

UBL FUNDS

UBL FUND MANAGERS LIMITED

Trustee

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

www.UBLfunds.com

UNITED GROWTH AND INCOME FUND

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**OFFERING DOCUMENT
OF
UNITED GROWTH AND INCOME FUND ('UGIF')
MANAGED BY
UBL Fund Managers Limited**

(Formerly United Asset UBL FUNDS Ltd.)

Dated February 23, 2006

Open to Public Subscription from March 2, 2006

INTRODUCTION

United Growth and Income Fund ("UGIF") has been established through a Trust Deed dated December 21, 2004, registered under the Trusts Act, 1982 (11 of 1982) and amended through a Supplemental Trust Deed dated 29th November, 2005 (together the "**Trust Deed**") entered into between **UBL Fund Managers Limited, a public limited company, incorporated under the Companies Ordinance, 1984, having 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, Technocity, Hasrat Mohani Road off: I. I. Chundrigar Road, Karachi (hereinafter called "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 ("CDC" or "Trustee"), incorporated under the Companies Ordinance, 1984, with its Registered Office at House 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, hereinafter called as the Trustee (**which expression where the context so permits, shall include its successors in interest and assigns) of the other Part.** UBL FUNDS is registered pursuant to the provisions of the Asset Management Companies Rules, 1995 now replaced by Non-Banking Finance Companies (E&R) Rules 2003 (referred to as the "**Rules**").

The Fund shall be an open-end fund investing primarily in fixed income securities in Pakistan and abroad (subject to approvals from SECP/SBP). UGIF shall offer two classes of units ("**Units**") on a continuing basis: (1) **Growth Units** which will have a back-end load structure and (2) **Income Units** with a front-end load structure. Detailed structures of these units are mentioned in Section 6 of this Offering Document. All units would have the same rights with respect to distribution.

The Units are being offered for public subscription from **March 2, 2006** at the Offer Price applicable for the day, cleared funds are received from investors with a minimum investment of Rs 5,000/= (Rupees Five Thousand Only) and no upper limit set on the units that are to be issued to a single investor. The Net Asset Value (NAV) of the Fund as on 26th December, 2005 was Rs.104.0472 per Unit. The Offer and Redemption Price for each day will be based on the NAV of the previous day and will be published in at least one widely circulated newspaper. These units shall be redeemable for cash and shall be transferable. Payment of units redeemed shall be made within six (6) business days of the date of receipt of the redemption application.

Investors should carefully read the contents of this Offering Document prior to making an investment decision. If you have any doubts regarding the contents of this Offering Document, you should consult one or more from amongst your legal advisor, stockbroker, bank manager or financial advisor. Investors may note that the Scheme is not assuring or guaranteeing that it will be able to make annual distribution to its Unit Holders. UBL FUNDS will manage the portfolio of UGIF to the best of its abilities to be able to make an annual distribution. The value of UGIF's investments may fluctuate with changes in market conditions like interest rates, political environment, changes in regulatory requirements etc. Hence there can be no assurance that UGIF will achieve the objectives stated in this Offering Document. Past performance of the scheme offered by UBL FUNDS is not indicative of the future performance of UGIF. Moreover the past performance of UGIF would not be indicative of future performance and therefore the distribution may vary from time to time. In this regard, investors are requested to read the Risk Disclosure and Disclaimer statement contained in Section 4.7 and Section 4.8 respectively of this Offering Document.

1. REGULATORY APPROVALS AND CONSENT

1.1 APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan (“SECP” or “Commission”) has authorized the offer of Units of UGIF under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (referred to as the “Rules”). SECP has approved this Offering Document under Rule 70 of the Rules vide its Letter No.SEC/NBFC-JD-II/102/2006 dated February 17, 2006.

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. The provisions of the Trust Deed govern this Offering Document. It sets forth information about UGIF that a prospective investor should know before investing in UGIF.

1.2 FILING OF THE OFFERING DOCUMENT

The UBL FUNDS has filed a copy of this Offering Document signed by the Chief Executive along with the documents (I) to (VII) below with SECP. Certified copies of these documents can be inspected free of charge, or purchased at a price to be determined by UBL FUNDS, at the Head Office of UBL FUNDS or the Registered Office and place of business of CDC:

- I. The Trust Deed dated December 21, 2004 and a Supplemental Trust Deed dated November 29, 2005 executed between UBL Fund Managers Limited “UBL FUNDS” (Formerly United Asset UBL FUNDS Limited) as the UBL FUNDS and Central Depository Company Limited (CDC) as the Trustee;
- II. Distribution Agreement between UBL FUNDS and United Bank Limited (“UBL”) (the “Distribution Agreement”);
- III. Letter from the Auditor consenting to the issue of statements and reports appearing in Part 14 of this Offering Document;
- IV. Certificate of Registration No. K-08280 of 2001, dated July 17, 2001 issued by the SECP, registering United Asset UBL FUNDS Limited (UAMC) as an Asset UBL FUNDS. Subsequently, SECP through a Certificate of Incorporation of change of name dated November 28, 2005 has confirmed the change of name of UAMC to UBL Fund Managers Limited. Further, SECP’s Letter No. NBFC-II/JDII/UAMC/576/2005 dated August 5, 2005 confirms UBL FUNDS’s renewal of license to undertake Asset Management Service;
- V. SECP’s letter No. NBFC-II/JD(R)/UAMC-RIF/874/2004 dated October 19, 2004 approving the appointment of CDC as the Trustee of UGIF;
- VI. SECP’s letter No. NBFC-MF-DD(R)/25/2005 dated January 07, 2005 authorizing the United Regular Income Fund (URIF). Thereafter, the SECP has issued a letter No. NBFC-II/JD(R)/UAMC- UGIF/838 dated November 25, 2005 approving the change of name to United Growth and Income Fund (UGIF) and changes in the trust deed;
- VII. SECP’s letter No. SEC/NBFC-JD-II/102/2006 dated February 17, 2006 approving this Offering Document under Rule 70 of the NBFC Rules 2003.

2. DEFINITIONS

- 2.1 **“Accounting Date”** means the thirtieth day of June in each year provided that the UBL FUNDS with the written consent of the Trustee may change such date to any other date and such change shall be intimated to the Commission.
- 2.2 **“Accounting Period”** means a period ending on and including an Accounting Date and commencing in case of the first such period on the date of commencement of the Initial Period and in any other case from the end of the preceding Accounting Period.
- 2.3 **“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.**
- 2.4 **“Audit Date”** means the date on which the Auditor issues its report in respect of the Scheme’s balance sheet and income and expenditure account for the corresponding Accounting Period.
- 2.5 **“Auditor”** means the Auditor of the Trust appointed by the UBL FUNDS.
- 2.6 **“Authorized Branch or Branches”** means those branches of the Distributors whose addresses are given in the Offering Document or as disclosed by the UBL FUNDS from time to time in relation to Clause 2.16.
- 2.7 **“Authorized Investment”** means short to long term, fixed, floating and hybrid rate instruments including the following:
- a) Government of Pakistan Investment Bonds, Federal Investment Bonds and other Government Securities.
 - b) Listed or Privately Placed Term Finance Certificates (TFCs) issued by local governments, government agencies, statutory bodies and public sector entities.
 - c) Listed TFCs issued by corporates/financial institutions (Secured and Unsecured).
 - d) Secured privately placed TFCs issued by corporates, financial institutions having a minimum investment grade rating. If the entity issuing the TFCs is not rated then the instrument would have a minimum rating of A- by a credit rating agency registered with the Commission.
 - e) Unsecured Privately Placed TFCs issued by corporates / financial institutions having minimum investment grade rating. If the entity issuing the TFCs is not rated then the instrument would have a minimum rating of A by a credit rating agency registered with the Commission. Total investment in Privately Placed TFCs (Secured and Unsecured) issued by corporates / financial institutions will not exceed 50% of the Net Asset Value of UGIF.
 - f) Convertible TFCs issued by corporates/financial institutions. In case UGIF is required to convert the TFCs into shares, it would offload the shares within a period of three months of the shares being issued. Total investment by UGIF in Convertible TFCs will not exceed 10% of its Net Asset Value.
 - g) Rated Corporate Debt.
 - h) Credit Linked Notes.
 - i) Asset Backed Securities.
 - j) Convertible and Non-Convertible preferred shares. In case UGIF is required to convert the preference shares into ordinary shares it would offload the ordinary shares within a period of three months of the ordinary shares being issued. Total investment by UGIF in Convertible

Preferred Shares will not exceed 10% of its Net Asset Value.

- k) Certificates of Investment issued by financial institutions, having a minimum of A-rating by a credit rating agency approved by the SECP or State Bank of Pakistan.
- l) Long, medium and short term bank deposits.
- m) Treasury Bills.
- n) Reverse Repo Transactions.
- o) Investment in unsecured and call market placements shall not exceed 25% of the NAV provided that the counter party should have a minimum investment grade rating.
- p) Any other Money Market Instruments.
- q) Investment in CFS. The fund shall not invest more than 50% of its NAV in the CFS with not more than 20% of CFS amount in any one scrip at the time of such investment.
- r) Spread Transactions: UGIF will enter into transactions aimed at earning a spread in the price of securities resulting from the timing difference between ready and future settlements. UGIF will buy in the ready settlement market and sell in the future settlement market. Both the transactions will be carried out simultaneously so as to avoid any risk emanating from the movement in the prices of the underlying securities.
- s) Commercial Paper
- t) Derivative instruments including:
 - o Interest rate swaps
 - o Forward Rate Agreements
 - o Any other derivative instruments permitted by SECP

The investment in this Asset class shall be for hedging purpose only and on such terms and conditions as may be specified by the SECP from time to time.

- u) Overseas Investments:

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 and if guidelines are not available, specific approval from SECP will be obtained.

2.8 “Back-end Load” means the sales load deducted (not exceeding 5% of NAV) from the NAV in determining the Redemption Price. Section 6 of this Offering Document specifies the calculation of the back-end load.

2.9 “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.

2.10 “Broker” means any person engaged in the business of effecting transactions in securities for the account of others.

2.11 “Business Day” means a day on which offices of the Management Company are open for business in Pakistan.

2.12 “Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the holder pursuant to the provisions of the Trust Deed.

2.13 “Commission” or “SECP” is defined as the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.

- 2.14** “**Connected Person**” shall have the same meaning as in the Rules.
- 2.15** “**Constitutive Documents**” means the Trust Deed that is the principal document governing the formation, management or operation of the Trust, the Offering Document and all material agreements in relation to the Trust.
- 2.16** “**Continuous Funding System (CFS)**” is a form of financing which 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 the security at the higher price for a subsequent settlement date.
- 2.17** “**Distribution Company**” means a Company, Firm or United Bank Limited and/or any other institution / individual appointed by the UBL FUNDS for performing the Distribution Function and shall also include the UBL FUNDS if it performs the Distribution Function.
- 2.18** “**Distribution Function**” means the functions with regard to:
- a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
 - b) Issuing receipts in respect of (a) above;
 - c) Interfacing with and providing services to the Holders including receiving redemption applications, transfer application, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the UBL FUNDS or the Transfer Agent as appropriate; and
 - d) Accounting to the Trustee for all (i) moneys received from the applicants for issuance of Units, (ii) payments made to the Holders on redemption of Units and (iii) expenses incurred in relation to the Distribution Function.
- 2.19** “**Duties and Charges**” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees, annual fee payable to Commission under the Rules and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any 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.
- 2.20** “**Formation Cost**” means preliminary expenses relating to regulatory and registration fees of the Scheme as mentioned in Section 14.3 of this Offering Document.
- 2.21** “**Front End Load**” means the sales and processing charges or commissions (excluding duties and charges) which is included in the Offer Price of the Income Units and shall not exceed 5% of the NAV.
- 2.22** “**Government Securities**” means securities and other instruments issued and to be issued by any Federal and/or Provincial Government of the Islamic Republic of Pakistan and / or the State Bank of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds, Treasury Bills and any securities/instruments replacing or substituting the foregoing from time to time.
- 2.23** “**Holder**” means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of the Trust Deed.

- 2.24 **“Initial Period”** means the period determined by the Management Company during which restricted Units were offered.
- 2.25 **“Initial Price”** means the Offer Price in respect of Restricted Units that is equal to the sum of the Par Value and any applicable Duties and Charges as determined by the Management Company.
- 2.26 **“Net Assets”** shall have the same meaning as in the Rules.
- 2.27 **“Net Assets Value”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 2.28 **“No Sales Load”** means no sales load payable on sale or redemption of Units.
- 2.29 **“Offer Price”** means the sum to be paid to the Trustee for the benefit of the Trust for issuance of one Unit, such price to be determined pursuant to Section 6 of this Offering Document.
- 2.30 **“Offering Document”** means this document and any other prospectus, advertisement or other document (approved by the Commission) which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Rules and is circulated to invite offers by the public to invest in the Units of the Trust.
- 2.31 **“On-line”** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 2.32 **“Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.
- 2.33 **“Par Value”** means the face value of a Unit that shall be Rs. 100 /= (Rupees one hundred only).
- 2.34 **“Redemption Account(s)”** means the account(s) which may be current, saving(s) or deposit account(s) maintained by the Trustee with any Bank having an investment grade rating and approved by UBL FUNDS in which the amount required for redemption of Units to the Holders may be transferred.
- 2.35 **“Redemption 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 Section 6 of this Offering Document.
- 2.36 **“Relevant Date”** means the date on which the UBL FUNDS decides to distribute the units in terms of clause 9 of the Trust Deed.
- 2.37 **“Relevant Period” means the period in respect of which distribution of bonus Units or payment of cash dividend, as the case may be are proposed to be made by UBL FUNDS under Clause 11.”**
- 2.38 **“Registrar Functions”** means the functions with regard to:
- a) Issuing and maintaining account statements of unit holders;
 - b) Issuing Certificates;
 - c) Canceling old Certificates on redemption or replacement thereof;
 - d) 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;
 - e) Issuing and dispatching of Certificates;
 - f) Issuing and dispatching cheques or pay orders in respect of residual amount left after allocation and issue of Units.

- 2.39 “Restricted Investments”** means the following
- a) Ordinary Shares without having a sale agreement in place. However, if in the interest of the Unit Holders, the scheme is required to convert TFCs or Preference Shares into ordinary shares, it would do so subject to the condition that these ordinary shares are off loaded with in a period of three months of their issuance;
 - b) Bearer securities;
 - c) Securities which result in assumption of unlimited liability (actual or contingent);
 - d) Real estate or interest in real estate;
 - e) Short sale of any security or maintaining a short sale position.
- 2.40 “Reverse Repo”** means an arrangement in which securities are purchased with an agreement to resell the same securities to the same investor at a pre-determined price on a pre-determined future date.
- 2.41 “Rules”** means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, as amended or replaced from time to time and inclusive of any specific or general relaxations in respect of applicability of such Rules granted or to be granted by the Commission and/or the Federal Government.
- 2.42 “Sales Load”** means the sales charge or commission (excluding Duties and Charge) being such percentage in respect of different classes of Units as specified in sub-paragraph 12.2 of this Offering Document. Allocation of Front-End and Back-End loads shall be made in accordance with Clause 12.2.1 and 12.2.2. UBL FUNDS may, at its discretion, charge different levels of the load to different Investors from time to time and may also apply different levels of Sales load for different Plans under the Scheme.”
- 2.43 “Stock Exchange”** means any stock exchange on which securities are generally traded and quoted and shall include stock exchanges registered and operating outside Pakistan.”
- 2.44 “Sub-Custodian”** means a financial or any other institution for the time being appointed by the Trustee with the approval of UBL FUNDS to hold and protect the part of the Trust Property that consists of Government Securities and other physical securities.
- 2.45 “Subscription Day”** means every Business Day provided that UBL FUNDS may with the prior written consent of the Trustee and upon giving not less than seven days notice in at least one widely circulated newspaper, declare any particular Business Day or days not to be a Subscription Day.
- 2.46 “Transfer Agent”** means either a partnership firm or company including a Bank that the UBL FUNDS shall appoint or the in-house registrar department set up by the Management Company for performing the Registrar Functions.
- 2.47 “Trust Property”** shall consist of:
- a) The aggregate proceeds of all Units issued from time to time after deducting the sum of (i) Duties and Charges and (ii) applicable Sales Load;
 - b) All Authorized Investments made by the Trustee in terms of the Trust Deed and all income, profit (including accrued profits) and other benefits arising there from and all cash and other assets movable or immovable and property of every description (including present and future actionable claims) for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to the Trust Deed; and

- c) Amounts standing to the credit of the accounts maintained by the Scheme, including profits accruing therein, until, from time to time, such amounts (or part thereof) are actually paid to Holders upon receipt of a request by such Holders to redeem their Units in accordance with the provisions of the Trust Deed.

2.48 “Unit” means one undivided share in the Trust. Three types of units will be issued as follows:

- (i) **“Restricted Units”** as defined in Section 6.
- (ii) **“Growth Units”** as defined in Section 6.
- (iii) **“Income Units”** as defined in Section 6.

2.49 “United Growth and Income Fund”, “UGIF”, “Scheme”, “Trust”, “Unit Trust” or “Fund” means the Unit Trust constituted by the Trust Deed for continuous offer for sale of units.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance and Rules, 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. The headings and table of contents are for convenience only and shall not affect the construction of this Offering Document.

3. CONSTITUTION OF THE SCHEME

3.1 CONSTITUTION

UGIF has been constituted by a Trust Deed entered into at Karachi on December 21, 2004 and amended through a Supplemental Trust Deed dated November 29, 2005 between:

1. **UBL Fund Managers Limited (“UBL FUNDS” or “UBL FUNDS”)**, a Company incorporated under the Companies Ordinance, 1984, with its Registered Office at 8th Floor, State Life Building No. 1, I.I. Chundrigar Road Karachi, and Head Office at 5th Floor, Office Towers, Techno City, Hasrat Mohani Road, Karachi, as the UBL FUNDS; and
2. **Central Depository Company of Pakistan Limited (“CDC” or “Trustee”)**, incorporated under the Companies Ordinance, 1984, with its Registered Office at House 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, as the Trustee.

UBL FUNDS is registered pursuant to the provisions of the Asset Management Companies Rules, 1995 now replaced by Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (referred to as the “Rules”).

3.2 REGISTERED ADDRESS, PLACE AND DATE OF CREATION

The Registered Address of United Growth & Income Fund is 8th Floor, State Life Building No. 1, I.I. Chundrigar Road Karachi, and Head Office is at 5th Floor, Office Towers, Techno City, Hasrat Mohani Road, Karachi. The Trust was created on December 21, 2004 and amended through a Supplemental Trust Deed dated November 29, 2005.

3.3 TRUST DEED

The Trust Deed is subject to and governed by the Companies Ordinance, 1984, Securities and Exchange Ordinance 1969, NBFC Rules, 2003 and all other applicable laws and regulations. The terms and conditions in the Trust Deed and any other supplemental deed/s shall be binding on each Unit Holder.

CDC and UBL FUNDS, acting together and with the approval of SECP, shall be entitled by supplemental deed(s) to modify, alter, add or delete to the provisions of the Deed on any of the following grounds:

- a) Modification / alteration required pursuant to any amendments in the Ordinance or the Rules;
- b) To ensure compliance with any fiscal or statutory requirement;
- c) To enable the Units to be dealt in or quoted on a Stock Exchange;
- d) To enable on-line sale and/or redemption of Units; or
- e) Any other matter specifically approved by the SECP;
- f) To enable the provisions of the Trust Deed to be more conveniently and efficiently implemented;
- g) Otherwise to the benefit of Unit Holders.

Provided that in case of c, d, f, and g 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, at least seven days prior to the effectuation of any such amendments and the dispatch of such notices to the unit holders will be announced in one daily newspaper having its primary circulation in Pakistan.

3.4 DURATION

The duration of UGIF is perpetual. However, the SECP or the Management Company may, on the occurrence of certain events, wind it up as stated in Section 17.1 of this Offering Document under the heading “**Termination of the Trust**”.

3.5 OPEN END FUND

UGIF is an open-ended fund. It shall offer and redeem Units on a continuing basis subject to terms contained herein and in accordance with 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 to facilitate economical and efficient management of investors’ accounts, UBL FUNDS has set a minimum investment size of Rs 5,000/= (Rupees Five Thousand Only). Units are also transferable in accordance with terms and conditions in section 9 of this offering document. Units will be issued in registered, uncertified form and will be confirmed to investors by mean of an account statement issued by the Registrar. Certificates representing the Units will be issued subject to terms herein at a nominal charge only, if requested by the Unit Holder.

3.6 UNITS

The units of the Fund shall have a face value of Rs 100/= (Rupees One Hundred) each. All Units represent an undivided share in UGIF and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the distributions. Each Holder has a beneficial interest in UGIF proportionate to the Units held by such Holder. However, UBL FUNDS (while maintaining the integrity of each unit’s pari passu rights) may issue the following classes of Units:

Growth Units which shall carry a stepped down back-end load deductible upon redemption of units;

Income Units which shall carry a flat front-end load;

Restricted Units to seed capital investors without sales load.

In case of annual distribution of profit in the form of bonus units, Growth Unit Holders would be given only Growth Units and Income Unit Holders would similarly get Income Units. However, the Restricted Unit Holder would be allocated Income Units since this class of units does not carry any back-end load.

3.7 PUBLIC SUBSCRIPTION

The Units are offered for subscription starting from **March 2, 2006** from commencement of banking hours. The Units will be issued at the Offer Price applicable on the day cleared funds are received from investors. The units can be purchased at their respective Offer Price and redeemed at their respective Redemption Price, which shall be calculated on the basis of the NAV of the previous day. UBL FUNDS shall announce the Offer and Redemption prices on a daily basis in at least one widely circulated newspaper.

3.8 TRANSACTION IN UNITS AFTER INITIAL OFFERING PERIOD

Subsequent to the initial period, Units can be purchased at the Offer (Selling) Price and redeemed at the Redemption (Repurchase) 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/ financial markets business day. In the event there are closed days, for any reason, following that business day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days. The NAV based price per Unit shall be fixed after adjusting for the Sales Load (Front-end Load) and/or the Redemption Load (Back-end Load) as the case may be and any Transaction Costs that may be applicable. Save under the circumstances elaborated in section 6.2 and 6.3 mentioned herein, such

prices shall be applicable to issue and redemption requests, complete in all respects, received during the business hours on the same business day. 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.

3.9 SUSPENSION OF ISSUE OR REDEMPTION OF UNITS

UBL FUNDS may upon information to CDC suspend the issue or redemption of Units subject to the Rules

at any time during:

- a) Any period when the Stock Exchange on which any of the investment for the time being is listed or dealt in is closed or when dealings in such investment are restricted or suspended;
- b) The existence of any state of affairs which in the opinion of UBL FUNDS constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Trust or the Holders;
- c) Any breakdown in the means of communication normally employed in determining the price of any investment or the current price thereof on any Stock Exchange or when for any reason the price of any such investment cannot be promptly and accurately ascertained;
- d) Any period when remittance of money which will or may be involved in the realisation of such investment or in the payment for such investment cannot in the opinion of UBL FUNDS be carried out in reasonable time; or
- e) If UBL FUNDS is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the NAV.

Such suspension shall take effect forthwith upon the declaration thereof by UBL FUNDS and shall terminate on the day following the first Business Day on which condition giving rise to the Suspension shall in the opinion of UBL FUNDS have ceased to exist and no other condition under which suspension is authorized under the Trust Deed exists. In case of suspension and termination of suspension UBL FUNDS shall immediately notify it to SECP and publish the same as soon as practicable in one widely circulated newspaper in Pakistan.

4. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

4.1 INVESTMENT OBJECTIVES

The objective of the Scheme is to seek to generate superior long-term risk adjusted returns keeping a balance of income and growth while preserving the capital over the long term by investing primarily in medium to long term fixed income instruments. The Scheme will also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalize on exceptional returns if available at any given point in time. The Fund will employ prudent and disciplined investment management principles and aim to maximize the total investment return through a systematic and informed security selection process.

In line with the investment objective, UGIF will invest in a diversified portfolio of long term to short term variable, fixed and hybrid rate securities comprising of Government Securities, Listed and Privately Placed Term Finance Certificates, rated Corporate Debt, Convertible TFCs, Convertible and Non Convertible Preference Shares, Certificates of Investment, Money Market Instruments including unsecured and call market Placements, Spread Transactions and any other authorized investments as approved by the Commission. UGIF will also invest part of the portfolio whenever it deems fit in overseas markets after obtaining necessary approvals from SECP and the State Bank of Pakistan.

4.2 INVESTMENT POLICY

The portfolio shall be geared towards maximizing annual income to the extent consistent with preservation of capital. The portfolio shall comprise of short-term, medium-term and long term investments. The medium and long term investments generating periodic returns may enable the fund to earn a higher income compared to short term instruments and be able to provide a more consistent annual return to investors. Some portion of the portfolio would also be invested in short-term instruments for diversification purposes as well as to meet liquidity and redemption requirements of Growth and Income Units. A certain portion of UGIF may also be invested in derivative instruments like interest rate swaps, forward rate agreements etc. for the purpose of hedging and portfolio balancing to effectively manage interest rate volatility subject to the relevant rules and regulation. A brief synopsis of the portfolio composition is highlighted in Sections 4.2.1, 4.2.2 and 4.2.3 below:

4.2.1 *Medium and Long-Term Portfolio*

The portfolio of UGIF may be invested in a combination of Government of Pakistan Investment Bonds, Federal Investment Bonds, Government Securities, listed or privately placed term finance certificates, Convertible TFCs, Convertible and Non Convertible Preference Shares, Rated Corporate Debt, Credit Linked Notes, Asset Backed Securities, Certificates of Investment issued by financial institutions and Long term bank deposits.

The weightage of the investment of the above securities will be managed according to the best of the abilities of UBL FUNDS in a manner to reduce the risk of loss in market value of the investments as a result of prevailing market conditions.

In selecting the securities/investments for inclusion in the long term portfolio, UBL FUNDS will evaluate

the credit risk of all the securities ensure a balance between risk and return. UBL FUNDS will follow the under noted parameters for selection of long and medium term instruments:

- a) Invest in Privately Placed TFCs (PPTFCs) issued by corporates, financial institutions having a minimum investment grade rating. In the event that the entity issuing the TFCs is not rated, then secured PPTFCs will have to have a minimum rating of A- and unsecured PPTFCs will have to have a minimum rating of A by a credit rating agency registered with the Commission at the time of investment;

- b) Total investment by UGIF in Privately Placed TFCs (Secured and Unsecured) issued by corporates / financial institutions will not exceed 50% of the NAV of the scheme;
- c) UGIF will not invest more than 10 % of its NAV in Convertible TFCs issued by corporates / financial institutions. In case UGIF is required to convert the TFCs into shares in the interest of the unit holders, it would do so with a condition to offload the shares within a period of three months of the shares being issued;
- d) Total investment by UGIF in Convertible Preferred Shares will not exceed 10% of its NAV. In case UGIF is required to convert the preference shares into ordinary shares, it would offload the ordinary shares within a period of three months of the ordinary shares being issued;
- e) Total Investment by UGIF in Overseas products / instruments will not exceed 30% of NAV of the scheme subject to a cap of US\$ 15 Million. Overseas investments would be made according to the prescribed guidelines of SECP/SBP and if guidelines are not available, specific approval from SECP will be obtained;
- f) Any other authorized investments approved by the Commission which fall under the medium to long term investment horizon.

4.2.2 Short Term Portfolio

UGIF may invest in the following short term fixed, floating and hybrid rate securities:

- a) Treasury Bills, reverse repo transactions and other money market instruments;
- b) UGIF will enter into transactions aimed at earning a spread in the price of securities resulting from the timing difference between ready and future settlements. UGIF will buy in the ready settlement market and sell in the future settlement market. Both the transactions will be carried out simultaneously so as to avoid any risk emanating from the movement in the price of the underlying security;
- c) Investment in CFS: The fund shall not invest more than 50% of its NAV in the CFS with not more than 20% of CFS amount in any one scrip at the time of such investment;
- d) CFS, spread transactions, and reverse repurchase transaction shall be restricted to such underlying securities which offer adequate liquidity. They would further be restricted only with members of recognized stock exchanges or financial institutions having minimum investment grade rating and transactions to be administrated by the management of the exchange and the clearing house or appropriate margin to be available in the value of the security with appropriate safeguards and the UBL FUNDS is of the view that the counter-party is of appropriate standing;
- e) Short term bank deposits and certificate of investments;
- f) Investment in unsecured and call market placements shall not exceed 25% of the NAV provided that the counter party should have a minimum investment grade rating;
- g) UGIF may invest in Commercial Paper and may also hold assets in the form of cash deposits and certificates of investment with the objective of maintaining sufficient liquidity and take advantage of suitable investment opportunities;
- h) Other Income/Money Market/Fixed Income open end schemes not more than 10 % of NAV. Such investments in foreign markets will be subject to rules and regulations of SECP/SBP;
- i) Any other authorized investments with a tenor of less than one year.

4.2.3 *Derivative Portfolio*

In order to effectively hedge the portfolio of Fund and enhance returns the Scheme may invest in derivatives including interest rate swaps, forward rate agreements or any other derivative instrument as approved by the Commission. Investment in derivative products shall be for hedging purpose only and on such terms and conditions as may be specified by the Commission from time to time.

The Fund may change the asset allocation depending on the prevailing market conditions. In determining the asset allocation and security exposures, UGIF will comply with the provisions of Trust Deed, Rules and any other restriction imposed by the Commission from time to time.

4.2.4 *Internal Investment Committee*

Investment allocation of each asset class is subject to change from time to time at the direction of the Internal Investment Committee of the Fund. The members of the Internal Investment Committee shall include Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Operating Officer and Fund Manager.

Decisions regarding the change in asset allocation of the Fund will be made by the Investment Committee as and when required. Such decisions will be documented and will be based on key overall indicators, which may include factors such as:

interest rates scenario

inflation

liquidity

availability of attractive return alternatives in debt and money market

stock market outlook and performance

country politics and overall economic indicators

any other factors that in the opinion of the Investment Committee can have an influence on overall asset class returns

4.3 INVESTMENT EXPOSURE LIMITS

- a) Pursuant to the Commission's letter No. NBFC-II/JD(R)/UAMC-URIF/949/2004 dated November 30, 2004 the investment of the Scheme in any one security shall not, at any time, exceed an amount equal to ten per cent (10%) of the total net asset value of the Scheme at the time of investment or ten per cent of the issued capital of the investee company whichever is lower; and
- b) The Scheme shall not invest more than twenty-five per cent (25%) of its net asset value in securities of any one sector as per classification of stock exchange or such limit as may be prescribed under the Rules. However, pursuant to relaxation by the Commission in respect of exposure limits under sub-rule 4 of rule 71 of the Rules vide its letter No. NBFC-II/JD(R)/UAMC-URIF/949/2004 dated November 30, 2004, UGIF may invest upto 50 per cent of its net asset value in Government Securities.
- c) Investment in CFS shall be restricted upto a maximum limit of 50% of Net Assets of the Fund, with not more than 20% of CFS amount in any one scrip at the time of investment.

4.4 RESTRICTED INVESTMENTS

4.4.1 *UGIF will not invest in the following:*

- a) Ordinary shares without having a sales agreement in place. However, if in the interest of the

Unit Holders, the Scheme is required to convert TFCs or preference shares into Ordinary shares, it would do so subject to the condition that these ordinary shares are offloaded within a period of three months of the issuance;

- b) Bearer securities;
 - c) Securities which result in assumption of unlimited liability (actual or contingent);
 - d) Real estate or interest in real estate;
 - e) Short sale of any security or maintain a short sale position;
 - f) In any security of a company if any director or officer of the UBL FUNDS owns more than five percent of the total nominal amount of the security issued or collectively, the directors and officers of the UBL FUNDS own more than ten percent of those securities;
 - g) Securities on margin;
 - h) Commodities or Commodity Contracts;
 - i) Anything other than Authorized investments as defined herein;
 - j) UGIF will not participate in a joint account with others in any transactions.
- 4.4.2** The Scheme shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

Investment in sale and repurchase transactions involving government securities or such listed securities which are regulated by the stock exchanges shall not be attracted by this section 4.4.2 provided risk management parameters are disclosed in the Constitutive and Offering Documents of the Scheme with the prior approval of the Commission.

4.5 BORROWING POLICY

4.5.1 Limits

Subject to the Rules, the Trustee may, at the written request of UBL FUNDS, make varying arrangements with banks or other financial institutions for borrowing by the Trustee (for the account of the Trust). Borrowing shall not be resorted to except for meeting redemption requests and such borrowing shall not exceed fifteen percent (15%) of the total Net Asset Value of a Scheme at any time (or such limits as prescribed by the Rules) and shall be repayable within a period of ninety days.

4.5.2 Exception

Neither UBL FUNDS nor CDC will be obliged to reduce the borrowing if as a result of the depreciation in the market value of investments or redemption of units the Net Assets subsequent to borrowing have been reduced and consequently the limit stated above is exceeded. However, the Management Company shall make its best endeavor to bring the exposure within its prescribed limits within six months of the event.

4.5.3 Pledge

For the purposes of securing any borrowing, CDC may with the approval of UBL FUNDS, mortgage, charge or pledge in any manner all or any part of Trust Property; provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit

provided in the Rules; provided further, neither CDC nor UBL FUNDS shall be required to issue any guarantee or provide any security over their own assets for securing such borrowings on account of the Trust from any banks or financial institutions and neither they shall in any manner be liable in their personal capacities for repayment of any borrowings.

4.5.4 Liability of Trustee and UBL FUNDS

CDC or UBL FUNDS shall not incur any liability by reason of any loss to the Unit Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement.

4.5.5 Guarantee

Neither the Trustee nor the UBL FUNDS shall be required to issue any guarantees 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.

4.6 TRANSACTIONS WITH CONNECTED PERSONS

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 the purpose of the above, the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.

4.7 RISK DISCLOSURE

The fund invests in a portfolio of fixed income instruments including Government Securities, Listed and Unlisted TFCs, Preference Shares, money market instruments etc. Such investments are subject to varying degrees of risk. The risk emanates from various factors that include, but are not limited to:

4.7.1 Interest Rate Risk

Since UGIF is a fixed income fund, change in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and vice versa. Prices of long term securities generally fluctuate more in respect to interest rate changes than do short term securities hence interest rate movements lead to uncertainty in the ending net Asset Value of the portfolio due to changes in the market interest rates during the Investment horizon. However, the rate of return on the Units would be linked the overall interest rate scenario in the market. This risk will also be mitigated by investing in a combination of long-scenario in the market. This risk will also be mitigated by investing in a combination of long-term and short-term instruments which carry a variable rate of return. Moreover the fund may also enter into derivative transactions to manage interest rate risk effectively. Hence UGIF shall strive to earn above average returns relative to the market interest rates.

4.7.2 Credit Risk

Credit risk is the uncertainty regarding the ability of the counter-party to meet the terms of the transaction and the possibility of default in meeting the obligations. The value of securities change with the change in the perceived level of credit risk as well as any actual event of default. However, UGIF shall endeavor to invest in a well-diversified portfolio that would minimize the credit risk associated with a single party. Moreover, UGIF can invest upto 50% of its Net Asset Value in Government issued securities, which have negligible credit risk attached to them.

4.7.3 **Legal/Regulatory Risk**

Legal/regulatory risk is the uncertainty regarding adverse changes in regulations or government policies governing asset management companies, funds and the sectors in which UGIF will invest. UGIF shall strive to work within the regulatory framework laid down by the SECP. In addition to this, since UGIF will not invest more than 25% of the Net Asset Value in any one sector, the portfolio will be diversified over different sectors. UGIF would also have in place instrument specific limits for risk management purposes.

4.7.4 **Performance Risk**

Performance risk is the uncertainty regarding the performance of UGIF with respect to its ability to earn a relatively higher rate of return and provide annual distribution to investors. Assets of UGIF shall be managed by UBLFM which in turn would be run by a professional and capable team of fund manager(s). UBLFM has been assigned by JCR(VIS) a Management Quality Rating of AM3 which signifies a team of qualified personnel and the management's initiatives to streamline operations.

4.7.5 **Convertible TFCs/Preference Shares Risk**

Since UGIF may invest in Convertible TFCs and Preference Shares, there is a risk that UGIF may have to convert these instruments into ordinary shares. These shares will be off loaded within 3 months of the date of issue which would be market knowledge. Volatility in the equity market and illiquidity may affect the price obtained for the shares. UGIF will convert the said instruments into ordinary shares only when it is in the interest of the Unit Holders. UGIF may invest only upto 10 % each of its Net Asset Value in Convertible TFCs and Convertible Preference shares, thus managing the liquidity risk by not taking substantial exposure to any specific scrip.

4.7.6 **Foreign Currency Risk**

Foreign currency risk associated with overseas investments as and when permitted will be a key factor to be managed. The value of currencies appreciate or depreciate against each based on a multitude of factors and it is possible that an unfavorable movement in the exchange rate of a currency in which investments have been made may reduce the value of that investment.

A thorough analysis would be carried out on the exchange risk part of the investment analysis and UBLFM would make an investment in a prudent manner minimizing the adverse impact of currency movements.

4.7.7 **Derivative Risk**

Derivatives may be used to limit or hedge potential losses associated with return/mark-up rates. This process is called "hedging". Derivatives may also be used for non-hedging purposes to reduce transaction costs, achieve greater liquidity, and create effective exposure to financial markets or increase speed and flexibility in making portfolio changes. Any use of derivatives has risks, including:

- a) **The hedging strategy may not be effective.**
- b) **There is no guarantee that a market will exist when a Fund wants to buy or sell the derivative contract.**
- c) **A large percentage of the assets of a Fund may be placed on deposit with one or more counter parties, which exposes the Fund to the credit risk of those counter-parties.**
- d) **There is no guarantee that an acceptable counterpart will be willing to enter into the derivative contract.**

- e) The counter-party to the derivative contract may not be able to meet its obligations.
- f) The Exchanges on which the derivative contracts are traded may set daily trading limits, preventing a Fund from closing out a particular contract.
- g) If an Exchange halts trading in any particular derivative contract, a Fund may not be able to close out its position in that contract.
- h) The price of a derivative may not accurately reflect the value of the underlying security or index.

4.7.8 Business Risk

Funds that invest in natural resource companies or in income or royalty trust based on commodities, such as oil and gas, will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move dramatically in short periods of time. In addition, new discoveries or changes in government regulations can affect the price of commodities.

4.7.9 Return/Markup 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.

4.7.10 Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. 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 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.

4.7.11 Redemption 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.

4.7.12 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 may 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.

4.7.13 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, natural disasters etc.
- c) Senior rights of creditors over the shareholders in the event of winding up.

4.8 DISCLAIMER

The units of UGIF are not bank deposits and are neither issued by, obligations of, nor otherwise supported by the SECP, any Government agency, CDC (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of UBL FUNDS or any of the Core Investors or any other bank or Financial Institution. The portfolio of UGIF is subject to risks inherent in all such investments. The value of Units of UGIF may appreciate as well as depreciate and UGIF does not assure any distribution of income.

Under exceptional (extra ordinary) circumstances, the UBL FUNDS may declare suspension of redemptions, invoke a queue system or announce winding up – in such events the investor is likely to 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.

5. OPERATORS AND PRINCIPALS

5.1 UBL FUNDS

UBL Fund Managers Limited, a wholly owned subsidiary of United Bank Limited is the UBL FUNDS of UGIF. UBL FUNDS has been assigned by JCR(VIS), a Management Quality Rating of AM3 which signifies a team of qualified personnel and the management's initiatives to streamline operations.

SHAREHOLDING STRUCTURE

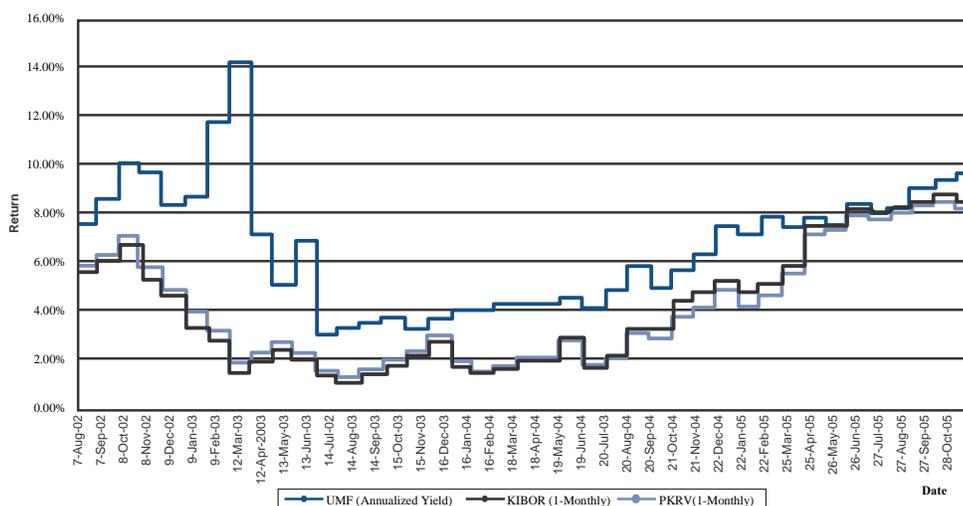
Name	No. of Shares	Paid-up-Capital (Amount in Rupees)
United Bank Limited	6,000,000	60,000,000
Directors	7	70
	6,000,007	60,000,070

5.1.1 United Money Market Fund

UBL FUNDS is managing United Money Market Fund (UMF) for over three years, which is one of the largest open-end money market funds in Pakistan with a size of Rs. 3,583 million (as of 26th December, 2005).

As of the above date, UMF has provided a tax free net return of 7.27% p.a, since inception and around 9.29% p.a. during the last three months.

The prime objective of UMF is to provide investors a facility to invest through one fund into a range of money market instruments. It aims to achieve a high rate of current income to the extent consistent with preservation of capital and maintenance of liquidity. The portfolio of UMF comprises of a wide range of instrument including rated Corporate Debt, Government Securities, Certificate of Investments and other money market instruments. Its client base includes banks, insurance & leasing companies, manufacturing concerns across a wide range of industries, provident/pension funds and individuals. UMF's performance since inception up to December 26, 2005 is illustrated below:



PKRV: Pakistan Revaluation Rate

KIBOR: Karachi Interbank Offered Rate

5.1.2 Core Investor

The Core Investor of UGIF is United Bank Limited (“UBL”), which has been issued Restricted Units (‘Income’ Units) against subscription to seed capital of Rupees 250 million. The seed capital was received on May 11, 2005 and was subsequently invested in line with the investment objectives of UGIF.

UBL, as an investor of seed capital, has agreed to retain its investment for a minimum period of two years during which its units will not be transferable or redeemable.

UBL is one of the largest private sector commercial banks in Pakistan which 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. 300 billion as of September, 2005. 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 business, both domestically and internationally.

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

<i>Year Ended December 31st</i>	2000	2001	2002	2003	2004	Sep 2005*
Pak Rupees in Million						
Net Equity	6,727	887	8,626	10,077	14,370	17,219
Total Assets	161,573	160,852	183,003	216,942	272,612	323,626
Profit After Tax	667	(7,478)	1,414	2,636	3,702	3,798

*Based on results upto Sep 30, 2005

5.2 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. N. I. F. T. (Pvt.) Limited. 4. Investment Corporation of Pakistan (ICP).	Banker	17, Park Lane No. 1 Off. Khayaban-e-Nishat, Phase VI, DHA, Karachi.
Mohammad Asghar	Director	1. United Executors & Trustees Co. Ltd. 2. Pakistan Agricultural Storage & Services Corporation Ltd. (PASSCO)	Banker	23/B GF-1, Sea View Apartment, Phase-V, DHA, Karachi
Ali Sameer Farooqui	Director	United Bank Financial Services (Pvt.) Limited.	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	None	Banker	43/6/G, Block 6 P.E.C.H.S., Karachi

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.

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 working as a President/CEO of Saudi Pak Commercial Bank Limited. He has over 23 years work experience in Corporate Banking, Credit and Marketing areas of 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 Corporates. 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 15 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 completed his Banking Diploma from Institute of Bankers Pakistan.

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.

5.3 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 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 Woodwards 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. Mohammad Khalid - Head of Fixed Income Fund Management

Mohammad Khalid has more than nine years of experience in the field of treasury and money market/fixed income portfolio management. The first six years of his career at National Bank of Pakistan (NBP) enriched him with exposure in treasury and investment management. After NBP, he moved as Dealing Unit Head at Pak Kuwait Investment Company (PKIC) where he started to manage the money market and bond portfolio. His last assignment for more than two years was at United Bank Limited (UBL) Treasury as Head of Portfolio Management and Interest Rate Trading. Khalid is an MBA in Finance & Banking from the Institute of Business Administration (IBA).

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) developing 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.

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

Syed Qamar Abbas –Manager, Product Development & Sr. Investment Analyst

Qamar Abbas has over five year experience of Capital Market Research, Investment Advisory and Trading. He has worked with top tier brokerage houses and also taught in a renowned business school of Karachi in both graduate and undergraduate programs. He has completed his MSc in Finance from Cass Business School, London and his MSc Physics from the University of Karachi. Before Joining UBL FUNDS, he was working with a renowned financial group as a Senior Investment Analyst.

5.4 ROLES AND RESPONSIBILITIES OF UBL FUNDS

- a) UBL FUNDS shall comply with the provisions of the Rules and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of UBL FUNDS by any officer or responsible official of UBL FUNDS or by any nominee or agent appointed by UBL FUNDS and any act or matter so performed shall be deemed for all the purposes of the Deed to be the act of UBL FUNDS.

- b) UBL FUNDS shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions. UBL FUNDS shall account to CDC for any loss in value of the Trust Property where such loss has been caused by its negligence, recklessness or willful act and/or omission.
- c) UBL FUNDS shall manage the Trust Property in the interest of the 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 Constitutive Documents and the Rules. Any purchase or sale of investments made under any of the provision of the Deed shall be made by CDC according to the instructions of UBL FUNDS in this respect, unless such instructions are in conflict with the provisions of the Constitutive Documents or the Rules.
- d) UBL FUNDS shall maintain at its principal office, proper accounts and records, to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Trust, all transactions for the account of the Trust and amounts received by the Trust in respect of issue of Units and paid out by the Trust on redemption of Units and by way of distributions.
- e) **UBL Funds shall prepare and transmit (physically or through electronic means or on the web subject to the Commission’s approval) the annual report, together with a copy of the balance sheet, income and expenditure account and the auditor’s report of the Scheme within three months of closing of the Accounting Period or such extended period permissible under the NBFC & Notified Entities Regulations 2007 (“Regulations”), to the Holders, and the balance sheet and income and expenditure account shall comply with requirements set out in the Regulations.“**
- f) **UBL FUNDS shall within one month of the close of first, second and third quarter of year of account of the Scheme or such extended period permissible under the Regulations, prepare and transmit (physically or through electronic means or on the web subject to the Commission’s approval) to the Holders and the Commission, 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.**
- g) UBL FUNDS shall maintain a register of the Unit Holders and inform the Commission of the address where the register is kept.
- h) UBL FUNDS shall appoint with the consent of the Trustee, at the establishment of the Scheme and upon any vacancy, an auditor who shall be a chartered accountant and independent of the auditor of UBL FUNDS and CDC and such auditor shall not be appointed for more than three consecutive years and contents of the auditor’s report shall be in accordance with the Rules.
- i) UBL FUNDS shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure account and the auditor’s report of the Scheme to the Commission within four months of the close of the Accounting Period or such extended period permissible under the Rules, together with a statement containing the total number of Unit Holders.
- j) UBL FUNDS may from time to time appoint, remove or replace the Transfer Agent.
- k) UBL FUNDS shall provide to the Trustee such information as the Trustee may require in respect of any matter relating to the Trust.

- l) UBL FUNDS shall not be under any liability except such liability as may be expressly assumed by it under the Rules and the Constitutive Documents nor shall UBL FUNDS (save as herein otherwise provided) be liable for any act or omission of the Trustee or for anything except its bad faith or willful breach of duty hereunder. If for any reason, it becomes impossible or impractical to carry out the provisions of the Constitutive Documents, UBL FUNDS shall not be under any liability therefore or thereby and it shall not incur any liability for any matter or thing done or suffered or omitted to be done in good faith hereunder.
- m) Any transaction between the Scheme and UBL FUNDS or any of their Connected Persons as principal may only be made with the prior written consent of the Trustee.
- n) UBL FUNDS shall if it considers necessary request the Trustee, for the protection of Trust Property or safeguarding the interest of the Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof. The cost of all such actions shall be charged to the Scheme.
- o) **UBL FUNDS may itself act as a Distribution Company or appoint others as Distribution Company (ies) from time to time on such terms and conditions as UBL FUNDS may specify.**

UBL FUNDS shall not;

- a) Merge with, acquire or take over any other asset UBL FUNDS or a scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
- b) Pledge any of the securities held or beneficially owned by the Scheme except for the benefit of the Scheme;
- c) Accept deposits from the Scheme;
- d) Make a loan or advance money to any person except in connection with the normal business of the Scheme;
- e) Participate in a joint account with others in any transaction;
- f) Apply any part of its assets to real estate, except property for its own use;
- g) Make any investment with the purpose of having the effect of vesting the management or control in the Scheme; and
- h) Subject to any relaxation provided by the Commission, 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.

Explanation: For the purposes of this clause the term “family” includes spouse, lineal ascendants and descendants, brothers and sisters.

5.5 VOTING RIGHTS OF UBL FUNDS

All rights of voting attached to any Trust Property shall be exercisable by UBL FUNDS on behalf of CDC and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Holders and may refrain at its own discretion from the exercise of any voting rights and CDC or the Holders shall not have any right to interfere or complain.

5.6 TRUSTEE- Central Depository Company Limited (CDC)

CDC having its Registered Office at House 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi was incorporated in 1993. It was formed, inter alia, for facilitating efficient, risk free and cost effective settlement of securities transactions in accordance with the international standards to cope up with the ever-rising volume of trading in shares and securities at the Stock Exchanges in Pakistan. Given CDC's significance, the legislature enacted a Special Law, known as Central Depositories Act, 1997 and the Government has also approved the rules and regulations relating to the operational aspects of the Central Depository System. The Rules allow a Central Depository Company to act as the Trustee of Unit Trusts set up under these Rules.

Shareholders

The sponsors and shareholders of CDC, include the Karachi Stock Exchange, the Lahore Stock Exchange, the Islamabad Stock Exchange, International Finance Corporation (IFC), Citibank Overseas Investment Corporation, National Investment Trust Limited (NIT), Investment Corporation of Pakistan (ICP), Pakistan Industrial Credit & Investment Corporation Limited (PICIC), Muslim Commercial Bank Limited, Habib Bank Limited and other renowned financial institutions of Pakistan.

Professional and Independent Management

CDC operates purely on professional management basis and most of the directors on Board of CDC represent their respective investor institutions, without any personal stake in the Company. The Chief Executive is a highly qualified professional without any affiliation in any investor institution.

Trustee Division

CDC has set up a separate Trustee Division with senior professionals responsible for its day-to-day functions. The Trustee Division shall have the benefit of CDC's existing structure, as well as that under development for handling the National Clearing and Settlements system.

CDC's Vision & Mission

CDC's vision is to be a leading national institution providing quality services to capital and financial markets stimulating economic growth.

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

5.6.1 Roles and Responsibilities

CDC is responsible for safeguarding the interests of the Unit Holders. In addition, the Trustee will have the following obligations:

- a) CDC shall comply with the provisions of the Rules and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of CDC by any: (i) officer or responsible official of CDC; or (ii) nominee or agent appointed by CDC with the written approval of UBL FUNDS; provided that CDC shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties as if they were its own acts and omissions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by negligence or any reckless or willful act and/or omission of CDC or any of its directors, officers, nominees or agents.

- b) CDC shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interest of the Holders. CDC shall not be under any liability on account of anything done or suffered by CDC in good faith in accordance with or in pursuance of any request of UBL FUNDS provided they are not in conflict with the provisions of the Constitutive Documents or the Rules. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by UBL FUNDS to CDC, CDC may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of UBL FUNDS by person(s) whose signature CDC is for the time being authorized in writing by UBL FUNDS to accept.
- c) CDC shall carry out the instructions of UBL FUNDS in all matters including investment and disposition of the Trust Property unless such instructions are in conflict with the provisions of the Constitutive Documents or the Rules provided however, if for any reasons, it becomes not possible or highly impractical to carry out any instructions or fulfill or effectuate any of the provisions of the Deed, CDC shall not be responsible therefore and it shall neither incur any liability for anything done or omitted to be done in good faith.
- d) **UBL FUNDS after intimating the Trustee shall from time to time appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution Function at one or more locations on terms and conditions to be incorporated in the Distribution Agreement(s) to be entered into between the Distribution Company(ies) and UBL FUNDS. Further, in respect of any matter connected with such Distribution Company or Distribution Function, UBL FUNDS may take such action and execute such deeds as it may deem fit from time to time. The Distribution Company(ies) shall receive applications for issue and redemption of investment in the various Unit Trusts and Administrative Plans offered by UBL FUNDS in addition to the normal Distribution Function.**
- e) CDC shall provide to UBL FUNDS such information as UBL FUNDS may require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- f) CDC shall report on all matters provided in the Rules including issue to the Holders a report on all matters in which it is required to issue a report under the Constitutive Documents and the Rules to the Holders including a report to be included in the annual report whether in its opinion, UBL FUNDS has in all material respect managed the Trust Property in accordance with the provisions of the Rules and the Constitutive Documents and if 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.
- g) CDC shall institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders action in respect of the Trust Property or any part thereof if so requested by the UBL FUNDS in writing. All costs, charges and expenses (including reasonable legal fee) incurred in instituting or defending any such action shall be on account of the Trust Property and the Trustee shall be (out of the Trust Property) indemnified against all such costs, charges and expenses; provided that no such indemnity shall be given in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties under this Deed or the Rules. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, UBL FUNDS and CDC 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.

- h) CDC, the Sub-Custodian or any of their Connected Person acting in their independent capacity shall not sell or purchase or deal in the sale or purchase of any Investment with the Trust or enter into any other transaction with the Trust.
- i) Any transaction between the Trustee and UBL FUNDS or any of its Connected Persons as principal, shall only be made, if permissible under the Rules and with the prior written consent of the Trustee.
- j) CDC shall ensure that: (i) the sale, issue, repurchase, redemption, and cancellation of Units are carried out in accordance with the provisions of the Constitutive Documents and the Rules; and (ii) the methods adopted by UBL FUNDS in calculating the value of Units are adequate to ensure that the sale, issue, re-purchase, redemption and cancellation prices are calculated in accordance with the provisions of the Constitutive Documents.
- k) CDC shall, with the approval of UBL FUNDS, from time to time appoint, remove or replace one or more Sub-Custodian for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Sub-Custodian and CDC and approved by UBL FUNDS.
- l) CDC shall take into its custody or under its control the Trust Property of the Scheme and hold it in trust for the Holders in accordance with the law and the provision of the Constitutive Documents and the cash and register able assets shall be registered in the name of, or to the order of the Trustee.
- m) CDC shall be responsible for any act or omission of any agent with whom any investments are deposited as if they were the act or omission of any nominee in relation to any investment forming part of the Trust Property.
- n) CDC shall be liable for the acts and omissions of the lenders and its agents in relation to assets forming part of the Trust Property and where borrowing is undertaken for the account of the Scheme, such assets may be registered in the lender's name or in that of a nominee appointed by the lender.
- o) CDC shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the conditions under which the scheme was authorized are complied with.
- p) CDC shall ensure that the Certificates are not issued until subscription moneys have been paid.
- q) **CDC shall have all the obligations entrusted to it under the Rules and Regulations respectively, the Trusts Act 1882 [II of 1882] the relevant Trust Deeds and Offering Documents setting up the Unit Trusts and the Administrative Plans thereof. However, the Trustee shall, in addition to the aforesaid obligations, facilitate the UBL FUNDS's business in the following manner:**
- r) **The Trustee shall nominate one or more of its officers to act as attorney/s for performing the Trustee's functions and for interacting with the UBL FUNDS.**

5.7 TRANSFER AGENT

The Transfer Agent's responsibilities include maintaining the register of Unit Holders ("Register"), issuing account statements to the 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 Transfer Agent also refers to the UBL FUNDS if it carries out the same functions as defined above.

5.8 CUSTODIAN

CDC has been appointed as the Custodian and will be responsible for the safe custody of the securities of UGIF and for ensuring smooth settlement of all the transactions carried out by UGIF. The salient features of the Custodian Agreement are:

- a) Segregating all property of UGIF from Custodian's own property and that of its other clients.
- b) Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- c) Ensuring that the benefits due to investments are recovered.
- d) The Trustee may, if it considers necessary, appoint additional custodians with the approval of the UBL FUNDS and at such terms and conditions approved by the UBL FUNDS, for the safekeeping of any portion of the Fund Property.

5.9 AUDITOR, LEGAL ADVISOR AND BANKERS

5.9.1 Auditor

KPMG Taseer Hadi & Co.

Chartered Accountants

1st Floor,

Sheikh Sultan Trust Building # 2

Beaumont Road, Karachi.

- a) They will hold office until the transmission of the reports and account, which will cover the period from commencement of the Trust up to the end of the 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.
- b) The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept the office of the UBL FUNDS, Trustee, Custodian or elsewhere and shall be entitled to require from UBL FUNDS, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- c) The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the UBL FUNDS as may be considered necessary to facilitate the Trustee in issuing the certification required under the rules.

- d) The Auditor 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, statement or schedules appended thereto.
- e) The contents of the Auditor report shall be as mentioned in the Rules.

5.9.2 *Legal Advisor*

The Legal Advisor of the Fund is:

Mohsin Tayebaly & Co

2nd Floor Dime Centre

B C-4 Block 9

KDA Scheme 5,

Clifton, Karachi

5.9.3 *Bankers*

Currently UGIF has banking relationships with United Bank Limited, Bank Al-Falah Limited and Saudi Pak Commercial Bank Limited. The UBL FUNDS has the right to appoint any other bank for the purposes of UGIF's operations. The Trustee will operate these bank accounts.

5.9.3.1 *Bank Accounts*

- a) The Trustee, in consultation with the UBL FUNDS may open a Bank Account titled "**CDC - Trustee United Growth & Income Fund**" for the Unit Trust at its main Bank at Karachi for collection and investment of the Trust's funds.
- b) The Trustee in consultation with the UBL FUNDS may also open additional Bank Account(s) titled
- d) 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.
- e) The UBL FUNDS may also require the Trustee to open a separate Bank Account for each dividend distribution out of the Unit Trust.
- f) Notwithstanding anything in the Trust Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

5.9.4 *Registrar*

The Registrar function shall have the same meaning as The Transfer Agent as defined in Section 5.7 above. As at the time of this offering, UBL Fund Managers Ltd. will be performing these functions at its Head Office: 5th Floor, Office Tower, Techno City, Hasrat Mohani Road, Karachi.

5.10 **DISTRIBUTION COMPANIES**

The Distribution Companies would be the investors' contact windows for the fund. Through these Distribution Companies, investors would have access to the application and redemption forms and would be able to purchase and redeem units.

UBL, with its Registered Office at 8th Floor, State Life Building No. 1, I.I. Chundrigar Road Karachi, would act as the primary Distribution Company. UBL FUNDS may also from time to time appoint other distribution agents for selling UGIF units.

For overseas distribution, the UBL FUNDS shall appoint distribution agents and also utilize UBL overseas branches.

The distribution functions (“Distribution Functions”) would entail the following:

- a) Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- b) Issuing receipts in respect of (a) above;
- c) Interfacing with and providing services to the Holders including receiving redemption applications, transfer application, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to UBL FUNDS or the Transfer Agent as appropriate; and
- d) Accounting to the UBL FUNDS for all (i) moneys received from the applicants for issuance of Units, and (ii) payments made to the Unit Holders on redemption of Units (iii) expenses incurred in relation to the Distribution function.

6. PRINCIPAL FEATURES OF UNITS

6.1 TYPES OF UNITS AND DENOMINATION

6.1.1 Growth Units

Growth Units will be offered to individuals, corporates, institutions, trusts, funds and all other investors. Growth units carry a stepped down Back-End Load (upon redemption of units) with the following structure:

Investment Horizon	<1 Years	1-2years	2-3 years	> 3 years
Applicable Back End Sales Load	3%	2%	1%	0%

To protect the interest of the long-term investors, as the investment horizon of investors will increase, the back-end load deductible for determining the Redemption Price (“**Back-end load**”) of Growth Units will decrease. The Back-end Load applicable in respect of issued units may vary at the discretion of UBL FUNDS within the maximum limits prescribed. At least fifteen days (15) days prior notice will be given for any change of the Sales Load applicable for investors. Notice will be given by way of publication in at least one widely circulated newspaper.

6.1.2 Income Units

Income Units will be offered to investors with a front end load at the time of purchasing the units. These Units at the time of commencement of this Offering will carry a flat-front end load of 1.5%. The front-end load applicable in respect of units issued to investors will be at the discretion of UBL FUNDS and subject to the maximum limits prescribed.

6.1.3 **Those unit holders who opt for cash dividend option will not be eligible for bonus Units but shall be paid cash dividend only.**

6.1.4 Restricted Units

Restricted Units have been issued without sales load to UBL against its investment in seed capital. These units are not redeemable or transferable for a period of two years from the date of subscription.

6.1.5 Denomination

All the Units will have a Face Value of Rs 100/- with a minimum investment size of Rs.5,000/= (Rupees Five thousand only). UBL FUNDS has the discretion to change the minimum investment size which would be intimated to the investors. All units will rank pari-passu with each other and would have the same dividend rights.

6.1.6 **Regardless of various Classes of Units, all Units and fractions thereof represent an undivided share in the Unit Trust ranking pari passu, including as to the rights of the Holders in the Net Assets, earnings and distributions and each Holder has a beneficial interest in the Unit Trust proportionate to the Units held by him.”**

6.2 PURCHASE AND REDEMPTION OF UNITS

Units can be purchased and redeemed at the respective Offer and Redemption prices at any of the distribution outlets on any subscription day i.e. business days of any week, during banking hours (“Subscription Day”). The maximum interval between receipt of a properly documented request for redemption of Units and the payment to the Unit Holder shall not exceed six (6) Business Days.

6.3 OFFER AND REDEMPTION PRICES

The Units will be offered at the Offer Price applicable for the day cleared funds are received in the Trustee account from the investor. UBLFM will announce the Offer and Redemption prices on a daily basis.

The units may be purchased by the investor at the “**Offer Price**” which shall be equal to the sum of:

- i. The Net Asset Value as of the close of the immediately preceding Business Day;
- ii. Front-end load applicable in the case of Income Units; and
- iii. Such amount as UBLFM may consider to be an appropriate provision for Duties and Charges.

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

The Units may be redeemed at a “**Redemption price**” which shall be equal to sum of the Net Asset Value as of the close of the immediately preceding Business Day, less;

- i. Back-end Load in the case of Growth Units; and
- ii. Such amount (adjusted downwards to the nearest four decimal places) as UBLFM may consider appropriate for provision for Duties and Charges.

If the variation of the price at any time exceeds or falls short of five percent (5%) of the net asset value in a particular day, UBLFM shall suspend any redemption and offer of Units and shall calculate a new price as soon as possible. UBLFM shall also inform the Commission of the suspension of issuance and/or redemption of units along with the announcement of the new prices, and publish the same in at least one widely circulated newspaper in Pakistan.

The Offer and Redemption Price determined by UBLFM shall be made available to the public at the office and branches of the Distribution Companies and shall also be published daily in one widely circular newspaper in Pakistan.

6.4 ISSUE OF UNITS OUTSIDE PAKISTAN

- a) Subject to exchange control and other applicable laws, rules and regulations, In the event of arrangements being made by the UBL FUNDS for the issuance of Units to persons 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 Price as herein-before provided a further amount sufficient to cover an exchangerisk 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.
- b) 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 UBL FUNDS include as a deduction to the Redemption Price as herein-before provided a further amount sufficient to cover any exchange risk insurance and any other 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.

The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any distributor are not obliged to transact the issuance 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.

- c) The currency of transaction of the Trust is the Pakistan Rupee and 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 UBL FUNDS, for receipt or payment in any other currency or for any obligations arising there from.”
- d) UBL FUNDS shall appoint one or more scheduled bank(s) as the Authorized Dealer(s) as defined in the Foreign Exchange Regulations, 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.”
- e) 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 funds from abroad through 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 such amount and issued to the applicant.”
- f) At the option of UBL FUNDS, subject to the approval of the State Bank of Pakistan and the Commission, payments made in foreign currency for Units purchased may directly be made part of Trust 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.“
- g) 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 Holder, if any. In case such Holder does not hold the foreign currency account in Pakistan, the Holder shall be liable to arrange for remittances through his own local custodian or Authorized Dealer and neither 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.”
- h) At the option of UBL FUNDS, subject to the approval of the State Bank of Pakistan and the Commission, payments to be made in foreign currency for Unit redemptions may directly be paid from foreign currency dominated bank accounts that are part of Trust 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.
- i) 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, Distribution Company(ies) and investment facilitators outside Pakistan.”

6.5 PHYSICAL / SCRIPLESS UNITS

UBL FUNDS would issue both physical and scripless units. In case physical units are required to be issued to any investor, UBL FUNDS will levy a reasonable charge for the service.

6.6 PRICING METHODOLOGY

The Units will be issued to investors at the Offer Price prevailing on the day that the funds are credited in the Trustee's accounts maintained for the Scheme.

Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day immediately preceding the day of determination of the Redemption Price as reduced by back end load and such amounts as the UBL FUNDS may consider an appropriate provision for duties and charges.

Redemption procedures shall be in accordance with Section 8 of this Offering Document.

These above prices shall be adjusted for Sales Load, if any or any other sum that the management may consider to be appropriate provision for duties and charges. The NAV will be calculated in accordance with the Deed.

6.7 FREQUENCY OF VALUATION AND DEALING, INCLUDING DAYS

- a) For the classes of Units and calculation of Offer and Redemption Price, please refer to Section 6.1 and 6.3 of this Document
- b) UBL FUNDS shall announce the Offer 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.
- c) The Offer Price shall be equal to the sum of the Net Asset Value (NAV) as of the close of the preceding Business Day (in the event there are closed days, for any reason, following that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days), Transaction Costs, any Front-end Load (Load) not exceeding five percent (5 %) of the Offer Price (Please refer to section 6.1.2 for the current level of load) and such amount as the UBL FUNDS may consider appropriate provision for Duties and Charges and such sum to be adjusted upwards to the nearest Paisa. The Offer Price so determined shall apply to purchase requests, complete in all respects, received by the Distributor and/or the UBL FUNDS during the business hours on the same day as the purchase request.
- d) The Redemption Price shall be equal to the NAV as of the close of the Business Day immediately preceding the day of determination of the Redemption Price (in the event there are closed days, for any reason, following that Business Day, the NAV so determined shall be adjusted for the accrual of income or losses if any for such closed days), less Transaction Costs, a Back-end Load (Processing charge) not exceeding five percent (5%) of the Redemption Price (Please refer to section 6.1.1 for the current level of load) and such amount as the Management Company may consider an appropriate provision for Duties and Charges and such sum to be adjusted downwards to the nearest Paisa. The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor and/or the Management Company during the business hours on the same day as the redemption request
- e) If on any day during a week the variation of the NAV exceeds five percent (5%) of the NAV calculated pursuant to the section 6.3, for the current Offer and Redemption Prices, the UBL

FUNDS shall suspend any issuance and redemption of Units and calculate forthwith a new Offer Price and a new Redemption Price. The revised prices will be published on the following day in the manner described in sub-paragraph (h) below.

- f) The UBL FUNDS shall, at such frequencies as may be prescribed in this Offering Document or under the Rules, determine and announce the Net Asset Value based prices. Such prices shall be subject to a continuous post audit by the Funds' Auditors. The Auditors shall provide copies of their reports direct to the Trustee at such frequency as is agreed amongst the Trustee, the UBL FUNDS and the Auditors. Under certain circumstances as provided in the respective Offering Documents, the UBL FUNDS may suspend the announcement of the prices.
- g) The Offer/Redemption Price so determined shall apply to Purchase/Redemption requests, complete in all respects, received by the Distributor and/or the Management Company during the business hours on the same day as the purchase/redemption request
- h) The UBL FUNDS shall publish the Offer and Redemption Prices in at least one widely circulated daily newspaper in Pakistan. The Offer and Redemption Prices of Units of the Fund will also be available at the Authorized Branches of the Distribution Companies and announced in the Price Quotations of the Stock Exchange on which the Fund is listed.
- i) The prices determined, as described hereinabove shall be subject to adjustment for any taxes payable in the jurisdiction of the transaction.

6.8 EXTRAORDINARY CIRCUMSTANCES IN ISSUE / REDEMPTION OF UNITS

6.8.1 *Suspension of Issue or Redemption of Units*

As detailed in Section 3.9 of this Offering Document.

6.8.2 *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.

6.8.3 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 are likely to result in the Fund being run down to an unsustainable 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 Price. However, interim distributions of the proceeds may be made if the UBL FUNDS finds it feasible

7. PURCHASE OF UNITS

7.1 INVESTORS ELIGIBILITY / CRITERIA

Any investor can make applications for the issuance of UGIF Units or any related group of investors qualified or authorized to purchase the Units including but not limited to:

- a) Citizens of Pakistan - in respect of minors below 18 years of age, applications should be made by their guardians;
- b) Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan so long as such investment is permitted under their respective memorandum and articles of association and/or bye-laws;
- c) Foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Ministry of Finance and other applicable Regulations;
- d) Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions/restrictions laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time;
- e) Provident, Pension and Gratuity Funds constituted by organizations other than companies under section 20(h) of the Trusts Act 1882 (11 of 1882);
- f) Insurance Companies under Insurance Ordinance, 2000; and
- g) Non Profit organization under section 213(i) of the Income Tax Rules 2002.

7.2 APPLICATION PROCEDURE

- a) 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 (b), (c) and (d) given below, should be delivered at any of the Authorized Branches of the Distribution Companies. Only Authorized Branches of the Distribution Companies are authorized to collect application and payment for issue of Units.
- b) 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.
- c) 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;
 - ii. Copy of the relevant Resolution of the board of directors approving the investment;
 - 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; and
 - iv. Copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.
- d) In case of existing unit holders, if any of the documents have previously been submitted, fresh submission of documents will not be required provided that the submitted documents are acceptable to UBL FUNDS.
- e) If the application is incomplete or incorrect in any way the Distribution Company 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.
- f) The Distribution Company will be entitled to verify the particulars given in the application form. In case of any incorrect information, the application may be rejected.
- g) The applicant will receive a note confirming the receipt of the application from the Authorized Branch of the relevant Distribution Company, where application for purchase of Units was submitted.

7.2.1 Payment Modalities

Payment for Units can be made by instructions to directly debit the account held at UBL or by cheque or bank draft made payable to the “CDC Trustee - United Growth and Income Fund” and crossed “Account Payee only” and must be drawn on a Bank in the same town as the Authorized Branch of the relevant Distribution Company to which the application form has been submitted is located. Payment for Units in cash will not be acceptable.

7.3 JOINT APPLICATION

Joint application can be made by upto four related group of 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.

The first named Holder or any other specified in the application form 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 CDC of its obligations.

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 CDC of its obligations.

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.

7.4 ALLOTMENT (ISSUE) OF UNITS

Application for Purchase of Units of UGIF 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 Growth and Income 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.

7.5 The application for issuance of Units and the specimen signature of each Holder shall be retained by the relevant Distribution Company with copies supplied to the Transfer Agent, if so required by UBL Funds. The Distribution Company shall verify the particulars given in the application for issuance of Units and the documents submitted therewith and ensure that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for issue of Units is verified by a banker or Broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

7.6 SALE TIME / DEALING TIME

These shall be the banking hours for any given business day.

7.7 UBL FUNDS may at any time, subject to the Rules & 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 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 Commission 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.

8. REDEMPTION PROCEDURE

8.1 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 Distribution Company.

In case of applications for redemption by Joint Holders, such application should be signed by all Joint Holders and all Joint Holders should endorse the certificates. No money shall be paid to any intermediary except the Holder/Joint Holder.

8.2 PAYMENT OF REDEMPTION PROCEEDS

Payment of the redemption proceeds will be made by either direct credit into the account of the Holder held at UBL, a crossed cheque, in favor of the Holder's registered name, or in favor of the first-named joint 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 Distribution Company / 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.

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

8.3 JOINT HOLDERS

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

8.4 PARTIAL REDEMPTION

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

8.5 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.

8.6 SUSPENSION OF ISSUE OR REDEMPTION OF UNITS

UBL FUNDS may during extraordinary circumstances mentioned in paragraph 6.8, suspend the issue or redemption of Units.

In case of such suspension and termination of suspension, UBL FUNDS shall immediately notify the

Commission and publish the same as soon as practicable in one widely circulated newspaper in Pakistan.

18.7 PAYMENT AGAINST REDEMPTION

Payment shall be made only to the respective Unit Holder or his authorized representative and no payment shall be made to any intermediary.

9. TRANSFER OF UNITS

9.1 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.

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 CDC. 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 Distribution Company 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 CDC/Distribution Company 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.

9.2 PARTIAL TRANSFER

Partial transfer of the Units covered by a single Certificate is not permitted. However, Unit Holders may apply for the splitting of the Certificate before applying for transfer. UBL FUNDS may impose the necessary charges at its discretion for such a service.

10. SERVICE TO HOLDERS

10.1 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

10.2 ACCOUNTS WITH TRANSFER AGENT APPLICABILITY

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

10.3 REGISTER OF UNIT HOLDERS

A Register of the Unit Holders shall be maintained by the Management Company 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.

10.4 INFORMATION IN THE REGISTER

10.4.1 The Register will contain the following information:

About Unit Holders

- a) Name of Unit Holder/Joint Holders;
- b) Address of Holder/first named joint Holder;
- c) Computerized National Identity Card Number(s) of Holder/joint Holders;
- d) Father's/Husband's name of Holder/joint Holders;
- e) Occupation of Holder/ joint Holders;
- f) Tax / Zakat status of the Holder.

About Units

- a) Type;
- b) Registration number;

- c) Distinctive numbers;
- d) Certificate number, if applicable;
- e) Number of Units held.

Instructions

- i. Instructions if redemption application is to be signed by first-named Joint Holder only;
- ii. Information and instruction about pledge/charge/lien of Units.

10.5 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.

10.6 ACCOUNT STATEMENT

The Transfer Agent will send directly to each 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) transferred from a third person, (5) consolidated/split and (6) additional Units are issued in the form of income distribution. An account statement will be posted within 5 Business Days after each relevant transaction.

10.7 CERTIFICATES

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

- a) Certificates shall be issued only if so requested by the 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 Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Holder from the Distribution Company;
- 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 CDC. A Certificate shall be dated, shall bear the name and address of UBL FUNDS and CDC, 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 UBLFM may determine from time to time with the approval of CDC and shall be signed on its behalf by a duly authorized officer and on behalf of UBLFM by a duly authorized officer of UBLFM. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorized by**

CDC 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 CDC 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.

10.8 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 CDC may require. Neither the UBL FUNDS nor CDC nor the Distribution Company/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.

10.9 PLEDGE OF UNITS

Every Holder shall be entitled to transfer, pledge or otherwise encumber the Units held by him by an instrument in such form as UBL FUNDS may prescribe from time to time with the approval of CDC. The Transfer Agent shall take a note of the pledge/ charge/lien in record, whether the certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of CDC and/or the Transfer Agent along with a joint request from the unit holder and the pledge is submitted on the standard application form, which is available at request. None of these parties, i.e., CDC, UBL FUNDS nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge/charge. The disbursement of any loan against the constitution of such pledge/charge shall be at the entire discretion of the lender and neither CDC nor the UBL FUNDS and the Transfer Agent take any responsibility in this matter.

10.10 FINANCIAL REPORTING

The following reports will be sent to the Holders:

- Within four months of closing of the Accounting Period, the annual report together with a copy of the balance sheet, income and expenditure account together with the Auditor's report for the Accounting Period would be prepared and transmitted to the Commission and Holders in accordance with the Rules.

- Within one month after the close of the first, second and third quarter of accounting period, or any such period as specified by the Commission or Rules or any other regulation prepare and transmit to the Holders and the Commission a profit and loss account for and balance sheet as at the end of that quarter, whether audited or otherwise, would be prepared and transmitted in accordance with the Rules. The regularity of reporting will change if so required under the Rules and the Ordinance.

11. INCOME DISTRIBUTION

11.1 ACCOUNTING PERIOD

The Annual Accounting Period of the Scheme is from 1st July to 30th June.

11.2 DECLARATION OF ADDITIONAL UNITS

The Management Company shall decide not later than forty-five days after the end of the Accounting Period, whether to distribute among Holders, additional Units in respect of income of that Relevant Period and shall advise the Trustee accordingly. At the end of the Accounting Period UGIF will distribute at least 90% of the accounting profit as reduced by capital gains to ensure tax efficiency for UGIF. However, if income tax laws will allow higher retention of profit, UBLFM may consider such an option if in the interest of the Unit Holders.

UBL FUNDS shall decide from time to time the Relevant Period and whether to distribute among Holders additional Units (if any) and/or cash dividend as opted by the Unit Holders as defined in Clause 11. UBL Funds shall provide an option to its Unit Holders to opt for either additional 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. The Holders shall have an option to redeem the additional Units as contemplated under Sub-Clause 11.3 below.

11.3 DETERMINATION OF DISTRIBUTABLE INCOME

The number of Units available for distribution or cash dividend, as the case may be in respect of any Relevant Period shall be determined by UBL FUNDS but shall not exceed the portion of net assets on the Relevant Date that is attributable to the sum total of:–

- a. the total mark up, profit, dividend, interest and fee and any other income earned during the Relevant Period on the Trust Property;**
- b. net appreciation as set out in sub-clause 11.4;**

from which shall be deducted expenses as set out in sub-clause 11.5, adjustment as set out in sub-clause 11.6 and such other deductions and adjustments as the UBL FUNDS may determine in consultation with the Auditor.”

11.4 NET REALIZED APPRECIATION

Receipts deemed by the UBL FUNDS to be in the nature of capital (principal investment amount) accruing from the Investments shall not be regarded as available for determining additional Units and/or cash dividend as the case may be in terms of this clause 11 but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the UBL FUNDS after consulting the Auditor to be in the nature of the net realized and unrealized appreciation may be included in determining additional Units and or

cash dividend as the case may be to the Holders by the Trustee.

11.5 EXPENSES OF UGIF FOR DETERMINING DISTRIBUTABLE INCOME

The amount qualifying for purposes of determining distributable Units in respect of the relevant period shall be ascertained by deducting:

- a) The remuneration of UBL FUNDS and CDC for the relevant period;
- b) Payment of all interest/mark up and other financial cost during the relevant period together with any amount accrued but unpaid on any borrowing effected by the Trust;
- c) Amortization of the Formation Cost in not more than five equal annual installments after the creation of Trust;
- d) Auditor's fee and other expenses payable out of the Trust Property;
- e) Taxes on Trust income or turnover,
- f) Any other expenses allowed by SECP.
- g) The UBL FUNDS may alter the distribution policy in order to achieve tax efficiency in the best interest of Unit Holders capital.

11.6 DISTRIBUTABLE AMOUNT

The amount qualifying for purposes of determining additional Units in respect of the relevant period shall be adjusted as considered necessary by UBL FUNDS to reflect the diminution in value of Trust Property. Out of the amount determined for the purpose of additional Units in respect of each Holder withholding tax, Zakat or other statutory levies, as may be applicable to the relevant Holder shall be deducted before computing the distributable Units for the relevant Holder.

11.7 DISTRIBUTION OF UNITS

Within five (5) calendar days, UBL Funds advising the Trustee in respect of issuance of additional Units or cash dividend, as the case may be, in terms of Clause 11.2, the Trustee shall advise the Transfer Agent to issue an Account Statement that will constitute evidence of the number of Additional Units registered in the name of the Holder. Subject to the foregoing, all provisions of Clause 6 mutatis mutandis apply to issuance of additional Units. Unit Holders who opt for the cash dividend option will be paid cash dividend only.

Additional units would be allocated in numbers up to four decimal places.

11.8 CREDIT OF ADDITIONAL UNITS

The additional units issued, as payout shall be credited to the investor account within book closure period.

12. FEES AND CHARGES

The following expenses will be borne by the Fund:

The formation cost, remuneration and expenses payable to the Auditor, remuneration of Trustee and the UBL FUNDS, duties and charges and taxes on the income of the Trust.

12.1 REMUNERATION OF INVESTMENT ADVISOR

- (a) UBL FUNDS shall be entitled to charge remuneration of upto 3% of the average Net Asset Value for the first 5 years and thereafter 2% of the Average Annual Net Asset Value subject to the maximum rate of remuneration permitted under the Rules. It is being further understood and agreed that UBL FUNDS shall fix the rate of remuneration for the duration of each semi-annual period of the Accounting Period and shall intimate such rate to the Trustee at least seven (7) calendar days prior to the beginning of each such semi-annual period. The applicable remuneration for the semi-annual period shall be published in one newspaper at the beginning of such semi-annual period. For the current semi-annual period of the Accounting Period, the remuneration has been fixed at 2% p.a. of the average NAV.
- (b) The remuneration due to UBL FUNDS shall be paid within fifteen (15) calendar days of the relevant Audit Date, provided that UBL FUNDS may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.
- (c) UBL FUNDS shall be responsible for the payment of all expenses incurred by UBL FUNDS from time to time in connection with its responsibilities as the asset management company to the Trust, including the remuneration and expenses of the Transfer Agent, the Distribution Company, the Sub-Custodian and any selling and promotional expenses incurred in respect of sale of Units. UBL FUNDS shall not make any charge against the Holders or against the Trust Property or against the Redemption Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and the Trust Deed to be payable out of Trust Property.
- (d) UBL FUNDS 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 provision of the Trust Deed.
- (e) Remuneration shall begin to accrue from the close of initial offer period.

- ***Rationale for Semi-annual Fixing of the Remuneration Fee***

UBL FUNDS shall endeavor to provide UGIF investors returns commensurate with the market while providing the flexibility of easy encashment. Semi-annual review of the remuneration fee would allow UBL FUNDS to set the fee for each semi-annual period in accordance with the performance of the previous semi-annual period.

12.2 SALES LOAD

Restricted Units issued against subscription of seed capital are Income Units and carry no sales load. Growth Units carry a step-down back-end load while Income Units carry a flat front-end load. Charging of sales load will be as per the schedule provided in Section 6.1 mentioned above. Applicable back-end load in respect of Growth Units and front-end load in respect of Income Units may vary at the discretion of UBL FUNDS subject to the maximum limits prescribed. At least fifteen (15) days prior notice will be given for the change of the sales Load by way of publication in at least one widely circulated newspaper in Pakistan.

12.2.1 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.

12.2.2 Allocation of Front-End Load

- a) The remuneration of distributors 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 UBL FUNDS for onward distribution to the distributor(s) 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 service for the scheme. If the front- end load received by the Trustee is insufficient to pay the remuneration of the distributors, the UBL FUNDS shall pay the amount necessary to pay in full such remuneration.
- b) Such payment may be made to the distributors, the UBL FUNDS by the Trustee or may be made by the Trustee on the instructions of the UBL FUNDS on any frequency agreed in the distribution agreement.
- c) **A Distribution Company located outside Pakistan may if so authorized by UBL FUNDS and the Trustee retains such portion of the Front-end Load as is authorized by UBL FUNDS and transfer the net amount to the Trustee, subject to the law for the time being in force.**

12.3 REMUNERATION OF TRUSTEE AND ITS AGENT

The Trustee shall be entitled to a monthly remuneration out of the Trust property determined as follows:

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.

- a) The remuneration shall begin to accrue following the expiry of the initial period. For any period other than a full calendar month, such remuneration shall be pro-rated. Any change in remuneration structure will be determined by the mutual consent of the Trustee and the UBL FUNDS.

- b) Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.
- c) The remuneration and expenses of the Sub-Custodian (if applicable) shall be borne by the UBL FUNDS.
- d) The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of the Trust Deed.

12.4 CUSTODIAN REMUNERATION

UGIF will pay the Custodian on the basis of inflow and outflow of securities as per CDC's tariff structure which is agreed upon by the UBL FUNDS.

12.5 PROCESSING CHARGES

All redemptions above 10,000 units i.e. Face Value of Rs 1,000,000 or above will be subject to a processing charge of Rs 200 per transaction. Such charges may be changed by UBL FUNDS from time to time after consultation with the Trustee and intimated to the SECP.

12.6 PHYSICAL / SCRIPLESS UNITS

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

12.7 ANNUAL FEE PAYABLE TO THE SECP

Currently, the structure stands at 0.1% of NAV (plus other applicable fees) which is payable annually to the Commission.

13. TAXATION

13.1 TAXATION ON FUND

The following is a brief description of the Income Tax Law (Income Tax Ordinance 2001) applicable in the case of Fund:

Liability for Income Tax

Under the Income Tax law in Pakistan, Fund is regarded as a public company for tax purposes. The income of 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 upto 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.

13.2 TAXATION OF UNITHOLDERS AND LIABILITY TO ZAKAT

The information set forth below is included for general information purposes only. In view of the individual nature of tax consequences, each investor is advised to consult with his tax adviser 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 one hundred and fifty 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.

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

14. FINANCIAL INFORMATION

14.1 AUDITORS CERTIFICATE ON INVESTMENT OF Rs.250 MILLION IN UNITS OF UGIF BY UBL



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) 568 5095
Internet www.kpmg.com.pk

Mir Muhammad Ali
Chief Executive
UBL Fund Managers Limited (Formerly United Asset
Management Company Limited)
502-505, Office Tower Techno City
Hasrat Mohani Rodad
Off: 1.1. Chundrigar Road
Karachi

Our ref KA-HS-771

29 December 2005

Dear Sir,

**United Growth and Income Fund ("theFund"), (Formerly United Regular Income Fund)
Certificate on subscription money received from United Bank Limited**

As requested, we are pleased to confirm that we have verified from the books of accounts and records of the Fund, managed by UBL Fund Managers Limited (Formerly United Asset UBL FUNDS Limited), that an amount of Rs. 250,000,000 was received as subscription from United Bank Limited against the issue of 2,500,000 units of Rs. 100 each and credited to the Fund's bank account maintained with United Bank Limited on 11 May 2005.

This letter is being issued only for submission as part of the Fund's Offering Document.

Yours faithfully,

KPMG Taseer Hadi & Co.

14.2 AUDITORS CERTIFICATE ON THE NET ASSET VALUE OF UNITS IN UGIF



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) 568 5095
Internet www.kpmg.com.pk

Mir Muhammad Ali
Chief Executive
UBL Fund Managers Limited (Formerly United Asset

Our ref KA-HS-770

Management Company Limited)
502-505, Office Tower,
Techno City, Hasrat Mohani Rodad
Off: 1.1. Chundrigar Road
Karachi

29 December 2005

Dear Sir,

Net assets value (unaudited) of each unit of United Growth and Income Fund ("the Fund"), (Formerly United Regular Income Fund)

As requested, we state that on the basis of unaudited books and records of the Fund and the details provided to us by the management of the Fund, the Net Assets (defined in paragraph 2.25 of the offering document) of the fund as on 26 December 2005 amounted to Rs. 262.393 million. The Net Assets value of each unit (defined in paragraph 2.26 of the offering document) amounted to Rs. 104.05. calculation of which is as follows:

	(Rupees in '000)
Total assets	263,450
Total liabilities	(1,057)
Net assets	<u>262,393</u>
Number of units issued as at 26 December 2005	<i>Number</i> <u>2,521,864</u>
Net assets value of each unit	<i>Rupees</i> <u>104.05</u>

This letter is being issued only for submission as part of the Fund's Offering Document.

Yours faithfully,

KPMG Taseer Hadi & Co.

14.3 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 Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund and inviting investment therein and all expenses incurred during the period leading up to the First Offer, shall be borne by the Fund and amortized over a period of not more than 5 years. Such cost will not exceed one percent (1%) of the Core Investors investment into the Fund.

15. WARNING

15.1 OFFERING DOCUMENT

The provision of the Trust Deed & the Rules govern this Offering Document. This Offering Document sets out the arrangements covering the basis of the Fund Unit. 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 advisor, stockbroker, bank manager, or other financial advisor.

15.2 FLUCTUATION IN PRICE AND INCOME

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

15.3 DISCLAIMER

Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

16. GENERAL INFORMATION

16.1 INSPECTION OF CONSTITUTIVE DOCUMENTS

The copies of constitutive documents, that is Trust deed and Offering Documents, can be inspected free of charges at the registered office of the fund or the registered office and place of business of the Trustee or at any of the Authorized Branches of the Distribution Companies.

16.2 DATE OF PUBLICATION OF OFFERING DOCUMENT

The Offering Document has been published on February 23, 2006. The Management Company accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.

16.3 RESPONSIBILITY OF UBL FUNDS FOR INFORMATION GIVEN IN THIS DOCUMENT

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

17. LIQUIDATION OF TRUST

17.1 TERMINATION OF TRUST

The Trust may be terminated by UBL FUNDS if the Net Assets at any time shall fall below Rs. 50 million. UBL FUNDS shall give at least three month's notice in writing to the Unit Holders and shall disclose the rounds for its decision. The UBL FUNDS may announce winding up of the Fund without notice in the event redemption request build up to a level where the UBL FUNDS is of the view that the disposal of the Fund property to meet such redemption would jeopardize the interest of the remaining Unit Holders and that it would be in the best interest of the Unit Holders that the Fund be wound up.

The Fund may be terminated by the Commission on the grounds given in the Rules.

In case of the 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 Commission.

- 17.2 **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.”**

17.3 DISTRIBUTION OF LIQUIDATION PROCEEDS

Upon the Trust being terminated, UBL FUNDS 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 Trust Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid. The Trustee on the recommendation of UBL FUNDS shall from time to time distribute to the Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned above and retaining such sum as considered or apprehended by UBL FUNDS for all costs, charges, expenses, claims and demands.

18. ARBITRATION

In the event of any disputes arising out of the Trust Deed or the Offering Document between UBL FUNDS on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties, as well as those relating to the interpretation of the terms and conditions of the Trust Deed and the Offering Document relating to Unit Trusts, the same shall be referred to arbitration by two arbitrators, one to be appointed by 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 hereto. 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. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940

ANNEXURE A: AUTHORIZED BRANCHES OF THE DISTRIBUTION COMPANY

All United Bank Limited (UBL) branches

ANNEXURE B: FORMS

Application forms are annexed

APPLICATION TO TRUSTEE FOR PURCHASE OF UNITS



United Growth & Income Fund
 Managed by UBL Fund Managers Ltd. (Formerly United Asset Management Company Ltd.)
 5th Floor, Office Tower, Techno City, Haat Mohani Road, Off I.I. Chundrigar Road, Karachi
 UAN: (021) 111-825-262 Fax: (021) 2214830 E-mail: info@UBLfunds.com website: www.UBLfunds.com



Please read the guidelines provided on the back page carefully before filling in the form

UNIT HOLDER DETAILS-(FOR INDIVIDUALS ONLY)	
Registration No. (for existing Investors only):	CNIC No.: <input type="text"/>
Name of Applicant / First Named Joint Applicant Mr./Mrs./Ms:	
Name of Father/Husband:	Tel. Res: Tel. Off: Mob:
Address:	
E-mail:	Fax: Date of Birth (For minor applicant):
Name of Guardian (for minor applicant): Relation with minor:	
Zakat exemption Yes <input type="checkbox"/> No <input type="checkbox"/> , If yes please provide affidavit Occupation (Please specify):	
JOINT APPLICANT DETAILS	
Name of Joint Applicant Mr./Mrs./Ms:	CNIC No.: <input type="text"/>
Name of Father/Husband:	
Address:	Tel. Res: Tel. Off: Mob:
E-mail:	Fax: Date of Birth (For minor applicant):
Name of Guardian (for minor applicant): Occupation (Please specify)	
Encashment/transfer Application Forms will be signed by all Joint Holders, <input type="checkbox"/> or to be signed by the first named Joint Holder only <input type="checkbox"/> or Either or survivor <input type="checkbox"/>	
Name of Nominee _____	
Relation with Unit Holder _____	
Address: _____	
CNIC No.: <input type="text"/>	
UNIT HOLDER DETAILS-(FOR INSTITUTIONS ONLY)	
Registration No. (for existing Investors only):	
Name of Institution:	
Address:	
NTN:	Zakat exemption: Yes <input type="checkbox"/> No <input type="checkbox"/> , If yes please provide affidavit
Status/Category-(Please Select One)	
Commercial Bank <input type="checkbox"/>	Pension Fund <input type="checkbox"/> Insurance Company <input type="checkbox"/> NBFC <input type="checkbox"/>
Trust <input type="checkbox"/>	Provident Fund <input type="checkbox"/> DFI <input type="checkbox"/> Corporate <input type="checkbox"/>
NGO <input type="checkbox"/>	Other (Please specify) _____
INVESTMENT DETAILS	
Investment Amount (Rs.):	In Words: _____
Type: Growth <input type="checkbox"/> Income <input type="checkbox"/> (for details see below)	
No. of Units: To be determined based on the Units Price applicable on the day of realization of funds	
Mode of Payment: Cheque <input type="checkbox"/> Pay-order <input type="checkbox"/> Demand Draft <input type="checkbox"/> Transfer <input type="checkbox"/> No.:	
Drawn on (Name of Bank & Branch):	
Please Note:	
<ul style="list-style-type: none"> • Growth Units are offered to investors with a back-end load structure as defined in Section 6 of the Offering Document. • Income Units are offered to investors with a flat front-end load as defined in Section 6 of the Offering Document. • Cheque/Pay-order/Demand draft to be made in favor of 'CDG Trustee United Growth and Income Fund' and crossed 'Payee Account only' 	

Continued on back page

<p>United Growth & Income Fund 5th Floor, Office Tower, Techno City, Haat Mohani Road, Off I.I. Chundrigar Road, Karachi UAN: (021) 111-825-262 Fax: (021) 2214830 E-mail: info@UBLfunds.com website: www.UBLfunds.com</p>	
Application Number: _____	Date: _____

UNITS-MODE OF HOLDING

- Account Statement (Units will be issued in registered, uncertificated form and will be confirmed by means of an account statement issued by the Transfer Agent)
- Unit Certificate (Unit certificate(s) will be issued only if requested and on payment of Rs. 25/- per certificate. Payment for certificate(s) may be combined with the payment for unit(s). Unless indicated by the applicant, minimum number of certificates will be issued)
- It is clarified that whichever option the Unit holder opts for, there are procedures laid down in each case for encashment, transfer and pledge of Units.
- Unit certificates (if requested) and account statement will be dispatched at the registered address within 15 days of the realization of funds.
- Account statement will normally be issued at the time of movement, i.e. at purchase, redemption and profit payment. If the Unit Holder requires any other frequency, he/she is requested to intimate the transfer agent accordingly and provide a valid E-mail address for the said purpose.

DECLARATION

I/We have read and understood the Trust Deed and Offering Document of United Growth and Income Fund and I/We hereby apply for the Units in the Fund. I/We agree to abide by the terms, conditions, rules and regulation of UBF. I have carefully read and completed all applicable sections of this Application Form prior to submission.

Applicant Signature: _____

Joint Applicant/Authorized Signature: _____

Date: _____

Date: _____

DISTRIBUTION DETAILS (For Office Use)

Distributor: _____

Name of Agent: _____

Sub Agent: _____

Reference #: _____

City: _____

GUIDELINES

- 1- Please complete the Application Form in block letters with a ball point pen.
- 2- In case of partnership firm or a trust, application shall be made in the name of partners or trustees.
- 3- Copies of the following documents are required to be attached with the application for purchase of units. The Distribution Company is entitled to verify the signatures on the Application Form and copy of the documents attached with the original or request for attested copies.
 - a). Individuals (new applicants only): Copy of Computerized National Identity Card(s)
 - b). For Companies/Trust/Statutory Bodies (new applicants only or if there are any amendments in these documents):
 - o Memorandum and Articles of Association/Bye Laws/Trust Deed
 - o Power of Attorney or other document authorizing the officer(s) signing the application
 - o Computerized National Identity Card(s) of the authorized signatory officer(s)
 - o Board resolution authorizing investment
- 4- It should be the responsibility of the applicant to pay all stamp and other duties and taxes in relation to the units acquired by him/her.
- 5- Details of more than two Joint-Holders should be provided on a separate sheet and should be annexed to this Application Form.
- 6- Processing charges of Rs. 200 per transaction would apply on encashment of units having a face value of Rs. 1,000,000/- and above. If you have any questions or need additional information, please call (021) 111-825-262 or e-mail at: Info@UBLfunds.com

Copy of CNIC(s)

Memorandum and Articles of Association

Power of Attorney

Cheque/Pay-order/Demand Draft/Credit Advice (IBCA)

Zakat Affidavit (where applicable)

Any other document (Please specify) _____

Received from Mr./Ms./Mx:		Stamp & Receipt Date & Time:	
_____		_____	
In words:		_____	
Total Amount Received (Rs.):		_____	
_____		_____	



United Growth & Income Fund
 Managed by UBL Fund Managers Ltd. (Formerly United Asset Management Company Ltd.)
 8th Floor, Office Tower, Techno City, Haseel Mohani Road, Off I.I. Chundrigar Road, Karachi
 UAN: (021) 111-825-262 Fax: (021) 2214830 E-mail: info@UBLfunds.com website: www.UBLfunds.com



Please read the guidelines provided on the back page carefully before filling in the form

UNIT HOLDER DETAILS (FOR INDIVIDUALS ONLY)	
Registration No :	
Name of Applicant/First Named Joint Applicant Mr /Mrs /Ms:	
JOINT UNIT HOLDER DETAILS	
Name of Joint Applicant Mr /Mrs /Ms:	
UNIT HOLDER DETAILS (FOR INSTITUTIONS ONLY)	
Registration No :	
Name of Institution:	
Number of Units:	Income Units
Account Statement	Number of Units:
If certificates	Account Statement
Distinctive Nos :	If certificates
Distinctive Nos :	Distinctive Nos :
I would like to receive the encashment amount in the form of a:	
<input type="checkbox"/> Crossed Cheque <input type="checkbox"/> Credit the encashment proceeds to my bank account (only in case of UBL Account Holders)	
Branch Name: Address:	
I/We the undersigned are the registered holder(s) of the Units and would like to encash the units as per the details above. I/We have read and understood the Trust Deed and Offering Document of United Growth and Income Fund and understand that the encashment would be made under the terms conditions rules and regulations as mentioned in these documents	
Applicant Signature:	Joint Applicant/Authorized Signature:

Continued on back page

United Growth & Income Fund 8th Floor, Office Tower, Techno City, Haseel Mohani Road, Off I.I. Chundrigar Road, Karachi UAN: (021) 111-825-262 Fax: (021) 2214830 E-mail: info@UBLfunds.com website: www.UBLfunds.com	
Application Number: _____	Date: _____

GUIDELINES

- 1. Please complete the application form in block letters with a ball point pen.
- 2. At the request of the Unit Holder, the Transfer Agent will verify the signature, holding and other relevant details as stated in this Encashment Form. In case of such verification, the verified Encashment Form will be the only document accepted by the Trustee for encashment. If the verified Encashment Form is lost, destroyed or mutilated a new Encashment Form will be verified by the Transfer Agent upon application by the Unit Holder and on payment of such costs and on such terms so as to evidence indemnity and security.
- 3. It should be the responsibility of the applicant to pay all stamp and other duties and taxes in relation to the units acquired by him/her.
- 4. Details of more than two joint-holders should be provided on a separate sheet and should be annexed to this Encashment Form.
- 5. Processing charges of Rs. 200 per transaction would apply on encashment of units having a face value of Rs. 1,000,000/- and above.

If you have any question or need additional information, please call: (021) 111-825-262 or E-mail at: Info@UBLfunds.com

FOR OFFICE USE ONLY

Name and Code of Authorized Branch: _____

Details of Encashment:

Type	No. of Units	Price/Unit	Amount of Encashment
<input type="checkbox"/> Growth	_____	_____	_____
<input type="checkbox"/> Income	_____	_____	_____

No. of **Certificates attached (if any):** _____ **Certificates** In Words: _____

Received from Mr./Mrs./Ms./Signatory: _____

and Mr./Mrs./Ms./Signatory: _____ application for the encashment of _____ number of units.

Type: Growth Income No. of Certificates attached: _____

Name of Authorized Signatory: _____ Stamp & Receipt Date & Time: _____

* Registration No: _____



United Growth & Income Fund
 Managed by UBL Fund Managers Ltd. (Formerly United Asset Management Company Ltd.)
 6th Floor, Office Tower, Techno City, Heeral Mohani Road, Off LI Chundrigar Road, Karachi
 UAN: (021) 111-825-262 Fax: (021) 2214830 E-mail: info@UBLfunds.com website: www.UBLfunds.com



Information about the principal Account Holder

ACCOUNTHOLDER DETAILS

Registration No.:	CNIC#																		
-------------------	-------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Applicant/First Named Joint Applicant Mr./Mrs./Ms:

JOINT HOLDER DETAILS

Name of Joint Applicant Mr./Mrs./Ms:

DETAILS OF CONVERSION REQUIRED

Investment Schemes	Encashment From	Investment In
United Money Market Fund-UMMF	% or Rs.	% or Rs.
United Growth and Income Fund-UGIF		
• Income Units	% or Rs.	% or Rs.
• Growth Units	% or Rs.	% or Rs.

DECLARATION

I/We hereby acknowledge having read and understood the relevant Trust Deed and Offering Document of UGIF & UMMF and I/We hereby apply for conversion of the Units as indicated above. I/We agree to abide by the terms, conditions, rules and regulations of Funds. I/We have carefully read and completed all applicable sections of this Form that govern this transaction and acknowledge understanding the risks involved prior to submission.

SIGNATURES: (with rubber Stamp in case of Institutional client)

1 _____ 2 _____ 3 _____ 4 _____

FOR OFFICE USE ONLY

DISTRIBUTOR INFORMATION			
Distributor Name		Distributor Code	Transaction Code
			Transaction Date
Received the Units Certificates		Name of Authorized Person at Distribution Center	
Total in Number		Authorized Signature	
Certificate Number			
From	To		
Number of Units			
Request Form Received on		Data and Attachments Verified by	Data Input by
Remarks			

- % requirement in "Details of conversion required" section:
 - In "Encashment From" section, it refers to the percentage of total amount currently invested.
 - In "Investment In" section, it refers to the percentage of total amount to be transferred to the relevant scheme/fund.
- In case the actual investment in the respective scheme is less than the requested amount, the entire amount will be transferred and conversion will be carried out in the same proportion as the investor has indicated in this conversion form.
- In case the physical certificates have been issued, all certificates and required documents relating to the conversion must be attached to this form.

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Application Number: _____

Date: _____



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Please read the guidelines provided on the back page carefully before filling in the form

TRANSFEROR DETAILS-(FOR INDIVIDUALS ONLY)

Registration No.:

Name of Applicant/First Named Joint Applicant Mr./Mrs./Ms:

JOINT TRANSFEROR DETAILS

Name of Joint Applicant Mr./Mrs./Ms:

TRANSFEROR DETAILS-(FOR INSTITUTIONS ONLY)

Registration No:

Name of Institution:

UNITHOLDING DETAILS-(RELATED TO UNITS TO BE TRANSFERRED IN EACH CASE)

<input type="checkbox"/> Growth Units Number of Units:	<input type="checkbox"/> Income Units Number of Units:
<input type="checkbox"/> Account Statement <input type="checkbox"/> Certificates	<input type="checkbox"/> Account Statement <input type="checkbox"/> Certificates
If certificates, please provide:	If certificates, please provide:
Distinctive Nos.:	Distinctive Nos.:
Certificate Nos.:	Certificate Nos.:

Witness 1	Witness 2
Signature:	Signature:
Name: _____	Name: _____
CNIC No.: <input type="text"/>	CNIC No.: <input type="text"/>
Address: _____	Address: _____

TRANSFEREE DETAILS

Name of Transferee Mr./Mrs./Ms./Messrs:

CNIC No./NTN*

Tel. Res: _____ Tel. Off: _____ Mob: _____

Address: _____

JOINT TRANSFEREE DETAILS

Name of Transferee Mr./Mrs./Ms./Messrs:

CNIC No./NTN*

Tel. Res: _____ Tel. Off: _____ Mob: _____

Address: _____

* NTN is required in place of CNIC, in case of an institution

Continued on back page

<p>United Growth & Income Fund 5th Floor, Office Tower, Techno City, Haxrat Mohani Road, Off I.I. Chundrigar Road, Karachi UAN: (021) 111-825-262 Fax: (021) 2214830 E-mail: info@UBLfunds.com website: www.UBLfunds.com</p>
<p>Application Number: _____ Date: _____</p>

ANNEXURE C: SIGNATORIES TO THE OFFERING DOCUMENT

	Director	Signature
1.	Mr. Atif R. Bokhari	-sd-
2.	Mir Muhammad Ali	-sd-
3.	Mr. Aameer Karachiwalla	-sd-
4.	Mr. Muhammad Asghar	-sd-
5.	Mr. Ali Sameer Farooqui	-sd-
6.	Mr. Mansoor M. Khan	-sd-
7.	Mr. Hassan Raza	-sd-
8.	Mr. Saeed Iqbal	-sd-

Dated: February 17, 2006

Witness 1:

-sd-

Name: Syed Qamar Abbas
CNIC No. 42201-1952691-5
Address: C-20 Sadat Colony
Drigh Colony
Karachi.

Witness 2:

-sd-

Name: Murtaza Khokhar
CNIC No. 42201-0564249-5
Address: B-209, Block-18
W.C.H.S KDA
Karachi.

DECLARATION

I/We the undersigned are the registered holder(s) of the Units and would like to transfer the units as per the details above. I/We have read and understood the Trust Deed and Offering Document of United Growth and Income Fund and understand that the transfer would be made under the terms, conditions, rules and regulations as mentioned in these documents.

Transferor Signature: _____

Date: _____

Transferor Signature: _____

Date: _____

Joint Transferor/Authorised Signature: _____

Date: _____

Joint Transferor/Authorised Signature: _____

Date: _____

GUIDELINES

- 1- Please complete the Application Form in block letters with a ball point pen.
- 2- A new Application Form for purchase of Units will be filled by the Transferee and attached to this Transfer Form.
- 3- In case Unit Certificates have been issued, all Certificates being transferred must be surrendered with this form.

If you have any questions or need additional information, please call (021) 111-825-282 or e-mail at: info@UBLfunds.com

FOR OFFICE USE ONLY

* Name and Code of Authorized Branch: _____

* Details of Transfer:

Type	No. of Units	Price/Unit
<input type="checkbox"/> Growth	_____	_____
<input type="checkbox"/> Income	_____	_____

* Total units to be transferred: _____ Units In Words _____

* No. of Certificates attached (if any): _____ Certificates In Words _____

Received from Mr./Mrs./Ms. Signatory: _____ number of units. and Mr./Mrs./Ms. Signatory: _____

application for the encashment of _____

Income No. of Certificates attached: _____

Name of Authorized Signatory: _____

Stamp & Receipt Date & Time: _____



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PLEDGER DETAILS-(FOR INDIVIDUALS ONLY)

Registration No.:

Name of Applicant/First Named Joint Applicant Mr./Mrs./Ms:

JOINT PLEDGER DETAILS

Name of Joint Applicant Mr./Mrs./Ms:

PLEDGER DETAILS-(FOR INSTITUTIONS ONLY)

Registration No.:

Name of Institution:

UNIT HOLDING DETAILS-(RELATED TO UNITS TO BE PLEDGED IN EACH CASE)

Growth Units

Number of Units:

Account Statement

Certificates

If certificates, please provide:

Distinctive Nos.:

Certificate Nos.:

Income Units

Number of Units:

Account Statement

Certificates

If certificates, please provide:

Distinctive Nos.:

Certificate Nos.:

Witness 1

Signature:

Name: _____

CNIC No.:

Address: _____

Witness 2

Signature:

Name: _____

CNIC No.:

Address: _____

PLEDGE HOLDER DETAILS

Name of Transferee Mr./Mrs./Ms./Messrs:

CNIC No /NTN

Te Res:

Te Off:

Mob:

Address:

* NTN is required in place of CNIC, in case of an Institution

Continued on back page

United Growth & Income Fund

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

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Date: _____

United Growth & Income Fund

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UAN: (021) 111-825-282 Fax: (021) 2214930 E-mail: info@UBLfunds.com website: www.UBLfunds.com

Application Number: _____

Date: _____

JOINT PLEDGE HOLDER DETAILS

Name of Joint Transferee Mr./Mrs./Ms./Messrs: _____

CNIC No./NTN*

Name of Father/Husband: _____

Tel. Res: _____

Tel. Off: _____

Mob: _____

Address: _____

* NTN is required in place of CNIC, in case of an Institution

DECLARATION

I/We the undersigned are the registered holder(s) of the Units and would like to mark pledge/lien on the Units as per the details and in favour of the pledge holder(s) as mentioned above. I/We have read and understood the Trust Deed and Offering Document of United Growth and Income Fund and understand that the marking of pledge/lien would be made under the terms, condition, rules and regulations as mentioned in these documents.

In making this request, I/We (the pledgers) recognize that:

- The registration of this pledge/lien places a responsibility on the Trustee to ensure that for any reason whatsoever, if the Units are encashed save any legal bar or court requiring otherwise, the proceeds accruing on such Units (hereinafter called the Pledged Units) shall be paid to the order of the pledge/lien-holder or first named joint pledge/lien-holder according to the provisions of the Trust Deed and the Offering Document.
- Save any legal bar or court order requiring otherwise, any dividends that are declared to be paid in the form of additional units on the pledged units shall be paid to the order of the Unit holder(s)/Pledger, and shall automatically be marked under the lien of the lien holder.
- The Trustee, however, does not accept any responsibility for the validity of Pledger(s)'s act of placing the pledged units under pledge/lien nor for any obligation or commitments undertaken by the pledger(s) in respect thereof.
- The pledge/lien on the Pledged Units shall continue till such time that the same is released by the pledge/lien holder in writing.

Pledger Signature: _____

Joint Pledger/Authorized Signature: _____

Date: _____

Date: _____

Pledge Holder Signature: _____

Joint Pledge Holder/Authorized Signature: _____

Date: _____

Date: _____

GUIDELINES

1- Please complete the Application Form in block letters with a ball point pen.

If you have any questions or need additional information, please call (021) 111-825-282 or e-mail at: Info@UBLfunds.com

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Name and Code of Authorized Branch: _____

Total units to be pledged: _____ In Words: _____

No. of Certificates attached (if any): _____ certificates In Words: _____

APPLICATION CHECK LIST

Copy of CNIC (s)

Memorandum and Articles of Association

Power of Attorney

Board Resolution Authorizing Investment

Any other document (Please specify)

Pledger's Receipt:

Received from Mr./Mrs./Ms./Signatory: _____ and Mr./Mrs./Ms./Signatory: _____

application for the pledge of _____ number of Units.

Type: Growth Income

Name of Authorized Signatory: _____ Stamp & Receipt Date & Time: _____

Pledge Holder's Receipt:

Received from Mr./Mrs./Ms./Signatory: _____

and Mr./Mrs./Ms./Signatory: _____ application for the pledge of _____ number of Units.

Type: Growth Income

Name of Authorized Signatory: _____ Stamp & Receipt Date & Time: _____