrat Mohani Road, Off I.I. Chundrigar Road, Karachi, Pakistan (hereinafter called the “UBL FUNDS” 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, 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-74400, Pakistan (hereinafter called the “Trustee” which expression, where the context so permits, shall include its successors in interest and assigns), of the Other Part.

1.2 Registered Address, Place and Date of Creation

The registered address of the UBL Fund Managers Limited is 8th Floor, State Life Building Karachi and the Head Office address is 5th Floor, Office Tower, Techno City, Hasrat Mohani Road, Off I.I. Chundrigar Road Karachi. The Trust was created on June 05, 2006. The official web site address of UBL Fund Managers Limited is www.UBLfunds.com

1.3 Trust Deed

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, the Securities and Exchange Ordinance 1969 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder.

1.4 Modification of Trust Deed

The Trustee and the Management Company, acting together and with the approval of SECP, shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Deed on any of the following grounds:

1. To such extent as they may consider expedient for any purpose, subject only to the approval of the SECP. 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.
2. To ensure compliance with any fiscal or statutory requirement.
3. To enable the provisions of the Deed to be more efficiently, conveniently or economically managed.
4. To enable the Units to be dealt in or quoted on Stock Exchange.
5. Otherwise for the benefit of the Unit Holder(s)

Provided that in case of (3), (4) and (5) above, such alteration or addition shall not prejudice the interest of the Unit Holders; and that in any event, it shall not release the Trustee or the UBL Funds of their responsibilities.

Where the Deed has been altered or supplemented, the UBL Funds shall notify to the Unit Holders at their respective registered addresses within 15 days of the change. However, if SECP modifies the Rules to allow any relaxations or exemptions, these will be deemed to have been included in the Constitutive Documents (the Deed, this Offering Document and other related material documents) without requiring any modification as such.

1.5 Duration

The duration of the Fund is perpetual. However, the SECP or the UBL Funds may, on the occurrence of certain events, wind it up as stated in Section 13 of this Offering Document under the heading “Termination of the Fund”.

1.6 Open-Ended Fund

United Stock Advantage Fund is an open-ended fund. It shall offer and redeem Units on a continuing basis subject to terms contained herein and the Deed and to the Rules. There is no upper limit set on the Units to be issued to a single Unit Holder 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 Scheme

1.7 Units

The Fund is divided into Units having an Initial Offer Price of Rs. 100/- each. This price is applicable to such Units that are issued before any of the assets of the Fund are invested other than deposits, whether or not earning mark-up/profit. Thereafter, the Units shall be issued on the basis of their Net Asset Value (NAV), which shall form the base for determining the Offer and Repurchase Prices. 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 UBL Funds may issue the following Classes of Units:-

Restricted Units to Core Investors (seed capital investors) without Sales Load. The restricted Units cannot be redeemed for a period of two (2) years from the date of the closure of the Initial Period of Offer. However, Core Units are transferable with the same condition.

Class “A” Units offered during the private placement and initial period of offer with no sales load. Thereafter these units will be issued with a flat Front-end Sales Load (which is currently set at 2.5% as disclosed in Annexure ‘B’ of this offering Document).

Class “B” Units with a Back-end Sales Load

The UBL Funds may issue Units without Sales Load or with a reduced Sales Load to Unit Holders opting to receive Units in lieu of dividends.

The UBL Funds does not intend to initially offer Class “B” Units at the time of publication of this Offering Document which may be offered at its discretion at a subsequent stage by announcements in a newspaper having wide circulation in Pakistan.

1.8 Initial Offer (Initial Offering Period)

The Initial Offer is for Class “A” Units, with no Sales Load, which shall be issued at the Initial Offer Price of Rs. 100/- per Unit. The Offer and Issue of Units at Initial Offer Price shall commence from the start of the banking hours on - July 27th, 2006 and shall end at the close of the banking hours on August 1st, 2006. During the Initial Offer, Units will be offered at par without any Sales Load. During the Initial Period of Offer, the Units will not be redeemed.

1.9 Transaction in Units after Initial Offering Period

Subsequent to the Initial Offer, Units can be purchased at the Offer Price and redeemed at the Redemption Price. The UBL Funds will fix the Offer and Redemption Prices daily on the basis of the Net Asset Value (NAV) of the Units after the close of the Stock Exchange(s) / Financial Market(s) business day. The NAV based price per Unit shall be fixed after adjusting for the (Front-end/Back-end) Load as the case may be and any Transaction Costs that may be applicable, save under circumstances elaborated in Section 4.7 mentioned herein. Such prices shall be applicable to Purchase and Redemption requests with complete and correctly filled respective forms and have to be received within business hours as announced by the UBL Funds from time to time.

2. INVESTMENT OBJECTIVES, POLICY, RESTRICTIONS, RISK DISCLOSURE AND DISCLAIMER

2.1 Investment Objectives

United Stock Advantage Fund (USF) is an open ended Equity Fund that will aim to provide investors long-term capital appreciation by investing primarily in a mix of equities that offer capital gains and dividend yield potential. The Management Company will aim to maximize total returns and outperform the KSE-100 Index benchmark.

At times of high volatility or when the Fund Manager feels that equities as an asset class are in the over-valued zone, they may seek short term opportunities in authorized fixed income and money market instruments (subject to restrictions in clause 2.3) to reduce the risk profile of the portfolio and provide industry leading returns. This scheme may enable the investor with limited knowledge of direct investment in the equity market to attain diversification and capitalize on the professional fund management expertise available with UBL Fund Managers Limited (UBL FUNDS).

2.2 Investment Policy

The investment criteria and decisions will be based on the following key factors:

1. Focus on under-valued stocks i.e stocks that are expected to offer growth and those which offer a high dividend yield potential
2. Take advantage of market volatility and fund flow movements
3. Participate in spread transaction opportunities available in the market, such as presented in the ready and futures market.
4. Continuous Funding System (CFS) for liquidity management. The Fund shall invest up to a maximum of 25% of its net assets in CFS with not more than 20% of CFS amount in any one scrip at the time of investment; and
5. Any other Authorized Investments.

2.3 Investment Restrictions

The investment restrictions that apply to USF and its investments in various asset classes are as follows:

1. The Fund Property shall be subject to such exposure limits as are provided in the Rules (subject to any exemptions that may be specifically given to the Fund by the SECP): Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit shall be exceeded. In such a case, the conditions in clause 2.3 shall apply.
2. The Scheme shall not invest more than twenty five (25) percent of its Net Asset Value in securities of any one sector as per classification of the pertinent stock exchange(s).
3. The purchase or acquisition of Units in other open-end unit trusts shall not exceed in the aggregate ten (10) percent of the Net Asset Value of the Fund immediately after such investment has been made.
4. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Rules, the UBL Funds shall not purchase any further Investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or any other offering, if the UBL Funds is satisfied that accepting such offer is in the interest of the Trust.
5. Where investment of the Fund Property is made in equity securities, not less than 50% of the Fund Property shall be invested in listed securities or in securities for the listing of which an application has been approved by a Stock Exchange, except where relaxation is granted by the SECP.

6. The Fund Property shall not be invested in any security of a company if any director or officer of the UBL Funds individually owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the UBL Funds in their individual capacities own more than ten per cent of those securities. For this purpose, the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
7. The Scheme shall not employ as a broker, directly or indirectly any of its director, officer or employee or a member of a family of such person or its UBL Funds and enter into transactions with any connected broker, which shall equal or exceed ten percent or more of the transactions of the Trust in any one accounting year of the Scheme.
8. Investment of the Scheme in any company shall not, at any time, exceed an amount equal to 10% of the total Net Asset Value of the Scheme at the time of investment or 10% of the issued capital of the investee company
9. The Trust will not at any time:
 - a. Purchase or sell:
 - Bearer securities.
 - Securities on margin,
 - Commodities contracts (Other than securities issued by listed companies dealing in commodities)
 - Real Estate
 - Securities, which result in assumption of unlimited liability (actual or contingent).
 - Anything other than Authorized Investments as defined herein;
 - b. Participate in a joint account with others in any transaction;
 - c. Make short sales of any security or maintain a short position in securities.
 - d. However, subject to the Rules and any other applicable law, the UBL Funds may, on behalf of the Fund, write call options/derivatives provided there is a satisfactory market based exit mechanism from options so written. The UBL Funds may also on behalf of the Fund, if and when the law so allows, buy put options equivalent to any securities held in the portfolio. Provided however, under no circumstances, the Management Company shall buy or sell such options on behalf of the Fund in excess of 10% of the NAV that result in an exposure beyond the number of underlying securities held in the portfolio of the Fund. The Management Company may, however, buy call options or put options, if the law so permits on one or more items (financial or otherwise) that in its opinion would act as a hedge/defensive proxy for the overall market risk.

2.3.1 Exception to Investment Restrictions

In the event, the weightages of shares exceed the limits laid down in this Offering Document or the Rules as a result of the relative movement in the market prices of the investments or through any disinvestments, the UBL Funds shall make its best endeavors to bring the exposure within the prescribed limits within three months of the event. But in any case the UBL Funds shall not invest further in such shares or sectors while the deviation Exists. However, this restriction on further investment shall not apply to any offer of right shares and bonus shares.

2.3.2 Borrowing and Borrowing Restrictions

1. 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 UBL Funds in making and varying arrangements with banks or financial institutions for borrowing by the Trustee for the account of the Scheme; provided that the borrowing shall not be resorted to, except for meeting the redemption requests.
2. The charges payable to any bank or financial institution against borrowings on account of the Trust are permissible under Clause 2.3.2.1 above shall not be higher than the normal prevailing bank charges or normal market rates.

3. The maximum borrowing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Scheme or such other limit as may be provided in the Rules – provided that such borrowing shall not exceed a period of 90 days. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or redemption of Units, the UBL Funds shall not be under any obligation to reduce such borrowing.
4. **Guarantee:** Neither the Trustee, nor the UBL Funds shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from banks and financial institutions. The Trustee or the UBL Funds shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
5. **Charge or pledge:** For the purposes of securing any such borrowing, the Trustee may with the approval of the UBL Funds mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules and/or any law for the time being in force.
6. **Liability of UBL Funds & Trustee:** Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that Unit Holders may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangements made hereunder in good faith.

2.3.3 Restriction on Transactions with Connected Persons

1. The Fund Property shall not be invested in any security of a company if any director or officer of the UBL Funds individually owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the UBL Funds in their individual capacities own more than ten per cent of those securities.
2. The Fund shall not purchase from or sell any security to the Management Company or the Trustee or to any director, officer or employee of the UBL Funds or Trustee or to any person who beneficially owns ten percent(10%) or more of the equity of the UBL Funds or the Trustee or the major shareholders of the Trustee Company, save in the case of such party acting as an intermediary.
3. The UBL Funds shall not enter in to transactions with any connected broker, which exceed ten percent of the transactions of the collective investment scheme in any one accounting year of the scheme, subject, however that such connected broker shall not have a common director or officer or employee with the investment adviser or asset UBL Funds or investment company.
4. For the purpose of sub-paragraphs 1, 2, and 3 above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
5. All transactions carried out by or on behalf of the Scheme shall be made as provided in the constitutive documents, and shall be disclosed in the Scheme's annual report.

Subject to the Rules, any transaction between the Trust and the Management Company or any of their respective connected persons as principal shall only be made with the prior written consent of the Trustee.

2.4 Risk Disclosure

Investors into USF must realize that all investments in mutual funds and securities are subject to market risks. Any target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of United Stock Advantage Fund is subject to market fluctuations and risks inherent in all such investments. The risk emanates from various factors that include, but are not limited to:

2.4.1 CREDIT RISK - Credit risk is comprised of default risk; credit spread risk and downgrade risk. Each can have a negative impact on the value of a fixed-income security including money market instruments.

- **Default risk** is the risk that the issuer will not be able to meet the obligation, either on time or at all.

- **Credit spread risk** is the risk that there will be an increase in the difference between the return/ mark-up rate of an issuer's bond and the return/mark-up rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or Treasury Bill). 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 fixed income securities including money market instruments.
- **Downgrade risk** is the risk that a credit rating agency, such as PACRA or JCR-VIS, will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those fixed income securities including money market instruments.

2.4.2 DERIVATIVE RISK - Derivatives may be used to limit or hedge potential losses associated with stock markets and return/mark-up rates. This process is called "hedging". Any use of derivatives has risks, including:

- The hedging strategy may not be effective.
- There is no guarantee that a market will exist when a fund wants to buy or sell the derivative contract.
- A large percentage of the assets of a fund may be placed on deposit with one or more counter parties, which exposes such fund to the credit risk of those counter parties.
- There is no guarantee that an acceptable counterparty will be willing to enter into the derivative contract.
- The counter-party to the derivative contract may not be able to meet its obligations.
- The Exchanges on which the derivative contracts are traded may set daily trading limits, preventing a fund from closing out a particular contract.
- If an Exchange halts trading in any particular derivative contract, a fund may not be able to close out its position in that contract.
- The price of a derivative may not accurately reflect the value of the underlying security or index.

2.4.3 CONCENTRATION RISK - The Fund may concentrate its investments in a relatively small number of securities, certain sectors or specific regions. This may result in higher volatility, as the value of the portfolio will vary more in response to changes in the market of these securities, sectors or regions.

2.4.4 RETURN/MARK-UP RATE RISK - Fixed income securities including money market instruments, which include treasury bills and commercial paper, pay fixed rate of return/mark-up. The value of the Fund, due to its holdings in fixed income securities including money market instruments, will rise and fall as return/mark-up rates change. For example, when return/mark-up rates fall, the value of an existing bond will rise because the coupon rate on that bond is greater than prevailing return/mark-up rates and vice versa.

2.4.5 EQUITY RISK - Companies issue equities, or stocks to help finance their operations and future growth. The company's performance outlook, market activity and the larger economic picture influence the price of a stock. When the economy is expanding, the outlook for many companies will be good and the value of their stocks should rise. The opposite is also true. Usually, the greater the potential reward, the greater would be the risk. For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance.

2.4.6 GOVERNMENT REGULATION RISK - Government policies or regulations are more prevalent in some sectors than in others. Funds that invest in these sectors may be affected due to change in these regulations or policies, which directly or indirectly affect the earnings and/or the cash flows and/or any governmental or court orders restraining payment of capital, principal or income.

2.4.7 VOLUMINOUS PURCHASE/REDEMPTION OF FUND UNITS RISK - Any significant transaction made by any investor could significantly impact a Fund's cash flow. If a third party buys large amounts of Units of the Fund, the Fund could temporarily have a high cash balance. Conversely, if a third party redeems large amounts of Units of the Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

2.4.8 LIQUIDITY RISK - Some companies have limited market float of their issued shares and hence are not actively traded in the stock market or they may generally have very few total shares issued and outstanding. Securities issued by such companies may be difficult to buy or sell, which may cause the value of the fund that buy these securities to rise and fall substantially because any buying or selling of such company shares may have a great impact on that company's share price.

2.4.9 REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS AND SECURITIES LENDING RISK – The risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus return/mark-up, if the market value of the security has dropped. In the case of a repurchase or a securities lending transaction, the Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.

2.4.10 MARKET RISK – This risk involves volatility in stock prices resulting from their dependence on market sentiment, speculative activity, supply and demand for the securities and liquidity in the market. The volatility in securities prices results in volatility in the NAV based price of the Unit of the Fund.

2.4.11 OTHER RISKS INVOLVED:

- a) Mismanagement of the investee company, third party liability whether through class action or otherwise or occurrence of other events such as strikes, fraud etc., in the company in which the investment is made.
- b) Break down of law and order, war, terrorist activity, natural disasters etc.
- c) Senior rights of creditors over the shareholders in the event of winding up.

Disclaimer:

2.4.12 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial and capital market investments. Capital invested in the financial and capital markets could in extreme circumstances lose its entire value. However, diversification of the investment into a number of growth and dividend yielding equities may tend to reduce the risk substantially. The historical performance of this Fund, the financial and capital markets or that of any one security or transaction included in the Fund's portfolio does not indicate future performance.

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

2.4.14 Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up in such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed for more detailed information regarding this clause.

2.5 Disclaimer:

The Units of the Trust are not bank deposits and are neither issued by, insured by, obligations 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 UBL Funds or of the Trustee or of any of the Core Investors or any other bank or financial institution.

3. OPERATORS AND PRINCIPALS

3.1 UBL Funds: UBL Fund Managers Limited (UBL FUNDS)

Established in 2001, UBL Fund Managers Ltd. (formerly United Asset UBL Funds Ltd.) is a wholly owned subsidiary of United Bank Limited making it the first Asset Management Company to be launched by a bank in Pakistan. The company acquired the license to undertake asset management and investment advisory services from Securities & Exchange Commission of Pakistan (SECP) in 2002.

In August 2002, with the launch of its first 'No Load' fund namely United Money Market Fund (UMF), UBL FUNDS became the pioneer in launching the first 'true' money market fund in Pakistan. UBL FUNDS has been assigned a Management Quality Rating of AM3 by JCR (VIS) Credit Rating Agency. The rating signifies a team of qualified personnel and the management's initiatives to streamline operations.

SHAREHOLDING STRUCTURE

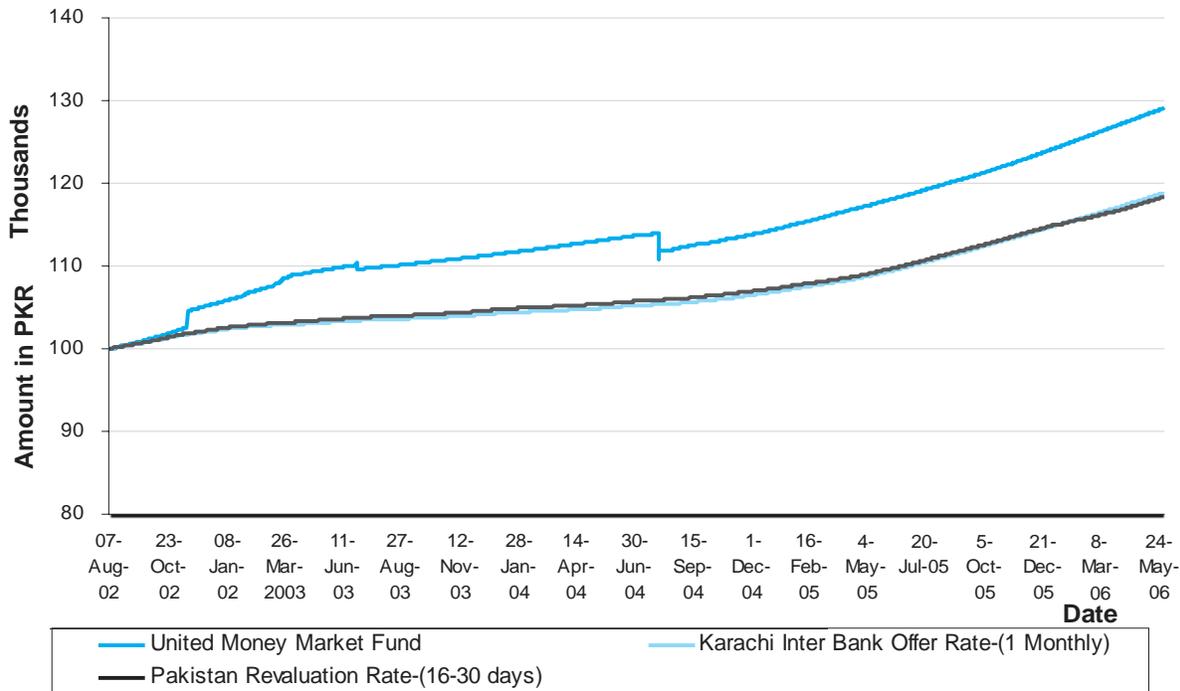
Name	Paid Up Capital	
	Number of Shares	Amount in Rupees
United Bank Limited	5,999,999	59,999,990
Directors	8	80
	6,000,007	60,000,070

3.2 Funds under management of UBL FUNDS

UNITED MONEY MARKET FUND:

The United Money Market Fund (UMF) is one of the first true money market mutual fund launched in 2002. It is an open-ended mutual fund that is a safe and low risk investment option. The fund invests in fixed income instruments like T-Bills, Term finance certificates and other short to medium term fixed income securities. UMF has this unique feature of offering no sales load facility for its Class 'A' Unit Holders. The investment objective of the scheme is to provide its holders attractive daily returns from a portfolio of low risk assets while maintaining comparatively high liquidity. United Money Market Fund has a fund stability ranking of A+ from JCR (VIS) Credit Rating Agency.

The following graph is showing a hypothetical PKR 100,000 investment in United Money Market Fund (UMF), Karachi Inter bank offer rate (KIBOR), and Pakistan revaluation rate (PKRV) since UMF's inception i.e., August 7, 2002 to May 31, 2006. The Fund has yielded an annualized return of 7.84% since inception and 9.54% from July 1st, 2005 to May 31st, 2006.

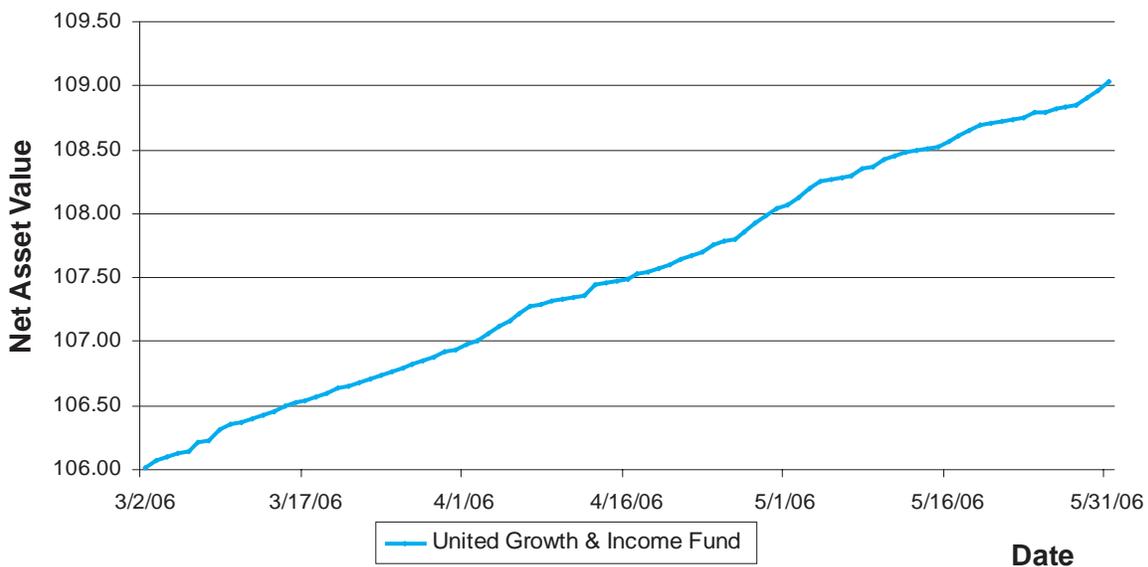


UNITED GROWTH & INCOME FUND:

UGIF is an open-ended mutual 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 front-end 1.5% Sales load whereas Growth Units carry a step down back-end load of maximum 3% depending upon the time of encashment.

The Investment objective of the scheme is to generate returns keeping a balance of income and growth, while preserving the capital over the long term by investing in diversified medium to long term fixed income instruments

The following graph is showing the trend of the Net Asset Value of United Growth & Income Fund since public launch on March 2nd, 2006 upto May 31st, 2006. The annualized return during this period was 11.5% (without load impact).



3.3 Core Investor: United Bank Limited

The core investor of USF is United Bank Limited (UBL) which has been issued Restricted Units against subscription to seed capital of Rs 250 million. The seed capital was received on June 28, 2006. UBL, as an investor of seed capital has agreed to retain its investment for a minimum period of 2 years during which its units will not be redeemable. However, these units are transferable with the condition that the units may not be redeemable before the expiry of the period of the first two years as mentioned herein.

United Bank Limited ("**UBL**") owns 100% shares of UBL Funds Managers Limited ("**UBL FUNDS**"). UBL is the pioneer in initiating asset management services in banking sector with the launch of UBL FUNDS and has thus become a trendsetter. UBL is one of the largest private sector commercial banks in Pakistan that was incorporated in 1959. It was nationalized in 1974 and subsequently privatized in 2002 with handing over of 51% stake to a consortium of Bestway Group (UK) and Abu Dhabi Group. With almost forty six years of good standing to its valued clients, it has stood the test of time, with assets of over Rs. 350 billion as of end March, 2006. UBL has gone through dynamic reforms in recent years after its privatization.

It is represented in 10 countries worldwide through 22 offices, including those in the USA, Middle East, U.K. and Switzerland. UBL's dynamic management has been at the forefront of efforts towards growth in corporate, consumer and trade-based businesses, both domestically and internationally.

The key financials of UBL for the last five years are as under:

Year Ended December 31st	2000	2001	2002	2003	2004	2005	Mar 2006 (Q1)
Pak Rupees In Million							
Net Equity	6,727	887	8,626	10,077	14,370	18,756	19,762
Total Assets	161,573	160,852	183,003	216,942	272,612	347,049	358,969
Profit After Tax	667	(7,478)	1,414	2,636	3,702	5,949	2,260

3.4 Board of Directors and Management

3.4.1 BOARD OF DIRECTORS

The board of directors of UBL FUNDS comprises of:

Name of Director	Position	Other Directorships	Occupation	Address
Atif. R. Bokhari	Chairman /Director	1. United Bank A.G. Zurich, Switzerland 2. United Executors & Trustees Co. Ltd. 3. United National Bank UK 4. First Women Bank Ltd. 5. SME Bank Ltd. 6. Institute of Bankers Pakistan 7. Pakistan Bankers Association	Banker	22/1, Khayaban-e-Amir Khusro, DHA Phase VI, Karachi
Mir Muhammad Ali	Chief Executive/ Director	None	Investment Management	18/2, 18 th Street, Off Khayaban-e-Tanzeem, DHA Phase V, Karachi
Aameer Karachiwalla	Director	1. United Executors & Trustees Co. Ltd. 2. United Bank Financial Services (Pvt.) Limited 3. United National Bank-London 4. Investment Corporation of Pakistan (ICP)	Banker	17, Park Lane No. 1 Off. Khayaban-e-Nishat, Phase VI, DHA, Karachi.
Mohammad Asghar	Director	Pakistan Agricultural Storage & Services Corporation Limited (PASSCO)	Banker	23/B GF-1, Sea View Apartment, Phase-V, DHA, Karachi
Ali Sameer Farooqui	Director	1. United Bank Financial Services (Pvt.) Limited 2. United Executor & Trustee Co. Ltd	Banker	4, Khayaban-e-Hafiz, Phase V, DHA, Karachi
Mansoor M. Khan	Director	Saudi-Pak Commercial Bank Limited	Banker	105-II, 29th Street, DHA Phase VI, Karachi
Hassan Raza	Director	None	Banker	House No. 194, Cavalry Grounds, Lahore Cantt
Saeed Iqbal	Director	1. World bridge International 2. World bridge Pakistan 3. The Resource Group International 4. The Resource Group Pakistan 5. Cinepax Limited 6. Techlogix International Limited	Banker	43/6/G, Block 6 P.E.C.H.S., Karachi

3.4.2 Particulars of Directors

Mr. Atif R. Bokhari – Chairman

Mr. Bokhari is currently the President and Chief Executive Officer of United Bank Limited. He has over 20 years of diverse experience in corporate, investment, commercial and retail banking. Prior to joining UBL, he was the Senior Executive Vice President (SEVP) and Group Executive, Corporate and Investment Banking at Habib Bank Limited. Prior to that, he has held a number of senior management positions with renowned institutions like Bank of America and ICI Pakistan Limited. Mr. Bokhari is an MBA from Central Missouri State University with a double major in Finance and Marketing.

Mir Muhammad Ali – Chief Executive Officer

Mir Muhammad Ali has extensive experience in investment banking and fund management during the last 15 years. Prior to joining UBL FUNDS, he was with Asian Development Bank. He represented ADB on the board of several companies including an asset UBL Funds. Prior to joining ADB, Mir worked as Divisional Head Investment Banking of United Bank Limited. 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 doing a large number of debt and capital market transactions, Mir's achievements included: (i) setting up of 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 securitization transaction. During his career, he has also worked for various institutions such as Pakistan Kuwait Investment Company, IBM World Trade Corporation and ANZ Grindlays Bank.

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 has cleared CFA Level I and II and is a candidate for the Level III exam in June 2006.

Mr. Aameer Karachiwalla – Director

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

Mr. Mohammad Asghar – Director

Mr. Mohammad Asghar is presently associated with United Bank Limited as a Senior Executive Vice President and Group Head Commercial Bank. He is a career banker and has been associated with UBL since 1971 in various capacities. During this time, he has also acquired substantial international banking exposure by being affiliated with the U.A.E. branches of UBL for over 13 years.

Mr. Ali Sameer Farooqui – Director

As Group Executive, Credit Policy, Mr. Sameer is responsible for managing the entire Risk portfolio for the Bank in all areas of operation. Ali is a MBA with a concentration in Finance with over 18 years of work experience. He has previously been involved in Corporate, Investment Banking and Credit areas at various institutions, both locally and internationally. He started his career from 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 privatization. Prior to Credit Policy, Ali was successfully engaged in leading the remedial effort on UBL's non-performing assets at Special Assets Management Group. Ali is a part of the Bank's Executive Committee and various other Senior Management forums.

Mr. Mansoor M. Khan – Director

Mr. Mansoor M. Khan is currently President/CEO of Saudi Pak Commercial Bank Limited. He has over 23 years work experience in Corporate Banking, Credit and Marketing areas of local and foreign banks in Pakistan and overseas. Prior to joining Saudi Pak he worked for United Bank Limited, Bank of Credit and Commerce International, Commercial Bank of Kuwait and Emirates Bank International. At UBL, he had played an instrumental role in developing a team of professionals possessing the expertise to cater to the needs and requirements of top tier Corporate. Mr. Mansoor is Master of Business Administration from University of Hartford Connecticut, USA.

Mr. Hassan Raza – Director

Mr. Hassan Raza is a seasoned banker having over 16 years experience with various local and foreign banks in Pakistan. Currently, he is an Executive Vice President (EVP) and Head of Corporate Banking and Cash Management at United Bank Limited. Prior to this, he has worked in various capacities with prestigious institutions such as Habib Bank, National Bank, Bank of America, Societe Generale and Standard Chartered Bank. He is an MBA and has attended various international training programs.

Mr. Saeed Iqbal – Director

Mr. Saeed Iqbal is currently Head of Investment Banking Group at UBL. He has extensive project and structured finance experience, particularly as it relates to Pakistan. Prior to joining UBL, he 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. At UBL, Saeed has led, and is currently leading, the advisory/arranging teams for a number of significant transactions in the power, energy, telecom, chemicals and water sectors including the teams mandated to arrange funds for Pakistan's first co-generation (power & desalination) Unit on a fully non-recourse basis, the which is also a first, and the country's first undersea fiber optic cable link and the first commercial water treatment facility in Karachi. Saeed holds a B.Sc. (Econ) Honours degree from the London School of Economics and an MA in Development Economics from the University of Sussex.

3.4.3 Particulars of Management**Mir Muhammad Ali - Chief Executive Officer**

Please see background as explained above in particulars of Directors

Mr. Hasnain Raza Nensey - Chief Investment Officer

Hasnain Raza Nensey is the CIO at UBL FUNDS. Prior to this, he was Chief Investment Officer at ABAMCO Limited where he was also a member of the Investment Committee which at that time oversaw cumulative investments of over

Rs 17 Billion in three open-end and five 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 UBL Funds 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 specialization in entrepreneurial studies.

Mr. Hassan Abbas - Chief Operating 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 Pakistan (Pvt) Ltd. Prior to that, Hassan was associated for over ten years with Khadim Ali Shah Bukhari Securities Ltd (KASB) which is one of the leading brokerage houses in Pakistan.

Mr. Obbad Fazal - Chief Financial Officer and Company Secretary

Obbad Fazal is a member of the Institute of Chartered Accountants of Pakistan and the Association of Chartered Certified Accountants, United Kingdom. He qualified as a Chartered Accountant from A.F.Ferguson & Co. which is a member Firm of PriceWaterhouseCoopers. Before joining UBL FUNDS, he worked as Finance Manager with Adamjee Insurance Company, the largest insurance company in Pakistan. His responsibilities included financial reporting, management reporting, taxation and budgeting.

Mr. Wasay Ahmed Faruqui – Equity Fund Manager

Wasay Ahmed Faruqui has more than 4 years of experience in the field of Equity Fund Management, Equity Trading & Forex Management by virtue of being affiliated with renowned and leading brokerage houses of Pakistan. He has also served as a Dealer at National Bank of Pakistan Exchange Company Ltd in 2003. As an Equity Fund Manager at UBL FUNDS, he will be responsible for managing United Stock Advantage Fund on

a day to day basis. His tasks will include evaluating market conditions and developing and executing strategies and trades. He will also be responsible for designing, recommending and implementing an appropriate asset allocation plan consistent for the Fund with the investment objectives, time horizon, risk profile guidelines and constraints laid down by the Investment Policy Statement.

Wasay is an MBA from the Institute of Business Administration Karachi.

Mr. Junaid Qamar – Fixed Income Fund Manager

Junaid Qamar has seven years of cumulative experience in the Financial Markets of Pakistan and abroad. Prior to joining UBL FUNDS, he was working at Arif Habib Investment Management Ltd as a Dealer for the open-end fixed income fund with net assets in excess of Rs 4.5 Billion. Prior to that, he has worked after working with Pearson Inc. NY, a British based media group (managing a commercial paper portfolio worth US\$ 2 billion) and Robert Half International (a NY based financial consulting firm).

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

Mr. Nadeem Anwar Hassan– Head of Sales

Prior to joining UBL FUNDS, he served as Business Manager at United Distributors Pakistan Limited (UDPL), an agro- chemicals company for three years. At UDPL he was responsible for a wide range of tasks including: (1) formulation and execution of promotional campaigns, (2) development of new products and widening of the product range, (3) setting up a country wide Sales network and related sales staff training. He has also worked at other financial institutions such as UDL Modaraba, Atlas BOT Lease, & Modaraba Al Mali.

He is an MBA from Institute of Business Administration, Karachi and a Bachelor of Science-Major in Mathematics & Statistics from University of Karachi.

Ms. Farah Gazi – Marketing Manager

Farah Gazi is managing the Marketing Function at UBL FUNDS which among other aspects covers the UBL FUNDS brand development, recognition and image building. She possesses rich and diversified experience of Consumer Banking from Standard Chartered Bank (SCB) as well - the largest foreign bank in Pakistan. During her stay with SCB, she worked extensively with the product development and marketing management teams of unsecured products. She also served as the Consumer Banking Sales Assurance Manager at SCB for Secured, Unsecured, SME and Liabilities products. In addition to handling marketing, she played an instrumental role in conducting internal audit for Sales and other allied functions.

Farah has an MBA degree in Marketing Management from Greenwich University, Karachi.

3.5 Role of the UBL Funds

The UBL Funds shall manage, operate and administer the Scheme in accordance with the Rules. Primary Functions of the UBL Funds are:

1. Fund Management
The UBL Funds has the responsibility to make all investment decisions within the framework of the Rules, the Deed and the Offering Document(s).
2. Investor Services
The UBL Funds has the responsibility to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.
3. Investor Records
 - i. The UBL Funds has the responsibility to maintain investor records and for this purpose it may appoint a Registrar, who is responsible for performing Registrar Functions, i.e. maintaining investors' (Unit Holders) records and providing related services. The Registrar shall carry out the responsibility of maintaining investors' records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities.
 - ii. The UBL Funds shall not remove the records or documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the SECP and the Trustee.
4. Distribution
UBL FUNDS shall from time to time appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Functions at one or more location(s) on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distributor(s) and UBL FUNDS. Provided that UBL FUNDS may also itself act as a Distributor for carrying on Distribution Functions. The Distributor(s) shall act as the interface between the investors, UBL FUNDS, the Registrar and the Trustee and perform all other Distribution Function(s), as defined in Clause 14.20 hereafter. The Distributors shall receive applications for issue and redemption of investment in the various Unit Trusts and Administrative Plans offered by UBL FUNDS.

5. Investment Facilitators

The UBL Funds may, at its own responsibility, from time to time appoint Investment Facilitators to assist it in promoting sales of Units.

6. Record Keeping

UBL FUNDS has the primary responsibility for all record keeping, regular determination and announcements of prices and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to UBL FUNDS of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. UBL FUNDS shall provide the Trustee unhindered access to all records relating to the Scheme and the Administrative Plans.

3.6 Other Functions and Responsibilities of the UBL Funds

1. The UBL Funds shall manage the Scheme and the Fund in the best interest 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 Connected Persons, and subject to the restrictions and limitations as provided in the Deed and the Rules and subject to any special exemptions that may be granted by SECP. Any purchase or sale of investments made under any of the provisions of the Deed shall be made by the Trustee according to the instructions of the UBL Funds in this respect, unless such instructions are in conflict with the provisions of the Deed or the Rules. The UBL Funds shall not be liable for any loss caused to the Scheme or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.
2. The UBL Funds may from time to time appoint, remove or replace the Registrar. The Registrar Functions may also be carried out by the UBL Funds.
3. The UBL Funds shall prepare and transmit (physically or through electronic means or on the web subject to SECP's approval) the annual report, together with a copy of the balance sheet, income and expenditure account and the Auditor's report of the Trust within four months of the closing of the Accounting Period or such extended period permissible under the Rules, to the Unit Holders, the SECP, and the Trustee and the balance sheet and income and expenditure accounts shall comply with the requirements set out in the Rules.
4. The UBL Funds shall within one month of the close of the first and third quarter and within two months of the close of the second quarter of year of account of the Trust or such extended period permissible under the Rules, prepare and transmit (physically or through electronic means or on the web subject to SECP's approval) to the Unit Holders, the SECP and the Trustee, balance sheet as at the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise.
5. The Management Company shall maintain a Register of Unit Holders of the Trust (either in physical or electronic form) and inform the Trustee and the SECP of the address where the Register is kept.

3.7 Trustee

The Trustee of the Scheme is Central Depository Company of Pakistan Limited (CDC) having its Registered Office at House 99-B, Block 'B', S.M.C.H.S, Main Shakra-e-Faisal, Karachi. The sponsors and shareholders of CDC, include the Karachi Stock Exchange, the Lahore Stock Exchange, the Islamabad Stock Exchange, Citibank Overseas Investment Corporation, National Investment Trust Limited (NIT), Pakistan Industrial Credit & Investment Corporation Limited (PICIC), Muslim Commercial Bank Limited, Habib Bank Limited and other renowned financial institutions of Pakistan.

BASIC ROLE OF THE TRUSTEE

1. The Trustee shall invest the Fund Property from time to time at the direction of the UBL Funds strictly in terms of the provisions contained and the conditions stipulated in the Deed, this Offering Document, the Rules and the conditions (if any) which may be imposed by the SECP from time to time;
2. The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Unit Trusts on behalf of the beneficial owners (the Unit Holders), within the framework of the Rules, the Trust Deed establishing the Unit Trust and Offering Document(s) issued for the Unit Trust.
3. **The Trustee shall have all the obligations entrusted to it under the Rules and NBFC & Notified Entities Regulations 2007 (Hereinafter called as“ Regulations”), the Trusts Act 1882, this Trust Deed and the Offering Document setting up the Unit Trusts and the Administration Plans thereof.**
4. The Trustee shall carry out the instructions of the UBL Funds in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of the Deed and/or the Offering Document(s) or the Rules and/or any other applicable law.
5. The Trustee shall, if requested by UBL Funds or if it considers necessary for the protection of Fund property or safeguarding the interest of Unit Holders, institute or defend any suit, proceeding, arbitration or inquiry or 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 incidental acts, things and deeds through the Trustee's authorized directors and officers. All reasonable costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust 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 gross negligence or breach of its duties in connection with the Trust under the Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding anything contained in the Deed, the Trustee and the UBL Funds shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust 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 Trust Fund.
6. The Trustee shall in consultation with the UBL Funds appoint and may also remove and replace from time to time one or more bank(s) and/or other depository company, to act as the Custodian(s) for holding and protecting the Fund Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Trust with the approval of the UBL Funds at competitive terms as part of its normal line of business.
7. The Trustee shall issue a report to be included in the annual report to be sent to Unit Holders whether, in the opinion of the Trustee, the asset management company has in all material respects managed the scheme in accordance with the provisions of the constitutive documents, if the asset UBL Funds has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof.

3.8 Registrar

The Registrar's responsibilities include maintaining the register of Unit Holders ("Register"), issuing account statements to the Unit Holders, issuing certificates, canceling old Certificates on redemption or replacement thereof, processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges and liens and recording of changes in the data with regard to the Holders, issuing and dispatching of Certificates, issuing and dispatching cheques

or warrants in respect of residual amount left after allocation and issue of Units. The Registrar also refers to the UBL Funds if it carries out the same functions as defined above.

As at the time of this Offering, UBL Fund Managers Limited will be performing the Registrar Functions at its Head Office: 5th Floor, Office Tower, Techno City, Hasrat Mohani Road, Karachi. In case of any change, the Unit Holders will be notified by a notice published in one newspaper in English and one newspaper in Urdu having wide circulation in Pakistan.

3.9 Custodian

The Central Depository Company Limited (CDC) will also be performing the function of the custodian of the Fund property. The salient features of the custodian function are:

1. Segregating all property of the Scheme from Custodian's own property and that of its other clients.
2. Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
3. Ensuring that the benefits due on investments are received and credited to the Fund's account.

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 UBL Funds, for the safekeeping of any portion of the Fund Property.

3.10 Distributors and Investment Facilitators

3.10.1 Parties detailed in Annexure 'C' of this Offering Document have each been appointed as Distributors to perform the Distribution Functions. The addresses are given in Annexure C 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 UBL Funds may itself perform the functions of a Distributor either directly or through sub-distributors.

3.10.2 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 UBL Funds or Registrar as appropriate for further action.

3.10.3 The Management Company may, at its sole responsibility, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of the Front-end Load included in the Offer Price (Purchase Price) of the units of the Fund.

3.11 Auditor

The Auditors of the Fund are:

KPMG Taseer Hadi and Co.
Chartered Accountants
1st Floor Sheikh Sultan Trust Building #2
Beaumont Road
Karachi

3.11.1 They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to Accounting Period and will be eligible for reappointment by the UBL Funds with the concurrence of the Trustee. However, an auditor may be reappointed for up-to three consecutive terms. Thereafter, that auditor may only be appointed after a break in appointment.

3.11.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the UBL Funds, Trustee, Custodian, Registrar or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.

3.11.3 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules.

3.11.4 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet and 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 thereto.

3.11.5 The contents of the Auditors report shall be as mentioned in the Rules.

3.12 Legal Advisors

The legal advisors of the Fund are:

Bawaney & Partners
404, 4th Floor, Beaumont Plaza,
Beaumont Road
Karachi, Pakistan

3.13 Bankers

The banker to the Fund is United Bank Limited and any other bank appointed by the Management Company. The Trustee will operate the Bank Accounts of the Fund.

3.13.1 Bank Accounts

1. The Trustee, at the request of the UBL Funds, shall open Bank Accounts titled “**CDC-Trustee United Stock Advantage Fund**” for the Unit Trust at designated Bank(s) for collection, investment, redemption or any other use of the Trust’s funds.
2. The Trustee shall also open additional Bank Account(s) titled “**CDC-Trustee United Stock Advantage Fund**” at various branches of such other Bank(s) as requested by the UBL Funds. These accounts shall be temporary collection accounts where collections shall be held prior to their being transferred to the main Bank Account of the Trust on a daily basis.
3. **The Trustee shall open additional Bank Account(s) titled CDC-Trustee United Stock Advantage Fund at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authorities in Pakistan, including the State Bank of Pakistan) as may be reasonably required by the UBL FUNDS from time to time. Such accounts shall be used as collection and redemption accounts for investment in the Unit Trusts and the Administrative Plans thereof. UBL FUNDS shall issue timely instructions to the Trustee for all such collection and redemption accounts to promptly transfer the funds collected therein to the main Bank Account and/or transfer the funds to the relevant bank accounts of the Unit Holders for redemption purposes.**

4. The UBL Funds may require the Trustee to open separate Bank Accounts for the Unit Trust to facilitate investments on account of the Trust and the receipt, tracking and reconciliation of income or other receipts relating to the investments. This account may also be used to facilitate redemptions and other Trust related (ancillary) transactions.
5. **The Trustee shall, if requested by UBL FUNDS at its discretion also open a separate Account titled CDC – Trustee UBL FUNDS at bank(s) designated by UBL FUNDS. These account(s) shall be temporary allocation account(s), where collections received on account of subscription of Units by investors of various unit trusts and the Administrative Plans that are managed by UBL FUNDS as the UBL FUNDS shall be held prior to their being allocated and transferred to pertinent unit trust(s) for investments in accordance with the decisions of the investors. Such account(s) may also be used for temporary parking of redemption proceeds which the Unit Holders may wish to re-invest at a later stage in the same fund or other funds which may be managed by UBL FUNDS. Provided however, in relation to the other unit trusts managed by UBL FUNDS as the UBL FUNDS mentioned above, there are similar provisions in the trust deeds of such funds and CDC will be the Trustee of those funds.**
6. The UBL Funds may also require the Trustee to open a separate Bank Account for each dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
7. All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the Fund.
8. All interest, income, profit etc earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Fund Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
9. The amounts received from the Core Investors (seed capital) and Private Placement Investors (if any) shall be deposited in a separate Bank Account titled **CDC – Trustee United Stock Advantage Fund - PreIPO** and transferred to the main Bank Account of the Fund upon the close of the Initial Offer. Income, profit, interest, etc. earned on the investments by the Core Investors and Private Placement Investors up to the close of the First Offer, shall after deducting all expenses that may be incurred by the UBL Funds, be paid to the Core Investors and Private Placement Investors in proportion to their respective investments and shall not form part of the Fund Property.

4. CHARACTERISTICS OF UNITS

4.1 Minimum Amount of Investment

The minimum amount of investment to open an account is Rs. 5,000/-. The UBL Funds reserves the right to alter the minimum amounts stated hereinabove. 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 UBL Funds 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.

4.2 Various types of Units to be Offered and their Features

1. The UBL Funds is initially issuing the following Classes of Units:-
 - i. **Restricted Units** are Units issued to the Core Investors with no Sales Load. These Units cannot be redeemed for a period of two (2) years from the date of the closure of the Initial Offer. However such Units are transferable.
 - ii. **Class "A"** Units being offered and issued during the Private Placement and Initial Period of Offer (IPO) with no Sales Load. Thereafter, these Units will be offered with a flat front-end Sales load (Which is currently set at 2.5% as disclosed in Annexure 'B' of the Offering Document).
2. Another class of units i.e. **Class "B"** units with a back-end load may be offered at a subsequent stage by the UBL Funds at its discretion. If this is done, announcements in a newspaper having wide circulation in Pakistan will precede such an offer.
3. All Units of the Fund shall rank pari passu with each other. Units shall be accounted for in fractions up to two decimal places. Statements shall be sent to the Unit Holders at their designated addresses after the close of every year and as per instructions given in the Purchase Form.
4. Unit Holders may obtain Certificates representing the Units they hold by paying a nominal fee of Rs.25/- per Certificate, subject to revision from time to time by the Management Company. Requests for redemption, transfer or transmission of Units shall be processed only on the production of the Certificate(s) 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 UBL Funds / Trustee / Registrar and the associated cost if any will be borne by the Unit Holder.
5. Registration of Pledge / Lien - The Registrar may register a pledge / lien on any Units in favor of any third party with the specific authority of the UBL Funds. However, the pledge / lien shall be valid only if evidenced by a statement or letter issued by the Registrar indicating the Units marked in favor of the pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien. (Please see Clause 4.6 for details).

4.3 For Purchase of Units

4.3.1 Who Can Apply?

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the Purchase of Units in the Fund. The onus for being so qualified lies with the investor and neither the UBL Funds, nor the Trustee, nor the Registrar nor the Distributors nor the Investment Facilitators accept any responsibility in this regard. Application may be made pursuant to the procedures described in paragraph 4.3.2 below including but not limited to:

- Citizens of Pakistan resident in Pakistan: In respect of minors below 18 years of age applications may only be made by their guardians.
- 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.
- Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. 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 for the Purchase of Units in the Fund shall warrant that he is duly authorized to purchase such Units.
- Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.
- Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act 1882, (11 of 1882).
- Insurance companies under the Insurance Ordinance, 2000.
- Non Profit Organization under Section 213 (i) of the Income Tax Rules, 2002.

4.3.2 Purchase Application Procedure

1. Fully completed application form for purchase of Units, accompanied by the full amount of purchaser's payment and copies of the documents mentioned in sub-para (2), (3) and (4) given below, should be delivered at any of the Authorized Branches of the Distributors (as mentioned in Annexure "C" of this Offering Document). Only Authorized Branches of the Distributors are authorized to collect application and payment for issue of Units.
2. In case of individual applicants, a photocopy of the Computerized National Identity Card (CNIC) of the applicant or any other form of identification acceptable to UBL FUNDS. Other document requirements as per the options marked in the purchase application form will also be required.
3. In case of a corporate body or a registered society or a trust,
 - i. Copy of the memorandum and articles of association/charter/bye-laws or rules and regulations certified as true copy by the company secretary;
 - ii. Copy of the relevant Resolution of the board of directors approving the investment certified as true copy by the company secretary;
 - iii. Copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officer to invest the funds and/or to realize the investment, certified as true copy by a notary public and
 - iv. Copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated certified as true copy by a notary public.

4. 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 acceptable to UBL FUNDS and there have been no material changes in the status.
5. If the application is incomplete or incorrect in any way the Distributor will advise the applicant in writing to remove the discrepancy within a period of fifteen days, failing which the application will be rejected and the amount will be refunded without any interest or mark-up.
6. The Distributor will be entitled to verify the particulars given in the application form. In case of any incorrect information, the application may be rejected.
7. The applicant will receive a note confirming the receipt of the application from the Authorized Branch of the relevant Distributor, where application for purchase of Units was submitted.
8. **Application for Purchase of Units of USF shall be made by completing the prescribed purchase of Units application form and submitting it to the authorized branches of the Distributor or to the UBL FUNDS together with the payment by cheque, bank draft, pay order as the case may be in favor of the CDC Trustee United Stock Advantage Fund and crossed "Account Payee only". However, in case an applicant desires to split his investment in units of different unit trusts managed by the UBL FUNDS, the cheque, bank draft or pay order, as the case may be, shall be made in favour of CDC – Trustee UBL Funds and crossed "Account Payee only". The pertinent forms have to be submitted within the announced business hours on the Business Days. Payment through credit cards, debit cards, auto debit instructions, IVR (Interactive Voice Response), ATM facility or in such form (other than through cash or any bearer instruments) is subject to finalization of arrangement by the UBL FUNDS (subject to mutually agreeing with the Trustee and approval of SECP) which will be announced either in the Offering Document or the supplementary Offering Document or by announcements in at least one newspaper having wide circulation in Pakistan. For certain Administrative Plans or Investment allocations across funds, provisions for insurance coverage may also be provided.**
9. If an application duly delivered at or posted to and received by the Authorized Branch of the Distributor is accompanied by a cheque or bank draft the Units applied for will be allotted (issued) on the date of when the accompanying proceeds are realized in the "CDC Trustee - United Stock Advantage Fund" account before 12 noon, or if not a Subscription Day, then on the next following Subscription Day provided the cheque or bank draft accompanying the application is realized. If the cheque or bank draft has been returned unpaid, the application will be rejected. In the 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 Holders named first therein shall constitute sufficient delivery to all joint Holders
10. 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 mean while the application will be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any markup. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy within fifteen 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.
11. Payment for Units in cash will not be accepted, except, by those Bank(s) who are also Distributors of the Fund. In such case the money can be deposited through a specifically designed paying-in form into an account in the name of the "CDC Trustee - United Stock Advantage Fund".
12. The UBL Funds may announce special conditions regarding issue of Units in de-materialized form registered with a recognized depository company.

4.3.3 Joint Application

1. Joint application can be made by upto four applicants. Such persons shall be deemed to hold Units on first holder basis. However, each person must sign the application form and submit a copy of their Computerized National Identity Card (CNIC) or other identification document.

2. The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption requests, or dividend or fractional payments. His receipt shall be considered as a valid discharge by the Trustee of its obligations.
3. In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the application form shall be the only person recognized by the Trustee to receive all notices and correspondences with regards to the accounts, as well as proceeds of any redemption requests or fractional payments. His receipts shall be considered as the valid discharge by the Trustee of its obligations.
4. 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 will be registered under a different account.

The UBL Funds may also notify from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it.

4.4 Redemption of Units

4.4.1 Who Can Apply?

All Unit Holders, other than the holders of Restricted Units are eligible to redeem the said Units. Holders of Restricted Units will be eligible for redemption after the expiry of the period of two years from the date of the closure of the Initial Offer; however such Units are eligible for transfer subject to the condition that the new transferee of such Unit(s) agrees to the same for the balance period, if any. There will be no redemption allowed during the Initial Offer Period.

4.4.2 Redemption Application Procedure

The Holder can request for redemption on any given Subscription Day by submitting the complete prescribed application form and surrender the endorsed certificate (if issued) to any Authorized Branch of the relevant Distributor. In case of applications for redemption by Joint Holders, such application should be signed by all Joint Holders (See Clause 4.4 below) and all Joint Holders should endorse the Certificates. No money shall be paid to any intermediary except the Holder/Joint Holder.

The UBL FUNDS may make arrangements to accept redemption requests through electronic, IVR (Interactive Voice Response) or other means.

4.4.3 Payment of Redemption Proceeds

Payment of the redemption proceeds will be made by either direct credit into the account of the Unit Holder (at a bank agreeable to the UBL Funds), a crossed cheque, in favor of the Holder's registered name, or in favor of the first-named Joint Unit Holder in the event of joint Holders, and will be credited/sent at the Holder's or first-named joint Holder's address, as provided within six (6) days after the receipt of a properly documented request for redemption of the Units, provided that the redemption is not suspended.

To receive payment within six (6) Business Days, duly completed redemption form must be received by the Distributor / UBL Funds before 12 noon.

In the event the Units that are pledged are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder's designated bank account or posted to the registered address mentioned in the pledge/lien application form submitted.

4.4.4 Joint Holders

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

4.4.5 Partial Redemption

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

4.4.6 Verification of Redemption Application Form

At the request of the Unit Holder, the registrar will verify

- (1) The holding stated on the application for redemption form and
- (2) Signature of the holder.

4.4.7 Suspension of issue or Redemption of Units

UBL FUNDS may during extraordinary circumstances mentioned in Clauses 4.7.1 and 4.7.2, suspend the issue or redemption of Units.

In case of such suspension and termination of suspension, UBL FUNDS shall immediately notify the SECP and publish the same as soon as practicable in one widely circulated newspaper in Pakistan.

4.4.8 Payment against Redemption not to be made to any intermediary

Payment shall be made only to the respective Unit Holder or his authorized representative and no payment shall be made to any intermediary. In case of joint Holders, payment will be made to the Holder, named first in the Register.

4.4.9 Purchase (Offer) and Redemption (Repurchase) of Units

The Registrar shall be caused to process purchase and redemption applications as well as conversion and transfer applications in accordance with the relevant Offering Document. Based on the prices applicable to the relevant purchase or redemption, the Registrar shall determine the number of Units to be issued or redeemed. For certain Administrative Plans the Registrar Functions shall be carried out by such bank/distributor as has been appointed for such functions by UBL FUNDS. Under certain circumstances as provided in this Deed, UBL FUNDS may suspend the issue and/or redemption of Units.

4.5 Procedure for Transfer of Units

4.5.1 Transfer Application Procedures

The procedure herein below is designed for paper-based transactions. The UBL Funds may at a later date introduce electronic/Internet based alternatives for the transactions under intimation to the Trustee and the SECP.

A Holder can transfer Units held by him by:

- a) Transferring, pledging or otherwise encumbering the Units held by him by an instrument in such form as UBL FUNDS 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 Authorized Branches of the relevant Distributor along with the relevant certificate, if issued.
- 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 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 think sufficient either be registered as Holder of such Unit upon giving the Trustee/Distributor such notice in writing of his desire or transfer such Unit to some other person.
- 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, CDC 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 the Trust Deed.
- e) A Unit Holder intending to transfer Units to another person / institution etc. will be subject to the same Sales Load applicable on each Unit and any other charges not exceeding one percent of the value of Units being transferred at the date of request. However, the Sales Load shall not be payable by the successors in case of inheritance or distribution of the estate of a deceased Unit Holder. Any taxes or duties applicable on the transfer and transmission shall however be payable by the transferee.

4.5.2 Partial Transfer

Partial transfer of units subject to 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. UBL FUNDS may impose the necessary charges at its discretion for such a service.

4.6 Procedure For Pledge / Lien / Charge Of Units

4.6.1 Who Can Apply?

All Unit Holders or those who have purchased Fund Units as per Clause 4.3 and all Unit Holders in whose favour Units have been transferred pursuant to Clause 4.5 above 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 “D” of this Offering Document. These forms may be obtained from Distributors or Investment Facilitators or from the UBL Funds or through its web site.

4.6.2 Any Unit Holder and / or Joint Unit Holder(s) (as per mandate in Purchase Form) may request the Registrar to record a pledge / lien of all or any of his / their Units in favor of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in favor of any third party with the consent of the UBL Funds. 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 favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.

4.6.3 The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the UBL Funds, 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 by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Registrar shall take any responsibility in this matter.

4.6.4 Payments 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 made to the Unit Holder.

4.6.5 The Distributor and /or UBL Funds will be entitled to verify the particulars given in the application form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

4.6.6 Fully completed Pledge of Units Form has to be submitted by both Individuals and/or by Institutional Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the UBL Funds through an Investment Facilitator within business hours on the business day as announced by the UBL Funds from time to time.

4.6.7 Subject to Clause 4.6.4 above, all risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the UBL Funds instructs otherwise.

4.7 Suspension of Dealing, Queue System and Winding Up

Under the circumstances mentioned in Clause 4.8 below, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld.

4.7.1 Suspension of Fresh Issue of Units

UBL FUNDS may at any time, subject to the Rules and Regulations respectively, as may be modified from time to time, suspend issue of fresh Units. Such suspension may however not affect existing subscribers to any plans that may be offered by UBL FUNDS under different administrative arrangements, the issue of cash dividend or bonus Units as a result of profit distribution or the option to receive dividends in the form of additional Units. UBL FUNDS shall announce the details of exemptions at the time a suspension of fresh issue is announced. UBL FUNDS shall immediately notify the SECP and the Trustee if fresh issue of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published."

4.7.2 Suspension of Redemption of Units

In the event of extraordinary circumstances as mentioned in Clause 4.8 of this Offering Document, the UBL Funds may suspend or defer Redemption of Units. The circumstances under which the UBL Funds may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, terrorist threat and / or activities, closure of the capital markets and /or the banking system or strikes or other events that render the Management Company, Registrar, Trustee or the Distributors unable to function or any other conditions mentioned in the Rules.

4.7.3 Queue System

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the normal redemption process shall not apply. The UBL Funds may invoke a queue system whereby requests for redemption shall proceed on first come first served basis for up to ten percent (10%) of the Units in issue. The UBL Funds shall proceed to sell adequate assets of the Fund and / or arrange borrowing as it deems fit in the best interest of all Unit Holders and shall determine the redemption price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same business day, such requests shall proceed on basis proportionate to the size of requests. The requests in excess of 10% shall be treated as redemption requests qualifying for being processed on the next business day at the price to be determined for each redemption request. However, if the carried over requests and the fresh requests received on the next business day still exceed ten percent (10%) of the Units in issue, 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 and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in Issue.

4.7.4 Winding Up In View of Major Redemptions

In the event the UBL Funds is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in 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 (Repurchase) Price. However, interim distributions of the proceeds may be made if the UBL Funds finds it feasible.

4.8 Issue and Redemption of Units in Extraordinary Circumstances

The issuance and redemption of Units may be suspended during extraordinary circumstances including closure of one or more Stock Exchanges on which any of the Securities invested in by the Scheme are listed, the existence of a state of affairs, which in the opinion of the UBL Funds, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holders, or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money can not be carried out in reasonable time and if the UBL Funds is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price so determined in accordance with the Net Asset Value (NAV). The UBL Funds may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent of the Units in issue or if the settlement date of any trade made by the Scheme is deferred due to any reason. In the event of a large number of

redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances; the UBL Funds may decide to wind up the Fund. Details of the procedure are given in Clause 4.7.4 herein above. In the event of extra-ordinary circumstances, the UBL Funds may suspend or defer Redemption of Units. The circumstances under which the UBL Funds may suspend redemption shall be the event of war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication system, closure of the capital markets and /or the banking system or strikes or other events that render the UBL Funds or the Distributors unable to function.

Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the UBL Funds have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Management Company shall immediately notify the SECP and publish the same in newspapers in which the Fund's prices are normally published.

4.9 Frequency of Valuation, Dealing and Mode of the Price Announcement

4.9.1 For the Classes of Units and the Initial Offer (Purchase) Prices, please refer to Clauses 1.7, 1.8 and 1.9 above.

4.9.2 Subsequent to the Initial Offer, the UBL Funds shall announce the Offer (Purchase) and Redemption (Repurchase) Prices daily, calculated on the basis of the NAV and adjusted for such load, transaction costs, charges and duties as are described herein. The method of calculation shall be cleared to the Trustee's satisfaction that such method is adequate for ensuring accurate calculation of the prices.

4.9.3 The Purchase (Offer) Price shall be equal to the sum of:

- a) The Net Asset Value as of the close of the Business Day on which the completed and correctly filled purchase of Units form (or such other form as prescribed by UBL FUNDS from time to time) as described below, is received within business hours as announced by the UBL FUNDS from time to time;
- b) Any Front-end Load;
- c) Such amount as UBL FUNDS may consider an appropriate provision for Duties, Charges, levies etc;
- d) Such amount as UBL FUNDS may consider an appropriate provision for Transaction Costs.

(The resultant amount is to be adjusted upwards to the nearest two decimal places).

UBL FUNDS may announce different plans under different administrative arrangements with differing levels of Front-end Load, which may also vary according to other criteria in UBL Fund's sole discretion. Consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors. "

4.9.4 After the Initial Offer Period, the Redemption (Repurchase) Price shall be equal to the Net Asset Value as of the close of the Business Day on which a correctly and properly filled redemption of Units form is received within business hours as may be announced by UBL FUNDS from time to time, less:

- a) Any Back-end Load;
- b) Any taxes imposed by the Government;
- c) Such amount as UBL FUNDS may consider an appropriate provision for Duties and Charges, etc; and
- d) Such amount as UBL FUNDS may consider an appropriate provision for Transaction Costs.

(The resultant amount is to be adjusted downwards to the nearest two decimal places).

UBL FUNDS may announce different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the Redemption Price may differ for Units issued under differing administrative arrangements and different investors."

4.9.5. In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.9.4 (c) is insufficient to pay in full such Duties and Charges, the UBL Funds shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retrospective effect after the date of payment in which case such excess shall be recovered from the Fund Property).

4.9.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 4.9.4(c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holders based on the price applicable to the units issued against the relevant application.

4.9.7 The Redemption Price determined by the UBL Funds shall be made available to the public at the office and branches of the Distributors and may also be published in at least one daily newspaper circulating in Pakistan.

4.9.8 If the variation of the Net Asset Value at any time exceeds five percent (5%) of the Net Asset Value calculated pursuant to sub-clause 4.9.4 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 UBL Funds shall also inform the SECP and the Trustee of the suspension of redemption of Units along with the announcement of the new redemption price, and publish the same in two newspapers in which the unit price are normally published.

4.10 Offer (Purchase) and Redemption (Repurchase) Of Units outside Pakistan

1. The offer and redemption of Units outside Pakistan is subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the UBL Funds.
2. For the offer of Units to person(s) not resident in Pakistan or 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 (Purchase) price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.
3. In the event that the Redemption Price for Units shall be paid in any Country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the UBL Funds include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility.

4. The currency of transaction of the Trust is the Pakistan Rupee and the UBL Funds, Trustee or any Distributor are not obliged to transact the Purchase or Redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the UBL Funds, for receipt or payment in any other currency or for any obligations arising there from.
5. The Management Company shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) to manage the Offer and Redemption of Units from outside Pakistan in foreign currency under the provisions of the Foreign Exchange law and the Regulations of the State Bank of Pakistan.
6. Payments made in foreign currency for purchase of Units shall be converted into Pakistani Rupees through the Authorized Dealer using his quoted rates prevailing on the Business Day of the receipt of the Fund from abroad through normal banking channels or from foreign currency account maintained locally in accordance with the Foreign Exchange law and any conversion cost shall be deducted from the payment before the actual number of Units are calculated against such amount and issued to the applicant.
7. At the option of the Management Company, subject to the approval of the SBP, payments made in foreign currency for Units purchased may directly be made part of Fund Property without conversion into Pakistani Rupees (for bank accounts of the Scheme outside Pakistan) after deduction of the relevant duties, charges, transaction costs and applicable sales load. The Units issued will be denominated in Pakistani Rupees using a conversion rate quoted by the Authorized Dealer at the issue date of the Units.
8. Payments to be made in foreign currency on redemption of Units shall be converted from Pakistani Rupees on the Business Day of Payment through the Authorized Dealer using his quoted rates and any conversion cost shall be deducted from the payment to be made. Payment will be made in the local foreign currency account of such Unit Holder, if any. In case such Unit Holder does not hold the foreign currency account in Pakistan, the Unit Holder shall be liable to arrange for remittances through his own local custodian or Authorized Dealer and neither the UBL Funds, nor the Trustee or the Registrar or the Distribution Company shall be responsible for arranging the remittances of encashment proceeds of any Units.
9. At the option of the Management Company, subject to the approval of the SBP, payments to be made in foreign currency for Unit redemptions may directly be paid from foreign currency dominated bank account that are part of Fund Property after deduction of the relevant duties, charges, transaction costs and applicable sales load. As the Units redeemed will be denominated in Pakistani Rupees, the conversion rate will be the rates quoted by the Authorized Dealer at the redemption date of the Units.
10. The UBL Funds 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.

5. DISTRIBUTION POLICY

5.1 Distribution Policy

The net amount available for distribution at the end of the financial year (or such interim period as may be decided by the UBL Funds), shall comprise of the revenues earned by the Fund including the net impact of the revenue collected and paid out in the NAV calculation through Offer (Purchase) and Redemption (Repurchase) of Units, less all expenses incurred or accrued attributable to the Fund. The Fund may distribute 90% of the amount available for distribution or any other payout ratio as bonus Units or cash dividends in order to avail tax exemption or any other benefits in the interest of the Unit Holder.

The UBL FUNDS shall provide an option to its Unit Holders to opt for either bonus units only or cash dividend only. In case the Investor does not exercise such option at the time of purchase, UBL FUNDS on its own discretion will decide whether to give bonus units or cash dividend to that particular Investor.

5.2 Declaration of Dividend

The UBL Funds shall decide as soon as possible but not later than four months after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.

5.3 Determination of Distributable Income

5.3.1 The amount available for distribution in respect of any Accounting Period shall be determined by the UBL FUNDS and shall be the sum total of:

- a) **The total income earned on the Fund Property during such Accounting Period including all amounts received in respect of dividend, markup, profit, interest, fee etc.;**
- b) **Net appreciation as set out in sub-clause 5.3.2;**

from which shall be deducted expenses as set out in sub-clause 5.4 and such other adjustments as the UBL FUNDS may determine in consultation with the Auditors, subject to the Rules and Regulations respectively and the provisions of the Income Tax Ordinance and the rules there under.

5.3.2 The proceeds of sales of rights and all other receipts deemed by the UBL FUNDS to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Fund Property, provided that such amounts out of the sale proceeds of the Investments and out of the sale proceeds of the rights, bonus shares and all other receipts as deemed by the UBL FUNDS to be in the nature of the net realized and unrealized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the UBL FUNDS and shall thereafter cease to form part of the Fund Property once transferred to the Distribution Account.

5.3.3 Those Unit Holders who opt for cash dividend will not be entitled for bonus Units, but shall be paid cash dividend only.

5.4 Reinvestment of Dividend

Unit Holders may opt to receive the amount equivalent to their share of the annual cash distribution in the form of additional Units. In such an event, the Management Company shall at the end of the financial year (or the relevant period in the event of an interim distribution) cause to issue such number of Units to the Unit Holder that approximately equates the value of the Cash Dividend for the period. The issue price shall be determined on the basis of the NAV at the Distribution Date after appropriation of the distribution but without any charge of the Front-Load normally deducted from the Offer Price. The issuance of the bonus Units shall be made, net of any taxes, charges and duties that the UBL Funds or the Trustee is obliged to recover from the Unit Holder.

5.4.1 A Unit Holder may in writing at the time of opening of an account in the Unit Holder Register during the first purchase of Units or may by completing any other form as prescribed by the Management Company at a later date instruct the UBL Funds to reinvest the future dividends to which he will be entitled into Fund Units.

5.4.2 The Offer (Purchase) Price for the Units to be issued under Clause 5.4.1 above will be the NAV at the Distribution Date after the adjustment of the announced dividend.

5.5 Bonus Units

In case of distribution in the form of bonus Units on each distribution date the UBL Funds shall determine the amount available for distribution as bonus Units and inform the Trustee of the same. Such Units shall be added to the holding of the Unit Holders within the book closure period. A Unit Holder may receive the cash value of the bonus Units provided such Unit Holder opts for such an arrangement at the time of applying for the Units or requests the Registrar by completing any other form as prescribed by the UBL Funds prior to the dividend declaration for any relevant period. The NAV applicable to the encashment of such Units will be the NAV announced by the UBL Funds on the next business day after the end of the book closure period.

5.6 Payment of Dividend

All payments for dividend shall be made by transfer of funds to the Unit Holder(s) designated bank account or through any other mode(s) of payment and such payment shall be subject to NBFC Rules. The dividend shall be transferred within 45 days after the declaration of the dividend.

5.7 Dispatch of Dividend Warrants/Advice

Dividend warrants or advice shall be dispatched to the Unit Holder's registered address within 45 days after the declaration of dividend. In case of joint Holders, the dividend warrants shall be dispatched to the first joint Holder as recorded in the Register.

5.8 Closure of Register

The Management Company may close the Register by giving at least seven (7) days notice to Unit Holders and for period not exceeding forty-five (45) days in a calendar year. During the period the Register is closed, the sale and redemption of Units including transfer applications will be suspended.

6. FEES AND CHARGES

6.1 Fees and Charges Payable by an Investor

6.1.1 Sales and Processing Charges (Front-End Load)

The Unit Purchase Price includes front-end load of a maximum of five percent (5%) of the Offer (Purchase) Price (The current level of Front- End Load on Class 'A' Units is 2.5% . The issue price applicable to bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any front-end load. Transfer of Units from one owner to another shall be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value at the date the request is lodged within business hours on the business day to the Authorized Distributor or UBL Funds, which shall be recovered from the transferee. These taxes, charges or duties may be recovered by redemption of Unit Holder equivalent Units at the time of the transfer or may be charged separately. However, the processing charge shall not be payable by successors in the case of inheritance or distribution of the estate of a deceased Unit Holder.

6.1.2 Allocation of Front-End Load

The remuneration of Distributors and Investment Facilitators for the sale of Units with front-end load shall be paid exclusively from any front-end load received by the Trustee and / or may be paid by the UBL Funds when the Trustee pays the front-end load to the Management Company for onward distribution to the Distributors and Investment Facilitators and no charges shall be made against the Fund Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the UBL Funds as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitators, the Management Company shall pay the amount necessary to pay in full such remuneration.

Such payments of front-end load may be made to the UBL Funds by the Trustee on the instructions of the UBL Funds on any frequency as mutually agreed.

A Distributor or Investment Facilitator located outside Pakistan may if so authorized by the UBL Funds and the Trustee retain such portion of the Front-end Load as is authorized by the UBL Funds and transfer the net amount to the Trustee, subject to the law for the time being in force.

6.1.3 Allocation of Back-End Load

The remuneration of distributors on sales of Units with Back-end Load shall be paid out of the management fee accruing to the UBL FUNDS and shall be recovered exclusively from the Back-end Load received. The excess of back end load (after deduction of distributor commissions) shall be made to Trust property. If the Back-end Load received is insufficient to pay the remuneration of the distributors, the UBL Funds shall bear the amount necessary to pay in full such remuneration. The Bank-End Load Structure for Class 'B' Units is mentioned in Annexure B of this Offering Document.

6.2 Fees and Charges Payable by United Stock Advantage Fund

The following expenses will be borne by the Fund:

6.2.1 Remuneration of the UBL Funds

The UBL Funds shall be entitled to receive:

1. A remuneration of an amount not exceeding three percent of the average annual Net Assets as defined under the Rules during the first five years of the Scheme and two percent of such assets thereafter.

2. The remuneration shall begin to accrue from the close of the Initial Offer Period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.
3. The UBL Funds shall be entitled to draw advance remuneration on a monthly (or other periodic) basis from the Fund Property out of its accrued remuneration as may be considered reasonable by the Trustee.
4. In consideration of the foregoing and save as aforesaid the UBL Funds shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as UBL Funds of the Trust. The UBL Funds 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 authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.
5. The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Deed.
6. The UBL Funds shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.

6.2.2 Remuneration of the Trustee

1. The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges given below, which shall be applied to the average daily Net Assets during such calendar month. The remuneration shall begin to accrue from the close of the Initial Offer Period. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.

NET ASSETS	REMUNERATION
On amount up to Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher.
On amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million.

2. Such remuneration shall be paid to the Trustee in arrears within thirty days after the end of each calendar month.
3. In consideration of the foregoing and save as aforesaid and as provided above, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. 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 authorized to be paid out of the Fund Property under the provisions of the Rules and the Deed.
4. The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Deed.

5. Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP.
6. The Trustee shall however not make any further material charge against the Unit Holders nor against the Fund Property nor against the Distribution Account for its services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Rules and the Deed to be payable out of Fund Property.

6.2.4 Custodian Remuneration

USF will pay the Custodian on the basis of inflow and outflow of securities as per the tariff structure which is agreed upon by the UBL Funds. For the time being, CDC will be performing the functions of the Custodian and the remuneration for this function is included in the tariff structure mentioned in 6.2.2.

6.2.5 Physical/Scripless Units

UBL FUNDS would issue both physical and scripless units. The latter will be issued to facilitate frequent sale/redemption transactions.

6.2.6 Formation And Other Costs

1. Formation Cost shall be charged to the Fund which are estimated at and shall not exceed 1% of the pre-public offer investment in the Fund (Restricted Units and Class 'A' Units privately placed prior to the Initial Offer).
2. Formation costs will be amortized over a period not exceeding five years.
3. Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
4. Legal and related costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Unit Holders.
5. Bank charges and borrowing/financial costs; provided that the charges payable to any bank or financial institution against borrowings on account of the Trust shall not be higher than the normal prevailing bank charges or normal market rates.
6. Auditors' Fees and expenses and any printing costs and related expenses for issuing Fund annual reports etc.
7. Listing Fee payable to the stock exchange (s) on which Units may be listed.
8. Taxes, if any, applicable to the Trust and its income and/or its properties.
9. Fees payable to a credit rating agency engaged by the UBL Funds for rating the Scheme
10. Marketing expenses specifically related to the Fund.
11. Charges and levies of stock exchanges, national clearing and Settlement Company, SECP charges, CDC charges, CVT, Fund dividend/ redemption of Units transfer charges as payable to bank at time of transfer of funds to Unit Holders and such other levies and charges.
12. Such expenses shall be paid to the UBL Funds at actual within thirty days of the incurring of such expense.

7. TAXATION

7.1 Taxation on the Income of The Fund

7.1.1 Liability for Income Tax

Under the Income Tax law in Pakistan, Fund is regarded as a public company for tax purposes. The income of the Fund is taxable at the tax rate applicable to a public company, which is presently as under:

1. Dividend income at 5%;
2. Capital gains arising on sale of securities listed on any stock exchange in Pakistan is exempt from tax up to June 30, 2007; and
3. Return from all other sources / instruments are taxable at the rate applicable to a public company.

Liability for income tax, if 90% of income is paid as dividend

Notwithstanding the tax rate and withholding tax stated above, the income of Fund will be exempt from tax if not less than 90% of the income of the accounting year, is distributed as dividend among the Unit Holders, 90% of the income will be calculated after excluding realized and unrealized capital gains. For tax efficiency, Fund will endeavor to distribute at least 90% of the income as reduced by capital gain.

7.1.2 Zakat

The Fund is Sahib-e-Nisab under Zakat and Ushr Ordinance, 1980.

7.2 Taxation of Unit Holders and Liability to Zakat

The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his tax advisor with respect to the specific tax consequences to him of investing in the Fund.

Withholding Tax

Unless exempted from such taxation or at reduced rates under any law or avoidance of double taxation agreement, cash dividend paid to the Unit Holders of the Fund will be subject to withholding tax as under, according to present rates which may change in the future:

	Rate
Public and Insurance Companies	5%
Any other person, including a non-resident	10%

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.

Exemption from Capital Gains

Capital Gains on disposition of Units in the Fund will be subject to capital gains tax at the applicable tax rate. The Units of the Fund are being listed on the Stock Exchange; consequently, subject to such listing, the profit on disposal of the Units shall be exempt from capital gains tax upto June 30, 2007 or for such other period as notified by the tax authorities from time to time.

Tax Credit

Unit Holders of the Fund shall be entitled to a tax credit under section 62 (1) and 62 (2) of the Income Tax Ordinance 2001. The amount on which tax credit will be allowed shall be the lower of: (a) amount invested, (b) ten percent (10%) of the taxable income of the Unit Holder and (c) Rupees two hundred thousand 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 months, the amount of the tax payable for the tax year shall be increased by the amount of the credit allowed.

Zakat

Units held by resident Pakistani shareholders (individuals only) shall be subject to Zakat at 2.5% of the Par value of the Units 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 proceeds, if Units are redeemed during the Zakat year before payment of dividend.

Disclaimer

Please note that Investors are expected to seek independent advice so as to determine the level of Zakat deduction arising from their investments in Units of the Fund.

The tax and zakat information given above is based on the UBL Funds's tax adviser's interpretation of the law, which to the best of the Management Company's understanding is correct but Investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the Fund. Furthermore, tax and zakat laws, including rates of taxation and of withholding tax are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

The entire information in clause 7 is based on the current taxation status. The exemptions and rates of taxation are subject to change from time to time.

8. REPORTS AND ACCOUNTS

8.1 Financial Year of United Stock Advantage Fund

The Accounting Period will commence from the date of registration of the Fund for the first year to June 30, 2006 and from July 01 to June 30 for all the following years.

8.2 Financial Reporting

The following reports will be sent to the Unit Holders physically and through electronic means such as on the web subject to SECP approval:

- a. Audited financial statements, together with the auditors report, the report by the UBL Funds (Director's Report) and the report by the Trustee within four months of the close of each Accounting Period.
- b. Un-audited financial statements (subject to limited scope review by auditors), together with the report by the UBL Funds within two months of the close of the second quarter of the Accounting Period, as per the Rules.
- c. Un-audited financial statements, together with the report by the UBL Funds within one month of the close of the first and third quarter of each Accounting Period or such period as prescribed by SECP or the Rules.
- d. The Trustee shall issue a report to the Unit Holders to be included in the annual report, or at such times as directed by the SECP, in accordance with the Law, whether in its opinion, the UBL Funds has in all material respects managed the Fund Property in accordance with the provisions of the Rules and the Deed and if the UBL Funds 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 Rules and the Ordinance.

9. SERVICE TO UNIT HOLDERS

9.1 Availability of Forms

All the forms mentioned and/or included in this Offering Document will be available at all the Authorized Branches of all Distribution Companies as well as from the UBL Funds and from its web site. **www.UBLfunds.com**

9.2 Accounts with Transfer Agent Applicability

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

9.3 Register of Unit Holders

A Register of the Unit Holders shall be maintained by the UBL Funds at its Head Office. If, in the future, the UBL Funds appoints any other independent Transfer Agent (with the approval of the Trustee and the Commission), the roles and responsibilities will be assigned under a Transfer Agency Agreement and the Register of Unit Holders will then be maintained by the Transfer Agent.

Every Holder will have a separate identification number for each type of Units. The Holder will 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 provision of the Deed, with the prior arrangement with the UBL FUNDS or the Transfer Agent.

The Register shall be conclusive evidence as to the Units held by each Holder.

UBL FUNDS shall ensure that the Transfer Agent (if an independent entity) shall at all reasonable times during business hours give CDC 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 CDC 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 business hours (subject to such restrictions as are being imposed in the Offering Document and for a period or at least two hours in each business day) be open in legible form to the inspection of any Holder without charge.

9.4 Information in the Register

The Register will contain the following information:

About Unit Holders

- a) For individuals :
 - Full name(s),
 - Father's/husband's name
 - Addresses of Unit Holder(s)
 - Computerized National Identity Card Number(s) and/or Passport Number (if applicable).
- b) For Institutions:
 - Full name (s)
 - Address (s)
 - National Tax Number (if applicable)

About Units

- a) The number and type of the Units held and the distinctive numbers of Certificate(s), if any;
- b) The date on which the name of every Unit Holder was entered in respect of the Units standing in his/her name;
- c) The date on which any Transfer or Redemption is registered;
- d) Information about lien, Pledge or charge on Units;
- e) Tax and Zakat status of the Unit Holder(s);
- f) Record of the signature of the Unit Holder(s);
- g) Nominees of the Unit Holder(s) and
- h) Such other information as the UBL Funds may require.

9.5 Closure of Register

The Register may be closed in consultation with CDC for such period as UBL FUNDS may from time to time determine and after giving at least seven calendar days notice to Holders, provided that it is not closed for more than forty-five days in any calendar year. During the period the register is closed, transfer application will not be received.

9.6 Account Statement

The Transfer Agent will send directly to each Unit Holder a non-transferable account statement each time there is a transaction in a registration number, i.e., Units are (1) subscribed, (2) redeemed, (3) transferred in favor of a third person, (4) pledged (5) transferred from a third person, (6) consolidated/split and (7) additional Units are issued in the form of income distribution. An account statement will be posted within 5 Business Days after each relevant transaction.

9.7 Certificates

Unit certificates will be issued only if requested by the Unit Holders.

- a) Certificates shall be issued only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a reasonable fee. The proceeds of such fee will accrue to the UBL Funds.
- b) Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder (except for fractional Units). Separate Certificates shall be issued for each class of Units.
- c) Fraction Units shall not be issued.
- d) Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Unit Holder from the Distributor.
- e) In the 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 Holders named first therein shall constitute sufficient delivery to all Joint Holders.
- f) Certificates shall be issued in such form as may from time to time be agreed between UBL FUNDS and the Trustee. A Certificate shall be dated, shall bear the name and address of UBL FUNDS and the Trustee, shall bear a distinctive and serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.

- g) Certificates may be engraved or lithographed or printed as UBL FUNDS may determine from time to time with the approval of the Trustee and shall be signed on its behalf by a duly authorized officer and on behalf of UBL FUNDS by a duly authorized officer of UBL FUNDS. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized 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 authorized representative of an appointed Transfer Agent (if one exists), which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or UBL FUNDS or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, UBL FUNDS, Transfer Agent or any authorized signatory.

9.8 Replacement of Certificates

In case any certificate is lost, mutilated, defaced or destroyed, the Transfer Agent with the approval of the UBL Funds may issue to the person entitled a new certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have (i) returned the mutilated or defaced Certificate or furnished to the Transfer Agent evidence satisfactory to UBL FUNDS of the loss, theft or destruction of the original Certificate, (ii) paid as expenses incurred in connection with the investigation of the facts, (iii) in the case of joint Holders obtained the written consent of the joint Holders for issuance of such new certificates, and (iv) furnished such indemnity as UBL FUNDS and the Trustee may require. Neither the Management Company nor the Trustee nor the Distributor/Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.

Before issuing any Certificate(s) the Transfer Agent may require from the applicant a reasonable fee which in the opinion of UBL FUNDS will be sufficient to cover any Duties and Charges payable in connection with the issue of such Certificate(s).

Every Holder shall be entitled to exchange upon surrender of the existing certificate any or all of his/her certificates for one or more certificates of such denominations as he may require representing the same aggregate number of Units.

10.FINANCIAL INFORMATION

10.1 Auditors Certificate on Core Investors' and Pre-IPO Investor's Investment in the Units of the Fund



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

Telephone + 92 (21) 568 5847
 Fax + 92 (21) 658 6096
 Internet www.kpmg.com.pk

The Board of Directors
 UBL Fund Managers Limited (formerly United Asset
 Management Company Limited)
 502-505, Office Tower Techno City
 Hasrat Mohani Road
 Off I. I. Chundrigar Road
 Karachi

Our ref KA-ZS-087

13 July 2006

Dear Sirs,

United Stock Advantage Fund
Certificate on subscription money received from Core and other Pre-IPO Investors

As requested, we are pleased to confirm that we have verified from the books of accounts and records of United Stock Advantage Fund ("the Fund"), managed by UBL Fund Managers Limited (Formerly United Asset Management Company Limited), that an amount of Rs. 305,000,000 has been received by the Fund as investment from the Core Investor and other Pre- IPO investors as follows:

Name of Investors	Investment (Rupees)
Core Investor	
■ United Bank Limited	250,000,000
Other Pre-IPO Investors	
■ Treet Corporation Limited – Employees Provident Fund	1,000,000
■ Treet Corporation Limited – Employees Gratuity Fund	1,000,000
■ Treet Corporation Limited – Employees Superannuation Fund	1,000,000
■ D G Khan Cement Company Limited – Employees Provident Fund	1,000,000
■ Atlas Honda Limited – Employees Provident Fund	18,000,000
■ National Logistic Cell GHQ Rawalpindi	18,000,000
■ Security Leasing Corporation Limited	10,000,000
■ East West Insurance Company Limited	5,000,000
	305,000,000

Yours faithfully,

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.

10.2 Auditors Certificate on the Net Asset Value of the Fund



KPMG Taseer Hadi & Co.
Chartered Accountants
First Floor
Shahid Sultan Trust Building No. 2
Beaumont Road
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The Board of Directors
UBL Fund Managers Limited (Formerly United Asset
Management Company Limited)
502-505, Office Tower Techno City
Hasrat Mohani Road
Off I. I. Chundrigar Road
Karachi

Corref KA-ZS-070

13 July 2006

Dear Sirs,

Net Asset Value (Un-audited) of United Stock Advantage Fund ("the Fund")

As requested, we have checked from the un-audited books and records of the Fund and details provided to us by the Management Company of the Fund that the Net Assets of the Fund as on 12 July 2006 amounted to Rs. 305 million are as follows:

	(Rupees)
Total assets of the Fund	307,497,315
Total liabilities of the Fund	<u>(2,497,315)</u>
	<u>305,000,000</u>

Net Assets Value per unit based on the proposed issue of 3,050,000 units of Rs. 100 each as at 12 July 2006 would amount to Rs. 100 per unit.

This certificate is being issued only for inclusion as part of United Stock Advantage Fund's "Offering Document".

Yours faithfully,

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.

10.3 List of Pre-IPO Investors

In addition to the Core Investors, the following have agreed to subscribe to Class 'A' units of USF on a Pre-IPO basis. A list of the Pre-IPO investors and their subscription is given below:

Pre-IPO Investor	No. Of Units	Rupees
Atlas Honda Limited Employee's Provident Fund	180,000	18,000,000
National Logistic Cell	180,000	18,000,000
Security Leasing Corporation Limited	100,000	10,000,000
East West Insurance Company Limited	50,000	5,000,000
Treet Corporation Limited- Employee's Provident Fund	10,000	1,000,000
Treet Corporation Limited- Employee's Gratuity Fund	10,000	1,000,000
Treet Corporation Limited- Employee's Superannuation Fund	10,000	1,000,000
DG Khan Cement Co. Ltd Employee's Provident Fund Trust	10,000	1,000,000
Total	550,000	55,000,000

10.4 Formation Cost

All preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, marketing of the Fund and inviting investment therein and all expenses incurred during the period leading up to the Initial Offer, shall be borne by the Fund and amortized over a period of five years in equal installments from the commencement of the Initial Offer Period. Such cost will not exceed one percent (1%) of the pre-public offer investment in the Fund (Restricted Units and Class 'A' Units privately placed prior to the Initial Offer).

11. WARNING

11.1 Offering Document

The provisions of the Trust Deed & the Rules 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.

11.2 Fluctuation in Price and Income

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

11.3 Disclaimer

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 highly liquid equities, fixed income securities including money market instruments and repurchase transactions and other financial and other market assets whether listed or otherwise 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.

Investors are advised to read risk disclosure and disclaimer as mentioned in this document in Clause 2.4 and Clause 2.5 above for more information concerning risk.

12 GENERAL INFORMATION

12.1 Inspection Of Constitutive Documents

The copies of constitutive documents, that is Trust Deed and Offering Document, can be inspected free of charge at the addresses given below:

UBL Fund Managers Limited

5th Floor, Office Tower, Techno City
Hasrat Mohani Road,
Off I.I.Chundrigar Road
Karachi
Pakistan

Central Depository Company of Pakistan Limited

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

12.2 Statement of Responsibility

UBL FUNDS accepts the responsibility for the information contained in this Offering Document as being accurate at the date of publication.

13. TERMINATION OF THE FUND

13.1 The Management Company may terminate the Scheme, if the Net Assets at any time fall below Rupees fifty million. The Management Company shall give at least three months notice to Unit Holders and shall disclose the grounds of its decision. The UBL Funds may announce winding up of the Trust without notice in the event redemption requests build up to a level where the UBL Funds is of the view that the disposal of the Fund Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.

13.2 In the event the UBL Funds is of the view that the quantum of redemption requests that have built up shall result in the Scheme being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Trust without notice.

13.3 The Trust may also be terminated by the SECP on the grounds given in the Rules.

13.4 This Deed may be terminated in accordance with the conditions specified in the Rules and Regulations respectively if there is a material breach on part of the Trustee or other agreement or arrangement entered into between the Trustee and the UBL FUNDS regarding the Unit Trust. However, it is recognized that if the Trustee is acting as a Trustee of two or more Unit Trusts managed by the UBL FUNDS and Administrative Plans thereof, the termination of the Trust Deed or change of the Trustee or the UBL FUNDS for any one Unit Trust is likely to require the termination of the Administrative Plan. In such case, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts, the UBL FUNDS and the Trustee.”

13.5 Upon the Trust being terminated the Management Company shall suspend the Sale and Redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Fund Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid.

13.6 The Trustee on the recommendation of the UBL Funds shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Fund Property after making payment as mentioned in Clause 13.5 above and retaining such sum as considered or apprehended by the UBL Funds for all costs, charges, expenses, claims and demands.

13.7 In case of termination of the fund, the UBL Funds shall be required to wind-up the fund and refund the proceeds to the Unit Holders in such a manner and within such time as may be specified by the SECP.

14. GLOSSARY

Unless the context requires otherwise the following words or expressions used in this document shall have the following meanings respectively assigned to them viz:

14.1 “Accounting Date” means the date 30th June in each year and any interim dates at which the financial statements of the Trust are drawn up. Provided, however, that the UBL Funds may, with the consent of the Trustee and after obtaining approval of the SECP and the Commissioner of Income Tax, change such date to any other date.

14.2 “Accounting Period” means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Fund is registered and in any other case from the end of the preceding Accounting Period.

14.3 “Administrative Plans” means, investment plans offered by UBL FUNDS, where such plans allow investors a focused investment strategy in any one or a combination of Unit Trust Schemes managed by UBL FUNDS and for which a common Trustee is appointed”

14.4 “Auditors” means a firm of chartered accountants that is appointed by the Management Company, with the consent of Trustee, as the auditor for the Scheme, who shall be independent of the auditor of the UBL Funds and the auditor of the Trustee, as provided under the Rules;

14.5 “Authorized Branch or Branches” means those branches of the Distributors authorized by the Management Company to perform distribution functions.

14.6 “Authorized Investment” means investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:

14.6.1 Securities, shares, stock, bonds, debentures, debenture stock, credit linked notes, participation term certificates, modaraba certificates, musharika certificates, term finance certificates, convertible bonds and other asset backed or mortgage backed securities or securities traded or to be traded Over-The-Counter (OTC) Markets. Such investments shall include those for ready settlement as well as those for future settlement;

14.6.2 Treasury bills and other Government Securities;

14.6.3 Commercial paper/Corporate debt having minimum investment grade rating by a SECP approved rating institution;

14.6.4 Spread transactions, aimed at earning a spread in the prices of securities resulting from timing difference between settlements. The Fund for this purpose may purchase or sell a security for ready settlement and reserve thereof (sale or purchase) as the case may be, for future settlement; such transactions to be carried out simultaneously so as to avoid any risk emanating from the movements in the prices of the underlying securities;

14.6.5 Money Market Instruments, Certificates of Deposit and Bankers’ Acceptances;

14.6.6 Deposits with Banks or Financial Institutions – deposits in currencies other than the Pak Rupee (subject to an appropriate investment grade rating, or as per the criteria that may be laid down by the SECP and any State Bank approval if required);

14.6.7 Units in any other open-end unit trust scheme and closed end schemes;

14.6.8. Any other equity or money market security (subject to an appropriate investment grade rating, or as per the criteria that may be laid down by the SECP) in respect of which permission to deal on a Stock Exchange is effective;

14.6.9 Reverse REPOs Purchase or sale of a security for ready settlement and the reverse thereof (sale or purchase, as the case may be) for future settlement.

14.6.10 CFS (Continuous Funding System); The Fund shall invest up to a maximum of 25% of its NAV in CFS with not more than 20% of amount in any one scrip at the time of investment.

14.6.11 In the future if any other scheme replaces CFS, investment in such an avenue will be permissible subject to the SECP's special or general approval.

14.6.12 Investment in any listed security or in securities for the listing of which an application has been approved by the Stock Exchange but does not include bearer security or any security that would involve assumption of unlimited liability.

14.6.13 Any other security and/or instruments that may be allowed by the SECP, the Rules or any other regulatory authority from time to time.

14.6.14 Authorized investments in overseas markets to the extent of 30% of the Net Asset Value, subject to a cap of US\$15 million at any given time. Overseas investments would be made according to prescribed guidelines of SECP/SBP.

14.6.15 Warrants, options (including financial options), derivatives subject to prior approval of SECP and provided these do not result in the fund being exposed to unlimited risk. Provided no investment in such securities will be made in contravention of the Rules. The investment in this asset class will be for hedging purposes only and subject to such other terms and conditions as may be notified by the SECP.

14.7 "Back-end Load" means a processing Charge, not exceeding five percent (5%) of the Net Asset Value, deducted by the UBL Funds from the NAV in determining the Redemption Price.

14.8 "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.

14.9 "Bank Accounts" means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holders.

14.10 "Business Day" means a day (such business hours thereof) when offices of fund are open for business in Pakistan.

14.11 "Certificate" means the definitive Certificate acknowledging the number of Units registered in the name of the Unit Holder(s) issued at the request of the Unit Holders pursuant to the provisions of the Trust Deed.

14.12 "Connected Person" shall have the same meaning as assigned in the Rules.

14.13 "Constitutive Document" means the principal document governing the formation of an open-ended scheme and all related material agreements.

14.14 "Continuous Funding System(CFS)" is a form of financing transacted through the Stock Exchange. It consists of two simultaneous transactions, the first for purchase of an underlying security (shares) on the next settlement date and the second for selling back security (shares) at a higher price for subsequent date.

14.15 "Core Investors" of the Scheme shall be such initial Investors whose subscription shall in aggregate be in compliance of the requirements of Clause 67(2) (f) of the Rules. The Core Investors shall be issued with Restricted Units representing their subscriptions.

14.16 "Custodian" means a Bank, a Central Depository Company, or any other depository for the time being appointed by the Trustee in consultation with the Management Company and the SECP, to hold and protect the assets of the

Trust or any part thereof as custodian on behalf of the Trustee and shall also include the Trustee itself, if it provides custodial services for the Fund in accordance with Clause 5.2.5 of the Deed.

14.17 “Discount Rate” means the rate at which the State Bank of Pakistan makes Funds available to banks for short periods against the collateral of government bonds; and if no longer published then the substitute thereof.

14.18 “Distribution Account” means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the UBL Funds in which the amount required for 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.

14.19 “Distributor(s)” means Company (ies), Firm(s) or Bank(s) appointed by the Management Company for performing any or all of the Distribution Functions and shall include the UBL Funds itself, if it performs the Distribution Functions;

14.20 “Distribution Functions” means the functions with regard to:

14.20.1 Receiving applications for Purchase of Units together with aggregate Offer Price for Units applied for by the applicants;

14.20.2 Interfacing with and providing services to the Unit Holders including receiving Redemption, Transfer and Pledge applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the UBL Funds or the Registrar as appropriate; and

14.20.3 Acknowledging receipt by delivering customer copy in respect of 14.19.1 and 14.19.2 above;

14.20.4 Accounting to the UBL Funds for (i) money received from the applicants when they purchase Fund Units; (ii) payments made to the Unit Holders on Redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.

14.21 “Duties and Charges” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, transfer fees, registration fee and other duties and charges in connection with the Issue, Sale, Transfer, Redemption or Purchase of Units or in respect of the issue, sale, 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 the remuneration payable to the Distributor or any Front-end or Back-end Load or commission payable to agents on Sales and Redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

14.22 “Formation Cost” means all preliminary and floatation expenses of the Scheme including expenses in connection with authorization of the Scheme and its application fee payable to SECP, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund, marketing of the Fund to Unit Holders and inviting investment therein and all expenses incurred during the period leading up to the Initial offer.

14.23 “Front-end Load” means the sales and processing charges or commission (excluding duties and charges) not exceeding five percent (5%) of NAV payable to the UBL Funds, which may be included in the Offer Price of certain classes of Units.

14.24 “Fund’s Auditors” means the Auditors.

14.25 “Fund Property” means the aggregate proceeds of the sale of all Units at Purchase (Offer) Price and any Transaction Costs recovered in the Purchase (Offer) or Redemption (Repurchase) price after deducting therefrom or providing thereagainst the value of Redemption, Front-end Load, Backend Load, Duties and Charges (if included in the Purchase (Offer) Price or Redemption (Repurchase) Price) applicable to the Purchase or Redemption of Units and any expenses chargeable to the Fund; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable or immovable assets and properties 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 but shall not include any amount standing to the credit of the Distribution Account and the income earned on the investments of the Core Investors (seed capital) and Private Placement Investors (as per Clause 4.2) up to the date of the close of the Initial offer which shall not form part of the Fund Property.

14.26 “Holder” or “Unit Holders” means the Investor for the time being entered in the Register as owner of a Unit or a fraction thereof including Investor jointly so registered pursuant to the provisions of the Deed.

14.27 “Initial Offer” means the price of Rs. 100 per Unit during the Initial Offering Period determined by the UBL Funds, which shall not exceed a period of fourteen days (provided that this period may be extended with the prior approval of SECP).

14.28 “Initial Period of Offer” means the same as “Initial Offering Period” and “Initial Public Offer” which means the period during which Initial offer of Units shall be made.

14.29 “Investment” means any Authorized Investment forming part of the Fund Property.

14.30 “Investment Facilitator” (Sales Agent) (Facilitator) means an Individual, Firm, Corporate or other Entity appointed by the UBL Funds, at its sole responsibility, to identify solicit and assist Investors in investing in the Scheme.

14.31 “Net Assets” means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the Rules.

14.32 “Net Asset Value” means per Unit Value of the Fund arrived at by dividing the Net Assets by the number of Units outstanding.

14.33 “Offer Price (Purchase Price)” means the sum to be paid by the investor for the purchase of one Unit as indicated in Clause 4.9.

14.34 “Offering Document” means the prospectus, advertisements or other documents (approved by the SECP), which contain the investment and distribution policy and all other information in respect of the Scheme, as required by the Rules and is calculated to invite offers by the public to invest in the Scheme.

14.35 “Ordinance” means Companies Ordinance 1984.

14.36 “Par Value” means the Initial Offer Price of a Unit that shall be hundred Rupees.

14.37 “Personal Law” means the law of inheritance and succession as applicable to the Individual Unit Holder(s).

14.38 “Private Placement Investors” mean those investors who make payment to the Management Company for purchase of Units prior to the Initial Period of Offer under private arrangements and to whom Class “A” Units shall be issued.

14.39 “Redemption Price (Repurchase Price)” means the amount to be paid to the relevant Holder of a Unit upon Redemption of that Unit, such amount to be determined pursuant to Clause 7.3 of the Trust Deed and Clause 4.9 of this Offering Document.

14.40 “Redemption of Units Form” means the prescribed redemption form, appended in Annexure ‘D’.

14.41 “Register” means the Register of the Unit Holders kept pursuant to the Rules and the Trust Deed.

14.42 “Registrar” means an organization that the Management Company may appoint for performing the Registrar Functions and may include a department of the UBL Funds. The term and definition of “Transfer Agent” is also covered within the definition of a Registrar.

14.43 “Registrar Functions” means the functions with regard to:

14.43.1 Maintaining the Register;

14.43.2 Issuing and maintaining account statements of Unit Holders;

14.43.3 Issuing Certificates;

14.43.4 Canceling old Certificates on redemption or replacement thereof;

14.43.5 Processing of applications for issue, redemption, transfer and transmission of Units, record of pledges and liens and record of changes in the data with regard to the Unit Holders;

14.43.6 Issuing and dispatching of Certificates;

14.43.7 Issuing and dispatching cheques or pay orders in respect of residual amount left after allocation and issue of Units.

14.44 “Restricted Units” shall mean such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of close of Initial Period of Offer. Such Units are transferable with this condition, but otherwise shall rank *pari passu* with all other Units, save for this restriction. Any transfer of the Restricted Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee.

14.45 “Rules” means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended from time to time.

14.46 “Sales Load” means the sales and processing charge or commission (excluding Duties and Charges) which is either charged at the time of purchase or at the time of redemption of units (depending on the type). Subject to the maximum load limit of 5% of Net Asset Value, UBL FUNDS may, at its discretion, charge different levels of the loads to different Investors from time to time and may also apply different levels of Sales Load for different Plans under the Scheme.

14.47 “SECP” means the Securities and Exchange Commission of Pakistan.

14.48 “Stock Exchange” means any stock exchange on which securities are generally traded and quoted and shall include stock exchanges registered and operating outside Pakistan.

14.49 “Transfer Form” means the prescribed form, which is to be stated in the Offering Document.

14.50 “Transaction Costs” means the costs incurred or estimated by the UBL Funds to cover the costs (such as, but not restricted to, Brokerage, Trustee charges, Taxes or Levies on transactions, etc.) related to the investing or disinvesting activity of the Fund’s portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Purchase (Offer) Price of Units or be deducted from the NAV in determining the Redemption (Repurchase) Price. The Transaction Costs may not normally be applied in determining these prices, however, if the UBL Funds is of the view that it is in the overall interest of the Unit Holders, it may with intimation to the Trustee, apply such charge either to the Offer or the Redemption Price. The UBL Funds may, however, apply Transaction Costs while determining Purchase (Offer) or Redemption (Repurchase) prices, without intimating the Trustee provided the difference between the Purchase (Offer) Price and the Redemption (Repurchase) Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Fund Property.

14.51 “Unit” means one undivided share in the Scheme and where the context so indicates a fraction thereof. Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules.

14.52 “United Stock Advantage Fund”, “USF”, “The Scheme”, “Trust”, “Unit Trust” or “Fund” means the Unit Trust constituted by the Trust Deed for continuous offers for Sale of Units

Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words “**written**” or “**in writing**” include printing, engraving, lithography or other means of visible reproduction.

15. ARBITRATION

In the event of any disputes arising out of the Trust Deed or Offering Document between the UBL Funds 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 conditions of the Trust Deed and/or the Offering Document relating to the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the UBL Funds 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 commencement of the reference. 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 umpire shall be selected from amongst senior partners of renowned firms of chartered accountants, or senior partners of renowned Law Firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

Subject to Arbitration Clause above applicable between the UBL Funds and the Trustee inter se, each party, including the Unit Holders, irrevocably submit to the exclusive jurisdiction of the courts at Karachi.

ANNEXURE A

Tariff Structure for Trusteeship of Open-ended Mutual Funds (Units Trusts)

The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges given below, which shall be applied to the average daily Net Assets during such calendar month.

NET ASSETS	REMUNERATION
On amount up to Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV whichever is higher.
On amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million.

ANNEXURE B**Current Level of Front-end and Back-end Loads and Management Fee
Effective from Close of Initial Offer****Front-end Load:**

2.5% on Class "A" units

Back-end Load:

5.0% maximum to be applied at the time of redemption of Class "B" units. The structure of this may be either on a flat basis or a step-down basis; however, this will be finalized at the time of Offering of such units.

Management fee:

A remuneration of an amount not exceeding three percent of the average annual Net Assets as defined under the Rules during the first five years of the Scheme and two percent of such assets thereafter.

Provided that the remuneration so calculated shall not exceed the maximum remuneration allowed under the non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

Any change in the load and fee structure, provided it is within the maximum limit disclosed in Clause 4.9.3 and Clause 6.2.1, shall be notified through an addendum to this annexure and/or by publication in a widely circulated newspaper, as and how the SECP may direct.

ANNEXURE C

DISTRIBUTORS DETAILS

The following authorized branches of United Bank Limited:

The UBL Funds may also appoint additional distributors and Investment Facilitators at its sole discretion from time to time and change any of the existing ones from time to time.

KARACHI:

- | | |
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| <p>1. MARRIOT ROAD:
UBL Gilani Building,
Marriot Road Branch,
P.O. Box 5037, Karachi.
021-2416694</p> <p>2. AIRPORT BR:
Airport Terminal No. 1, Airport
021-4596410 AM 9248551</p> <p>3. BAHADURABAD:
Central Comm. Area Block-3
Bhadurabad, Karachi
021-9230227</p> <p>4. FINANCE & TRADE CENTER:
Finance & Trade Center
shahra-e-faisal karachi.
021-9206426</p> <p>5. BOULTON MARKET:
Dilksha Hotel, Nicol Road
Karachi.
021-2411222,2411242</p> <p>6. CLIFTON BRANCH:
UBL Building, Schon Circle,
Clifton Block-5, Karachi.
AM 021-9250774, 9250778-762</p> <p>7. HYDERI:
UBL Hyderi Market Branch,
North Nazimabad, Karachi. Code # 580.
021-6625619, 6632586</p> <p>8. GULISTANE JOHAR:
Gulistan-e-Johar Branch,
Unique Classic BL-15, Karachi
021-4614128, 021-4630337</p> <p>9. CITY BR:
UBL Building, IJ Chudrigar RD,
P.O Box 5221, Karachi.
021-90332704, 90332707</p> | <p>10. PAKISTAN STEEL:
11.33) Pasmic Branch Bin Qasim Karachi.
021-4750132, 021-4750369</p> <p>11. DHS:
7-C Commercial Area,
Defence Housing Society, Karachi
021-5888434</p> <p>12. PECHS:
295-296 PECHS, P.O Box 3126,
Commercial Area, Karachi
021-4553042</p> <p>13. SITE:
S.I.T.E Mangopir RD, Karachi
021-2581859, 2562185</p> <p>14. NAZIMABAD:
1st Chowranghi, Karachi.
021-6687556, 6609086</p> <p>15. NORTH NAZIMABAD:
North Nazimabad, Karachi
021-6677380 AM 6640020</p> <p>16. KHAYABANE SHAMSHEER:
Khayaban-e- Shamsbir, Plot No 4-C,
Phase-5, Stadium Lane No.1 DHA,
021-5853491, 5856477</p> <p>17. BOAT BASIN:
5/1, Block 5, Clifton, Karachi
021-9250772</p> <p>18. HAMID SQUARE:
Hamid Square Branch, Block-3
Gulshan-e-Iqbal, Karachi
021-4976090, 9243524</p> <p>19. UNIVERSITY ROAD:
SB 4-C, 13-B, Gulshan-e-Iqbal, Karachi
021-4992114</p> <p>20. SUNSET BOULEVARD:
Sunset Boulevard, Phase 3/4,
Defence Housing Society, Karachi
021-9250781-85</p> <p>21. RAHIMABAD:
Munwar Centre Block-14,
Rahimabad, Karachi
021-9246017</p> |
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LAHORE:

1. **ALFALAH BUILDING:**
G-44 Alfalah Building, Lahore.
042-6285074.
2. **BANK SQUARE:**
Bank Square, Al Jannat
Building, Nila Gumbad, Lahore
042-9212199.
3. **BRANDRETH ROAD:**
Rehma Gali No 5 Brandreth
Road, Lahore
042-7666711,7632674.
3. **MAIN MARKET:**
Ghalib Market, Lahore
042-5786029.
4. **BANK SQUARE, MODEL TOWN:**
Bank Square C Block, Model
Town, Lahore
042-9231071.
5. **LCCHS, DHA:**
UBL Lcchs Branch, 66-Z Dha,
Lahore
042-5734527.
6. **NEW GARDEN TOWN:**
UBL Barkat Market Branch, New
Garden Town, Lahore
042-5834404.
7. **LIBERTY MARKET:**
18 Liberty Market, Gulberg
Lahore
042-5756406.
8. **RIVAZ GARDEN:**
UBL Rivaz Garden Branch,
Chauduji-lahore
042-7238073.

ISLAMABAD/RAWALPINDI

1. **ABPARA:**
Abpara Market, Islamabad
051-2821814.
2. **CANTT. RAWALPINDI:**
Kashmir Road P.O Box 125, Islamabad
051-5563786, 051-5567753.
3. **CIVIC CENTER:**
Melody Chowk, Civic
Center, Ramna G-6, P.O Box 1110
051-2824463/102, 2829592.
4. **F7-2:**
UBL F7-2 Markaz FJ
Plaza, Islamabad
051-2650812, 2650813.

5. **JINNAH AVENUE:**
UBL Building, Blue Area,
F-6 Jinnah Avenue, Islamabad
051-90332012, 9221632.

6. **SATELLITE TOWN:**
Chandi Chowk, Satellite
Town, Rawalpindi
051-4419883.

PESHAWAR:

1. **PESHAWAR CANTT:**
City Circular Road, Peshawar
091-5273898.
2. **CIRCULAR ROAD:**
Circular Road, D.I. Khan
0966-718257.
3. **KOHAT CANTT:**
Hangu Road, Kohat Cantt
0922-519684.

FAISALABAD:

1. **PEOPLE COLONY:**
308/A Babar Chowk, People Colony
No-2 Faisalabad
041-9220134.
2. **TOBA TEK SINGH:**
UBL Central Branch, Grain
Market, Toba Tek Singh
0462-514918.
3. **A.B Road Sheikhupura:**
056-3614226.

SIALKOT:

1. **MUJAHID ROAD:**
UBL Mujahid Road,
P.O Box # 130, Sialkot
052-9250209.
2. **SIE Br:**
UBL Small, Ind Estate
Shahab Road, Sialkot
052-3256057.
3. **BANK SQUARE:**
UBL Bank Square, Gt Road,
Mian Plaza, Gujranwala
055-9200901.
CHAMBER OF COMMERCE Br:
4. **UBL Chamber Of Commerce**
Branch, Gujranwala
055-9200814.

MULTAN:

1. **CANTT Br.**
UBL Aziz Shaheed Road Branch,
Multan Cantt
061-9201209.
2. **FARID GATE:**
Farid Gate, Bahawalpur
062-2885273.
3. **SAHI ROAD BRANCH:**
UBL Shahi Road Branch,
Rahim Yar Khan
0731-9230236.

MARDAN:

1. **MARDAN CANTT:**
UBL Central Branch,
Mardan Cantt
0937-863104.
2. **MANSERA ROAD:**
UBL Building Mansera Road,
Abbottabad, Mardan
0992-340317.
3. **MAIN BRANCH:**
UBL Central Branch,
Ain Bazar Haripur
0995-613060.

SARGODHA:

1. **RAILWAY ROAD:**
UBL Bank, House No
45/2 Rd, Sargodha
048-9230485, 9230484.
2. **DISTRICT COURT, JHANG:**
UBL District Court Branch, Jhang
047-7625305.
3. **BALLU KHAIL, MIANWALI:**
UBL Ballu Khail Road, Center
Branch Mianwali
0459-231109, 232063.

QUETTA:

1. **QUETTA CANTT:**
UBL Complex Branch, Hali Road
Quetta Cantt, Quetta
081-2837248 Ext 2030.

HYDERABAD:

1. **CIVIC CENTER:**
UBL Civic Center Branch,
Tandi Sarak, Hyderabad
022-9200487, 9200951.
2. **MINARA ROAD:**
UBL Center Branch,
Minara Road, Sukkur
071-5623718.
3. **MASJID ROAD:**
UBL Center Branch, Hospital
Road, Nawabshah
0241-930298.

JEHLUM:

1. **JEHLUM:**
UBL Limited (0321), Civil Lines,
Jehlum
055-49270127.
2. **MANDI BAHAUDDIN, KHARIAN:**
Kharain City, Near Fruit Mandi,
Thesil Kharian, Dist Gujarat
054-6506546, 6500835.
3. **GT ROAD, GUJRAT:**
UBL Amin Fans Building,
Gt Road, Gujrat
053-9260166.

AZAD KASHMIR:

1. **COMM. CENTER**
Commercial Center, Bank Square,
Mirpur, Azad Kashmir
058610-43727, 42107.

SAHIWAL:

1. **MISSION CHOWK:**
UBL Mission Chowk Sahiwal
040-422216-17.
2. **DEPALPUR:**
UBL Depulpur Road Okara
044-2523032.