

INDEX METHODOLOGY

UBL PSX PAKISTAN ENTERPRISE INDEX

Security Selection

Filter 1	Exclusion of Oil and Gas sector*
Free Float Market Cap	Top 25 Companies from KSE-100 index
Top traded value of last 2 years	Top 25 companies (70% weight assigned to last year & 30% to preceding LY)
Number of Stocks	Highest 9 stocks in terms of free float market capitalization shortlisted from previous 2 criteria**

Determination of weight

Based on free float market capitalization

Minimum 3.5%, maximum 16%	Weight should be assigned in such a way that it should vary between minimum & maximum threshold of 3.5% & 16.0% respectively. ***
Fractional Shares Rounded Down	Weights adjusted for fractional shares after rounding down will result in the cash component

Rebalancing

- **Quarterly weight adjustment** Weights realigned to fall between 3.5% & 16.0%
- **Addition Deletion every six months**
- **Corporate actions shall trigger reallocation/rebalancing******

Rebalancing Chart

Basis	Implementation
Last working day of April	2nd working day of May
Last working day of July	2nd working day of August
Last working day of October	2nd working day of November
Last working day of January	2nd working day of February

Reference Pointers

- *Oil and Gas sector includes: Oil & Gas Exploration Companies, Oil & Gas marketing Companies, Refinery.
- ** In case fewer than 9 stocks are derived, the list may be extended beyond 25 stocks till the portfolio has a minimum of 9 stocks.
- ***i) In case weight for a security is less than 3.5% in the original distribution, then the weight from those stocks which are beyond 16% would be allocated to increasing the weight to 3.5%. ii) In case weight of stock does not suffice or initial weight of no stock is greater than 16% , weights from those barring the ones falling below 3.5% would be proportionately distributed to ones falling below 3.5%, until a minimum weight of 3.5% is achieved. iii) Even if after redistribution of weight to those falling below the minimum threshold, the weight of a certain stock remains higher than 16%, than the weight would be distributed proportionally to the original allocation to the remaining stocks.
- ****The event of rights issue shall trigger rebalancing of weights to account for additional capital issue. Moreover deletion & addition could also be trigger in the event of any other special corporate events such as merger, acquisition & buy back etc.

Disclaimer : All investments in mutual fund are subject to market risks. There are no fixed or guaranteed returns and there is not guarantee of principal protection. The investors are advised in their own interest to carefully read the contents of offering document in particular the Investment Policies mentioned in clause 2.2, Risk Factors mentioned in clause 2.8 and Warnings in clause 9, before making any investment decision.

"Indicative NAV" (iNAV), is disseminated every 15 seconds throughout each trading day by PSX. The iNAV is based on the current market prices of the securities or other assets and/or cash required to be deposited for a Creation Unit. PSX computes iNAV as per the agreed mechanism using the underlying securities provided by the ETF Fund Manager and should not be viewed as a precise real-time update of current portfolio. In doing so, there is no representation or warranty as to similarity of iNAV with the day-end NAV or real-time indicative NAV. At the time of rebalancing of the ETF, the underlying fund securities or their respective weights may differ from the constituents used for computation and dissemination of iNAV. This may further result in deviation of iNAV from the actual NAV of the ETF based on the volatility of underlying constituents. The iNAV for creation units may also differ based on the changes in the underlying constituents during rebalancing. PSX may discontinue iNAV dissemination during the rebalancing/re-composition of ETF under instruction of ETF fund manager within one hour of this notice.

References for accolades: <http://mappk.org>, <http://lipperfundawards.com>, www.jcrvis.com.pk, <http://pashaictawards.com>, www.thuropean.eu, CIO.com.

Warnings/Risks

1. Investment of UBLPETF may be concentrated in securities of a single issuer or several issuer
2. There is no guarantee or assurance of exact or identical replication at any time of performance of benchmark index
3. There may be circumstances leading to tracking errors
4. Benchmark index composition may change and underlying securities may become delisted.
5. Lack of discretion to adapt to market changes due to inherent investment nature of UBLPETF. Moreover, falls in the benchmark index may result in corresponding fall in the value of ETF unit
6. PSX and UBL Funds are independent of each other.