

Offering Document of UBL Children Saving Plan (UCSP)

Risk Profile: UGIF – Medium¹

UGSF – Medium

USF – High

Risk of Principal Erosion: Principal at Medium Risk (UGIF)

Principal at Medium Risk (UGSF)

Principal at High Risk (USF)

**An administrative plan under United Growth & Income Fund (UGIF),
UBL Government Securities Fund (UGSF) and United Stock Advantage Fund (USF)**

Managed by UBL Fund Managers Limited (UBL Funds)

Date of Publication of this

Supplemental Offering Document _____

Consolidate till 31-03-20

1. Introduction

1.1. This Supplemental Offering Document sets out the concept, features, objective, advantages and other information of UBL Children Savings Plan (UCP) which has been introduced by UBL Funds for responsible parents and guardians for securing the higher education, welfare and future needs of their children/wards.

1.2. UBL Children Savings Plan, through investments in UBL Government Securities Fund, United Growth & Income Fund and United Stock Advantage Fund, will enable the child/ward to receive an amount at the maturity to meet his/her higher education, marriage, and other future needs.

1.3. UBL Government Securities Fund (UGSF) has been established through a Trust Deed dated May 19, 2011, entered into between UBL Fund Managers Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Fund was registered by the Securities & Exchange Commission of Pakistan (SECP) on June 20,, 2011 as a Notified Entity under Regulation 44 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and was launched on July 25, 2011 vide the Offering Document dated July 7,2011.

1.4. United Growth and Income Fund (UGIF) has been created as an open-end scheme under

¹ Amended as per 4th Consolidated SOD effective date 31-03-20

the Non-Banking Finance Companies [Establishment and Regulation) Rules, 2003("the Rules") and Non Banking Finance Companies and Notified Entities Regulations, 2007 ("the Regulations"]. The Fund has been established through a Trust Deed dated December 21, 2004 and amended through Supplemental Trust Deeds dated November 29, 2005 and

February 29, 2008, entered into between UBL Fund Managers Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Fund was accorded authorization by the Securities & Exchange Commission of Pakistan (SECP) on January 07, 2005 under Rule 67(2) of the Rules [replaced by Regulation 61 (2) of the Regulations] and was launched on March 02, 2006 vide the Offering Document dated February 23, 2006.

1.5. United Stock Advantage Fund (USF) has been established through a Trust Deed dated June 5, 2006 and amended through a Supplemental Trust Deed dated February 29, 2008, under the Trusts Act 1882, entered into between UBL Fund Managers Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee. The Fund was accorded authorization by the SECP on June 27, 2006, under Rule 67(2) of the Rules [replaced by Regulation 61 (2) of the Regulations] and was launched on August 04, 2006 vide the Offering Document published on July 20, 2006.

1.6. All transactions under this arrangement are governed by the Trust Deeds relating to the UGSF, UGIF and USF as amended from time to time vide Supplemental Trust Deed(s). Unless specifically altered by this document, all the terms and conditions of the Offering Documents of the UGSF, UGIF and USF shall apply to the respective Units of the two Funds in which investment is made under this plan.

2. Regulatory Approval and Consent

2.1. The SECP has approved this Supplemental Offering Document under Regulation 63 of the Non Banking Finance Companies and Notified Entities Regulations, 2007 vide letter No SEC/ JD I/ UBLFM/ 694/ 2008 dated September 5, 2008 and its amendments under Regulation 54 (1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide letter No _____ dated _____

2.2. The Central Depository Company of Pakistan Limited as the Trustee of UGSF and USF has given its consent vide Letter No. CDC/T&C/B1/2515/2008 dated July 02, 2008, approving UCP, permitting its launch and its subsequent consent on the amendments to the plan vide Letter No. _____ dated _____

3. Investment Objective

UBL Children Savings Plan is a systematic investment plan that is designed to cater to your child's higher education, welfare and future needs as per your risk appetite, with an added option to select and take advantage of an insurance cover, to deal with the uncertainty of life.

4. Investment Pattern

4.1. UCP shall invest in:

- United Stock Advantage Fund (USF) - Class B Units
- UBL Government Securities Fund (UGSF) - Class C Units
- United Growth & Income Fund (UGIF) - Growth Units

4.2. The investor can choose one of the following mix of asset allocations between UGSF (Income Fund) and USF (Equity Fund), or between UGIF (Aggressive Income Fund) and USF:.

Asset Class	Aggressive Allocation (%)	Moderate Allocation (%)	Conservative Allocation (%)
UGSF (Class C Units)	30%	50%	100%
USF (Class B Units)	70%	50%	0%

Asset Class	Very Aggressive Allocation (%)
UGIF	50%
USF	50%

Very Aggressive Allocation is available only for existing investors who wish to continue their Investment Plan, and shall not be offered to new investors. Investors of Very Aggressive Allocation shall have the option to change their allocation to Aggressive, Moderate, or Conservative Allocation. Once converted, they shall not have the option to convert back to Very Aggressive.

The above percentages are subject to change based on the business and investment acumen of the Management Company subject to the approval of the Commission. Any such change in them will be communicated to the investors through the Management Company's

website, as well as through notifications sent to their registered address or through announcement in a leading newspaper.

5. Basic Plan Information

Nature of Plan: Open-end

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

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

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

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

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

6. Features and Administrative Arrangements

6.1. A parent/guardian (hereinafter called “the Investor”) desiring to invest in the UCP for the benefit of a child/ward (hereinafter called “the Child”) will have to submit an application for subscription to UBL Children Savings Plan (the Application). The Application is annexed to this Supplementary Offering Document as Annexure “A”. Full particulars of the child along with an attested photocopy of either Form-B issued by National Database Registration Office or Union Council Birth Certificate will have to be furnished by the Investor. The Investor will also have to execute an “Agreement for Investment in UCP” with the Management Company on the format annexed to this Supplemental Offering Document as Annexure “B”.

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6.2. Payments on account of investment in UCP shall be made by a cheque, bank draft, or through electronic means payable to “CDC - Trustee UBL Funds” and crossed “Account Payee only”. Payment through credit cards, debit cards, auto debit instructions, IVR (Interactive Voice Response), online using the internet from our website, SMS, ATM facility or in such form (other than through cash or any bearer instruments) is subject to finalization of arrangement by the Management Company (subject to mutually agreeing with the Trustee).

6.3. For each amount contributed by the Investor, it shall be deemed to have been made by the Investor for the benefit of the Child who shall be the sole beneficiary, unless the Investor

transfers the UCP in favor of an Alternate Child (in which case, the Alternate Child shall be the sole beneficiary), during his/her life time before the maturity of UCP as mentioned in Clause 8 hereafter or before the exercise of Anytime Exit Option mentioned in Clause 7 hereafter.

6.4. Units of UGSF, UGIF and USF (including fractions thereof) shall be issued, net of Service Fee, against the amount received from the Investor in accordance with the terms of the Offering Documents of UGSF, UGIF and USF and as per clause 4.2 above.

6.5. The Investor may select a Systematic Investment Plan (SIP) through which he/she will invest predetermined amounts on a monthly/quarterly/semi-annually/ or annually basis subject to terms and conditions imposed by the Management Company. The Investor may also invest in the plan at irregular/variable intervals with variable amounts or as and when he/she desires to invest. The Investor may also alter this monthly/quarterly/semi-annually/annually amount, provided that such amount is not less than the minimum investment amount fixed by the Management Company from time to time.

Currently the minimum subsequent investment amounts are as follows:

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

6.6. The Investor shall send in the annually or semi-annually or quarterly or monthly contributions, by submitting the prescribed form along with 1 or 2 or 4 or 12 postdated Cheques respectively, under the SIP within 7 days of the close of the period. The Management Company may also introduce arrangements whereby an Investor may pay contributions through standing instructions to a bank. In addition to this, any other mode of payments as specified in the Offering Documents of the funds shall be deemed to be an approved mode of payment through which investors in UCP may invest. In the event that the Investor does not make the periodic payment(s) for any reason, the account will remain live (subject to sufficient balance in the account, especially to cover Insurance Cost in case the investor has selected such an option) and amount outstanding in the UBL Children Savings Plan would continue to remain in the Plan. The Investor may continue the periodic payments at any stage. The Investor shall not be charged any penalty in case any periodic payment is missed; however, it is not feasible to miss payments as the desired amount at the time of maturity may not be achieved.

- 6.7. On receipt of investment amount at the time of opening an account or subsequently for purchase of Units under the UBL Children Savings Plan, service fee, as specified in Clause 5 above, will be deducted after which the Units shall be issued at the respective Net Asset Value applicable for UGSF / UGIF and USF on the day as per the procedures laid in the respective Constitutive Documents of the Funds.
- 6.8. Units of UGSF / UGIF and USF shall be issued in the name of the Investor (parent or guardian, as the case may be), in whose name a UCP account shall be maintained by the Management Company. However, the Child for whose benefit the investment is made shall be the nominee of the Investor. Unless Anytime Exit Option is exercised by the Investor, or the Change of Child Option is exercised by the Investor as mentioned in Clauses 7 and 8 hereafter, the Plan shall mature at the Maturity Date, which shall be the date on which the Child attains the Maturity Age to be decided by the Investor and specified by the Investor at the time of the subscription to UCP by filling in the requisite column contained in the Application (Annexure "A"). Such Maturity Age shall however not be less than 18 years and more than 30 years (The Management Company may relax the maturity age limits on case to case basis) as and how the Investor may decide at his/her discretion. Provided however, in the event of the demise of the Investor as mentioned in Clause 6.10 hereafter, the Maturity Date shall be the date on which the Child attains the age of 18 years.
- 6.9. The investor shall have the option to alter the maturity date, anytime during the life of the Plan. Under such an event, the terms and conditions of the insurance arrangement (if opted for) may be revised at the discretion of the Insurer. The Management Company may also revise the expected future accumulation for the Child, as per the new maturity date.
- 6.10. At the Maturity Date, the Units shall be automatically transferred to and registered in the name of the Child in whose name a separate account shall be established and maintained by the Management Company and the Investor shall be deemed to have gifted the entire investment represented by the Units standing to the credit of the Investor in such Account at the Maturity Date. The registration details of the Child shall be provided by the Investor or the Child at the Maturity Date.
- 6.11. In the event of the demise of the Investor before he/she exercises Anytime Exit Option mentioned in Clause 7 hereafter, the following conditions shall apply:
- 6.11.1. The Units shall automatically be transferred to and registered in the name of the Child or the Alternate Child, as the case may be, as the nominee of the Investor

upon receiving the Child's or Alternate Child's full registration details. For this purpose, the Investor shall nominate a guardian of the Child or the Alternate Child, as the case may be, at the time of the opening of the UCP Account or at the time of transferring the benefit of the Plan in favor of the child or the Alternate Child, as the case may be, so that the guardian fulfills all requisite formalities.

- 6.11.2. In such an eventuality, the Maturity Date shall be the date on which the Child attains the age of 18 years.
- 6.11.3. In case the Child has already attained the age of 18 years at the time of the demise of the Investor, the Child shall be deemed to be the exclusive lawful owner of the Units in the Account and shall have the right to encash or transfer the Units as and how he may decide.
- 6.11.4. In case the Child is less than 18 years of age at the time of the demise of the Investor, the Plan shall mature upon the Child's attainment of the age of 18 years. Thereafter, he/she shall be free to encash or transfer the Units as and how he may decide.
- 6.11.5. In such an eventuality, neither the Management Company, nor the Trustee shall be concerned with any internal disputes among the other legal heirs or claimants over the Units and benefits accruing thereon.
- 6.11.6. In case where the investor has opted for insurance and has been paying insurance cost throughout his/her plan life, he/she will be eligible for insurance coverage as per Clause 12 hereafter. Apart from the Continuation Benefit as mentioned in Clause 12, the Investor shall also be eligible for receiving Income Benefit. The Income Benefit is optional and Investors would be asked in the account opening form if they want to avail it or not.

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

- 6.12 Upon maturity of the Plan, i.e. upon the Child attaining the Maturity Age during the life time of the Investor, or upon reaching eighteen (18) years of age (after the demise of the Investor), the Child shall have the option to either redeem the Units or to switch over to other Plan or Funds offered by the Management Company as and how he or she may deem appropriate.
- 6.13 The Transfer Agent („UBL Fund Managers“) shall send an Account Statement to the Investor after every 3 months. Such Statement shall be sent by mail (i.e. by default, electronic statement will be issued to investors; unless otherwise requested by the investor) to the Investor’s address recorded in the Register. Certificates representing Units purchased under this plan shall not be issued and the Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.
- 6.14 Cash dividends and/or Bonus Units (as the case may be) declared on the respective Units held in the UBL Children Savings Plan shall be reinvested in the respective Funds to which such dividends relate in proportion to the weightages applicable to the Account at that point in time.
- 6.15 The Plan shall be reallocated once every year or earlier in the event that there is a 10% variation in the allocation percentages due to market conditions, between the two Funds so as to ensure that the investment is divided between the two Funds in proportion to the weightages of the investment allocation as specified in Clause 4.2. In the event that the stock market goes up resulting in an increase in the relative weightages of the investment in USF, the surplus will be encashed (redeemed)/converted and invested in UGSF / UGIF (as the case may be) and vice versa. The investor can also change his/her chosen allocation at any time during the life of the Plan, subject to clause 4.2 above.. The Management Company may however, with the approval of the Commission and with notification to the Investors change the reallocation frequency or percentage from time to time. No allocation charges shall be recovered from the Unit Holders.
- 6.16 The Plan shall be reallocated on the last Subscription Day (i.e. between Mondays to Friday) of the year. In the event of an earlier reallocation due to a variation of 10% in the percentage allocation, the Plan shall be reallocated on the Subscription Day on which the percentage allocation reaches or exceeds 10%.

- 6.17 The reallocation shall be at the NAV of the respective Funds; USF, UGIF and UGSF, as per the constitutive documents of both funds; on the relevant Subscription Day.
- 6.18 The Management Company shall not record a pledge/lien on the Units held in the UBL Children Savings Plan. However, the Investment Amount in UCP can be marked under lien subject to mutual agreement between the Trustee, the Management Company and the Investor.
- 6.19 The Investor may submit a redemption request for redeeming partial or all Units purchased under the UBL Children Savings Plan. The redemption proceeds shall be payable in accordance with the Offering Documents of UGSF, UGIF and USF.
- 6.20 In case of partial redemption, the Units shall be redeemed in the same proportion (weightage) of the investment applicable for purchasing the Units in the two Funds at that point in time. However, partial redemption will only be allowed subject to maintenance of a minimum investment amount in the Plan. In case of full redemption before maturity, the Insurance (if opted by the investor) of the Investor may also terminate.
- 6.21 The Management Company may allow conversion of the Units held by the Investor in the UBL Children Savings Plan into the units of other plans being offered by the Management Company, before the maturity period, subject to applicable exit load.
- 6.22 In the event the Management Company announces a suspension of further issue of Units of the UGSF, UGIF and/or the USF, it may allow the existing Investors to continue purchasing Units under the UBL Children Savings Plan.
- 6.23 In the event of winding up of UGSF, UGIF and/or USF, the UBL Children Savings Plan shall be discontinued and the Units standing to the credit of the Investor shall be dealt with in the same manner as the rest of the Units in the UGSF, UGIF and/or the USF. However, the Management Company may make arrangements to transfer the amount into other funds offered by UBL Fund Managers or other funds offered by other Asset Management Companies as per the directions and approval of the Commission and at the discretion of the Investor.
- 6.24 The Management Company may at its discretion, with the prior approval of the Commission and the Trustee and with prior written notification of at least fifteen

(15) days prior to change, posted to the Unit Holders at their registered address or through Company's website may introduce changes in the Plan, from time to time.

- 6.25 In the event any changes are introduced in the Plan after an existing Investor has made an initial investment in the Plan, the existing Investor shall not be under any obligation to comply with the changes and can redeem his/her investment,. A prior notice of at least fifteen (15) days shall be given to all investors of the plan. However, if the Investor is willing to comply with the changes, he/she shall be welcome to opt for the changed terms and may be required to sign a form accepting the new terms. Any subsequent investments shall be in accordance with any changes so made.
- 6.26 All transactions in the Plan are subject to applicable deductions, if any, as specified in the Income Tax Ordinance 2001, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and any other applicable law, from time to time.

7. Investment Options

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

Anytime Exit Option: The Investor shall have the option to exercise Anytime Exit Option, from the time of initial investment, before the Child (or the Alternate Child, as the case may be) attains the Maturity Age. In the event of exercise of such option by the Investor, Units can be redeemed at any time by the Investor.

8. Alternate Child:

- 8.1. Before the Maturity Date of the Plan, the Investor shall have the right to transfer the Plan and all the underlying Units and all accrued benefits in favor of another Child i.e. an Alternate Child.

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

9. Who can invest?

- 9.1. Resident or non-resident adult individuals (subject to permission by the relevant authorities), who may be the parent, grand parent, step parent, legal guardian or a friend of the family, proposing to invest in UCP for the benefit of the Child are eligible and may apply for subscription to the Plan. The format of the Application is annexed to this Supplemental Offering Document as Annexure "A". The Application should be accompanied by the following documents:-

9.1.1. Computerized National Identity Card of the Investor

Or

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

Or

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

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

Or

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

- 9.1.3. Name and address of the business and professional concerns in which the Investor is a proprietor, partner, director or an executive.
 - 9.1.4. Bank details.
 - 9.1.5. Satisfactory Fulfillment of Know Your Customer (KYC) details, as mentioned on the prescribed form.
 - 9.1.6. Any other details as required by the Relevant Authorities.
- 9.2. It shall be the responsibility of the Applicant to pay all stamp and other duties and taxes in relation to the investments made and to be made in UCP.
- 9.3. Application by foreign nationals and non-resident Individuals and/or for the benefit of the Child or the Alternate Child who is a foreign national or non-resident, shall be accepted subject to existing laws provided the subscription amount is paid by means of a remittance through banking channels or through other means permitted by the state Bank of Pakistan. The Application must be accompanied by a copy of the passport. Applications through agents or attorneys shall not be entertained.
- 9.4. The Management Company shall have absolute discretion to reject any application or prevent further transaction by an investor, if after due diligence, the person making the payment on behalf of the investor does not fulfill the requirements of the "Know Your Customer" policy or the Management Company believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Management Company reserves the right to reject any application and affect a mandatory redemption of Units allotted at any time prior to the expiry of thirty (30) Business Days from the date of the application. If the contribution is made by a third party (e.g. a Power of Attorney Investor, a relative etc.) then the Investor may be required to give such details of such transaction so as to satisfy the Management Company of the source and/or consideration underlying the transaction.

10. Demise of the Child or the Alternate Child

- 10.1. In the event of demise of the Child (or the Alternate Child, as the case may be) before attaining the Maturity Age, the Investor shall have the right to nominate an Alternate Child or a Second Alternate Child (in case an Alternate Child has already been nominated) for continuity of the Plan. In such an event, the Alternate Child or the Second Alternate Child, as the case may be, the Plan shall be continued in the name of the Alternate Child, or the Second Alternate Child, as the case may be, without the need to open a fresh UCP Account or to sign a fresh Agreement, except that the Investor shall provide the registration details,

including Form-B in respect of the Alternate Child or the Second Alternate Child, as the case may be and the Management Company shall remove the name of the Child (or the Alternate Child, as the case may be) for whose benefit the UCP was initially subscribed by the Investor (or subsequently transferred in favor of an Alternate Child) and in his/her place, the name of the Alternate Child or the Second Alternate Child, as the case may be) will be replaced by the Management Company who will record the change in its record and the Plan.

10.2. In the event of death of the Child or the Alternate Child, as the case may be (before attaining the Maturity Age) during the tenor of the Plan and where no further Alternate Child has been named, the value of the underlying Units of the Plan (at the Redemption Price applicable on the day of demise of the last named Child or Alternate Child) in the account will be paid to the Investor.. The Plan would have deemed to have stood matured at the date indicated above.

11. Sales Load/ Service Fee and Transfer Fee

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

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

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

12. Insurance Coverage

12.1. Free Insurance / Takaful Coverage:

a) The management company, through a reputable Insurance / Takaful Company, shall provide Free Insurance / Takaful cover to the plan investors (who meet the eligibility criteria and Insurance / Takaful provider's documentary requirements). Initiation, discontinuation or changes in the Insurance / Takaful coverage shall be done with prior approval of SECP.

b) The terms and conditions of Free Insurance / Takaful policy in place are as stated in Annexure A.

c) The management company will make available a summary of the terms and conditions of the Insurance / Takaful policy in place through its website.

d) The Management Company will inform the covered investors through announcements in newspapers (1 major English newspaper and 1 major Urdu newspaper), about any changes in terms and conditions OR discontinuation of the Insurance / Takaful policy at least 15 days before implementation of changes or discontinuation.

e) All claims will be processed by the Insurance / Takaful Company as per the process stated in the Insurance / Takaful policy. The Management Company, the Trustee and the underlying Fund shall not be held liable for honoring any claims of investor(s).²

13. Risk Disclosure

In addition to the risks disclosed in the Offering Documents of UGSF, UGIF and USF, the investment in the UBL Children Savings Plan is exposed to the following risks:

13.1. The NAVs of the Funds may be affected by changes in the general market conditions, factors and forces affecting capital market, in particular, level of interest rates, various markets related factors and trading volumes, settlement periods and transfer procedures.

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

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

² Amended in point #2 of Third Supplemental Offering Document dated 24th February 2014

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

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

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

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

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

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

13.10 The terms and conditions of Insurance / Takaful may change or the free value-added services be discontinued in the future. Investor(s) should make investment decisions based on the objectives of the plan and not on the free value-added features. ³

³ Inserted in point #3 of Third Supplemental Offering Document dated 24th February 2014

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

14. All Other Matters

14.1. The Offering Documents relating to the UBL Government Securities Fund (UGSF), United Growth & Income Fund (UGIF) and the United Stock Advantage Fund (USF) of which this plan is an administrative arrangement, shall apply to all such matters, relating to the investment in Units issued under the respective Funds and is not covered by this Supplementary Offering Document.

14.2. It is clarified that UCP is not a new or an independent trust or fund but only a plan under and within the ambit of existing unit trusts i.e. UGSF, UGIF and USF. Therefore, the provisions of the Trust Deeds of UGSF, UGIF and USF govern this Supplemental Offering Document. This Supplemental Offering Document is supplemental to and not in derogation or novation of the Offering Documents and different Administrative Plans of UGSF, UGIF and USF (Principal Offering Documents and Plans) which shall continue to remain in full force and effect and prevail in so far as they are not inconsistent with this Supplemental Offering Document.

15. Definitions:

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

15.1. **“Agreement”** means the Agreement for Investment in UCP to be executed by the Investor with the Management Company on the format annexed to this Supplemental Offering Document as Annexure “B”.

15.2. **“Application”** means the Application for Subscription to UBL Children Savings Plan to be signed and submitted by the Investor to the Management Company for subscribing to the

UCP for the benefit of the Child, the format of which is annexed to this Supplemental Offering Document as Annexure "A".

15.3. "**Child**" means a child of either sex of the Investor and shall include a ward of a guardian or a family friend, who desires to make investments in UCP for his/her benefit and shall include Alternate Child or Second Alternate Child, as and how the context may require.

15.4. "**Investor**" means father, mother, step father, step mother, legal guardian or a family friend of a Child, who subscribe to UCP.

15.5. "**Mahana Munafa Plan**" is an investment plan offered by the Management Company which aims to generate consistent returns and provide a stable stream of regular income, from a portfolio that is invested in fixed income instruments (through investments in Class „C“ Units of USIF).

15.6. "**Supplementary Offering Document**" means this supplementary offering document as amended, modified or substituted from time to time.

15.7. "**Sum Insured**" means the amount of coverage provided by the Insurance Company to the Insured Customer and is equal to at any point in time the Initial monthly contribution times the term of the plan less sum of Monthly Contributions at that time.

15.8. "**UCP**" or "**the Plan**" means UBL Children Savings Plan introduced by UBL Funds by this Supplementary Offering Document.

Annexure A⁴

Salient features / terms and conditions of Free Takaful Coverage

A free Insurance / Takaful cover shall be provided to the investors of UBL Children Savings Plan. The premium for providing the free Insurance / Takaful cover shall be borne by UBL Fund Managers Ltd.

15.8.1. Eligibility criteria

Individuals (only the first unit holder in case of a joint account) meeting following criteria shall enjoy Free Takaful Coverage under this policy:

- 1) The age of investor is between the 18 years and 60 years
- 2) The cumulative investment balance of the investor is over PkR 50,000/- in the following administrative plans / retirement schemes:

ADMIN PLANS	PENSION FUNDS
UBL Mahana Munafa Plan	UBL Retirement Savings Fund
Al-Ameen Islamic Mahana Munafa Plan (formerly UBL Mahana Munafa Plan - Shariah compliant option)	Al-Ameen Islamic Retirement Savings Fund (Formerly UBL Islamic Retirement Savings Fund) UBL Income Payment Plan
Al-Ameen Islamic Profit+Growth Plan (UBL Profit+Growth Plan - Shariah Compliant option)	Al-Ameen Islamic Income Payment Plan
UBL Children's Savings Plan	(formerly UBL Islamic Income Payment Plan)
Al-Ameen Islamic Children's Savings Plan (Formerly UBL Islamic Children's Savings Plan)	
Al-Ameen Islamic Haj Savings Plan (formerly UBL Haj Savings Plan)	

⁴ Inserted as point #4 of Third Supplemental Offering Document dated 24th February 2014

UBL Equity Builder Plan	
Al-Ameen Islamic Equity Builder Plan (formerly UBL Equity Builder Plan) UBL	
Wealth Builder Plan	
Al-Ameen Islamic Wealth Builder Plan (formerly UBL Wealth Builder Plan)	

- 3) Note: Eligible investors as on 30th December 2013 are automatically be registered for coverage. Investors meeting eligibility criteria at a later date will have to fill Takaful Provider's "Health Questionnaire Form" and their coverage will be subject to acceptance by the Takaful provider.

15.8.2. Coverage and covered events

Events covered: Death by any cause

Coverage available: Equivalent to cumulative investment in the above mentioned plans, with a ceiling of Rupees Five million (Pkr 5,000,000/-). (The Takaful claim shall be settled in Pakistani Rupee only.)

15.8.3. Cessation of insurance cover

An Individual's coverage to this scheme shall automatically terminate:

- If the individual ceases to be an investor of the respective administrative plans and pension funds.
- If he / she does no longer meet the eligibility criteria defined above.
- If the Individual Covered is engaged in or takes part in any naval, military or air-force activities.
- If the Scheme terminates due to non-renewal at anniversary, or due to decisions made by the Participant or the Takaful Operator. In such cases, a 15-day notice shall be provided to the Individuals Covered under the scheme prior to termination of coverage.

15.8.4. Process for registration

Eligible investors may register for Free Takaful coverage through the following process:

- Eligible investor fills out the "Health Questionnaire Form" and submits it at any of the Investment Centers or the registered offices of UBL Fund Managers Ltd.
- UBL Fund Managers Ltd shares the "Health Questionnaire Form" with Takaful Provider.
- The Takaful Provider does due diligence on the "Health Questionnaire Form" and confirms or rejects coverage to the individual. Takaful Provider also reserves the right to request further documents before confirming coverage for the individual.
- The individual's Free Takaful coverage status is shown in the account statement.

15.8.5. Role and responsibilities of UBL Fund Managers Ltd in relation to the settlement of claims

Upon receiving information of death of a covered investor under the said Takaful policy, and a request for filing of Takaful claim by successor(s) of a deceased investor (claimant(s)), UBL Fund Managers Ltd will perform the following role:

- a) UBL Fund Managers Ltd will provide notice of event (death of covered investor) to Takaful Provider, along with confirmation of individual's coverage under "Group Family Term Takaful Plan" signed by UBL Fund Managers.
- b) UBL Fund Managers Ltd will direct the Claimants (s) to the Takaful provider for formal filing of the claim. The Claimant(s) will solely be responsible for fulfilling all evidence / documentary requirements (e.g. Death certificate, Medical reports, FIRs etc) as requested by the Takaful Provider while the claim is processed. Settlement processing and procedures shall be as stipulated by the Takaful provider.
- c) UBL Fund Managers Ltd shall, once the claim is cleared by the Takaful Provider, receive the claim payment from the Takaful Provider and pass it on to the claimant(s) as per the succession certificate.

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