
OFFERING DOCUMENT

OF



UNITED MONEY-MARKET FUND

(managed by United Asset Management Company Limited-A United Bank Limited Group Company)

Management Company

UNITED ASSET MANAGEMENT COMPANY LIMITED

Trustee

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

The Offering Document and forms for Application and Redemption are available at
the following website:
<http://www.ubl.com.pk>

United Money-Market Fund Offering Document

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OFFERING DOCUMENT OF UNITED MONEY-MARKET FUND (UMF)

**Dated October 28, 2002
Open to Public Subscription from November 01, 2002**

The United Money-Market Fund (“UMF”) has been established through a registered Trust Deed dated May 08, 2002 and Supplemental Deed dated October 11, 2002, under registration (together the “Trust Deed”) entered into between United Asset Management Company Limited (“UAMC”), 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, as the Management Company and Central Depository Company of Pakistan Limited (“CDC”), incorporated under the Companies Ordinance, 1984, with its registered office at 8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi, as the Trustee. UAMC is registered pursuant to the provisions of the Asset Management Companies Rules, 1995 (the “Rules”).

UMF shall be an open-end fund and shall offer its units (“Units”) to investors on a continuing basis. The Units are being offered for public subscription from November 01, 2002 at the Offer Price applicable for the day cleared funds are received from investors with a minimum investment of Rs 5,000 and no upper limit set on the units that are to be issued to a single investor. The Net Asset Value (NAV) of the UMF as on October 18, 2002 was Rs 101.65 per Unit. The Offer and Redemption Price for each day will be based on the NAV of the previous day. The Offer and Redemption Prices for each day will be published in two newspapers. These units shall be redeemable for cash and shall be transferable.

1 REGULATORY APPROVAL AND CONSENT

1.1 APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Securities and Exchange Commission of Pakistan (“SECP”) has authorized the offer of Units of UMF under Rule 10 of the Rules. SECP has approved this Offering Document, under Rule 12 of the Rules.

It must be clearly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of UMF or 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 UMF that a prospective investor should know before investing in UMF.

Prospective investors should consult one or more from amongst their legal adviser, stockbroker, bank manager, or other financial advisor.

1.2 FILING OF THE OFFERING DOCUMENT

UAMC has filed a copy of this Offering Document signed by the Chief Executive along with the documents (1) to (8) below with SECP. Certified copies of these documents can be inspected free of charge, or purchased at a price to be determined by UAMC, at the registered office of UAMC or the registered office and place of business of CDC.

1. The Trust Deed;
2. Transfer Agency Agreement dated June 13, 2002 between UAMC and THK Associates (Pvt.) Limited (“THK”) (the “Transfer Agency Agreement”);
3. Distribution Agreement dated October 9, 2002 between UAMC and United Bank Limited (“UBL”) (the “Distribution Agreement”);
4. Two Letters dated October 21, 2002 from A.F. Ferguson & Co. Chartered Accountants, Auditors of UMF, consenting to the issue of statements and reports appearing in Part 12 of this Offering Document;
5. SECP’s Certificate of Registration No K-08280 of 2001, dated July 17, 2001, registering UAMC as an Asset Management Company;

6. SECP's letter No SC/MF-ED(SC)/700/2001, dated November 26 2001, approving the appointment of CDC as the Trustee of UMF;
7. SECP's letter No SC/MF-ED/245/2002, dated June 25, 2002, authorizing UMF;
8. SECP's letter No SC/MF-JD(R)/383/2002, dated October 22, 2002, approving this Offering Document.

2 OBJECTIVES AND POLICIES

2.1 INVESTMENT OBJECTIVE

United Money-Market Fund shall seek to provide its unit holders (“Holders”) attractive daily returns from a portfolio of low risk assets while maintaining comparatively high liquidity.

In line with the investment objective UMF will invest in a diversified portfolio of Government Securities, investment grade Term Finance Certificates, rated Corporate Debt, Certificates of Investment and other money market instruments.

2.2 TRUST DEED

The Trust Deed is subject to and governed by Securities and Exchange Ordinance, 1969 (“**Securities and Exchange Ordinance**”), the Rules and all other applicable laws and regulations.

The terms and conditions in the Trust Deed and any other supplemental deed shall be binding on each Holder.

CDC and UAMC acting together and with the approval of SECP shall be entitled by supplemental deed to modify, alter or add to the provision of the Deed on any of the following grounds:

1. modification / alteration required pursuant to any amendments in the Ordinance or the Rules;
2. to ensure compliance with any fiscal or statutory requirement;
3. to enable the Units to be dealt in or quoted on a Stock Exchange;
4. to enable on-line sale and/or redemption of Units; or
5. any other matter that does not alter the fundamental objects of the Unit Trust,

(together referred to “**Permitted Amendments**”). Any alteration, amendment, modification or addition to the provisions of the Trust Deed, other than those relating to Permitted Amendments, shall not be made without the approval of SECP and sanction of resolution of the Holders (“**Resolution**”) at a duly convened meeting in accordance with the provisions set forth in Clause 30.3 of the Trust Deed.

2.3 DURATION

The duration of UMF is perpetual however it can be terminated or wound up by SECP or UAMC, subject to conditions specified in Section 13.1 of this Offering Document

2.4 OPEN END FUND

UMF is an open-ended fund. It shall offer and redeem Units on a continuing basis subject to terms herein. There is no upper limit set on the Units to be issued to a single Holder or on the total number of Units to be issued to the public. However UAMC to facilitate economical and efficient management of investors’ accounts has set a minimum investment size of Rs 5,000.

2.5 UNITS

The units of UMF shall have a face value of Rs 100/- each. UAMC has set a lower minimum investment size of Rs 5,000. All Units represent an undivided share in UMF and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Holder has a beneficial interest in UMF proportionate to the Units held by such Holder. However UAMC (while maintaining the integrity of each Unit’s pari passu rights) may issue following classes of Units:

Class A (Restricted) Units that shall be charged with No Sales Load;

Class A Units that shall be charged with No Sales Load;

Class B Units that shall be charged with Front-end Load;

Class C Units that shall be charged with Back-end Load;

Class B units will have sales load added to the NAV for determining the Offering Price thereof (“**Sales Load**”) and Class C Units will have Back-end load deducted for determining the Redemption Price (“**Back-end Load**”).

The following Units are being currently offered:

Class A

These are load-free units. There will be no load charged at the time of entry, exit or reinvestment. These Units are being offered to individuals, corporates, insurance companies, pension and provident funds and other than those institutions to which Class C units are being offered.

Class C

These Units carry an exit Sales Load whereby the investors will be charged 1.0% (“Back end load”) of the NAV at the time of redemption. These Units are being offered to Banks, Non Banking Financial Institutions (NBFIs), Development Financial Institutions (DFIs), Brokerage Houses, Modarabas and all other financial institutions. As per the Trust Deed, UAMC and CDC can revise the Back end load with mutual consent.

Prior to issuance of any other Class of Units approval of SECP and CDC will be obtained.

2.6 PUBLIC SUBSCRIPTION

The Units are offered for subscription starting from November 01, 2002 from the 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. UAMC shall announce the Offer and Redemption prices on a daily basis.

2.7 EXTRAORDINARY CIRCUMSTANCES

UAMC may upon information to CDC suspend the issue or redemption of Units subject to the Rules (including payment of surrendered Units) at any time during:

1. 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;
2. the existence of any state of affairs which in the opinion of UAMC 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;
3. 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;
4. 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 UAMC be carried out in reasonable time; or
5. if UAMC 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 UAMC and shall terminate on the day following the first Business Day on which condition giving rise to the suspension shall in the opinion of UAMC have ceased to exist and no other condition under which suspension is authorised under the Deed exists. In case of suspension and termination of suspension UAMC shall immediately notify it to SECP and publish the same as soon as practicable in at least two widely circulated newspapers in Pakistan-one in English and the other in Urdu. The requirement to publish in such newspaper shall stand waived if such suspension is terminated within 12 hours of declaration of suspension.

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

3 ORGANIZATION & MANAGEMENT

3.1 CORE INVESTORS

The Core Investor of UMF is United Bank Limited (“UBL”), which has subscribed to the PKR 250 million seed capital. The seed capital was received on August 7, 2002 and was subsequently invested in line with investment objectives of UMF.

UBL, as investor of seed capital, has agreed to hold its investment for a minimum period of two years. UBL has been issued Class A (restricted) units which will not be transferable or redeemable for a period of two years from the date of such subscription.

3.2 MANAGEMENT COMPANY

3.2.1 Organization

As stated UAMC is the Asset Management Company pursuant to the Rules. The paid up capital of UAMC is Rs. 30 million held by United Executors and Trustees Company Limited (UET), which is a wholly owned subsidiary of UBL. UET was incorporated in 1965 under the Companies Act, 1913. The objectives of UET include to act as Executors, Administrators and Trustees and to undertake and execute trusts of all kinds.

UBL has banking history of more than forty years. It is represented in 10 countries worldwide through 22 offices, including USA, Middle East, UK and Switzerland. The key financials of the bank for the last five years are provided as under:

<i>Rs. in million</i>	1997	1998	1999	2000	2001
Paid up Capital	1,482	22,482	22,482	22,482	22,482
Total Assets	101,491	139,510	154,450	161,820	168,623
Total Income	1,245	4,503	5,844	8,254	8,036

The Fund is expected to draw strength from the established treasury operations of UBL. The UBL Treasury was revamped in May 1998. A new set-up was created from scratch, with the idea being to create a dealing room that would be able take advantage of its size and turn it into a revenue generating outfit. To achieve this goal a modern set-up was created, with professionals being brought in from leading financial institutions. Currently UBL’s Treasury has become one of the most profitable treasuries in the business which capitalizes on its volumes, on its local and international network and thrives on teamwork. UBL treasury portfolio is currently over Rs. 50 billion and earned an income of Rs. 1.8 billion during the last year.

The Board of Directors of UAMC is:

Name, Occupation and Address		Other Directorship
1.	Mr. Amar Zafar Khan Banker 2-B/II, Street B, Khayaban-e-Momin, Phase V, DHA, Karachi.	Chairman /Director - United Bank A.G. Zurich, Switzerland - United Executors & Trustee Co. Ltd. - First Women Bank Limited - Pakistan International Bank (UK) Limited - Karachi Electric Supply Corporation Ltd. - SME Bank
2.	Mr. Shaharyar Ahmad Banker 147, Tufail Road, Lahore	Chief Executive - United Executors & Trustee Co. Ltd. - Karachi Stock Exchange - SPV Limited

- | | | | |
|----|--|-----------------------------------|--|
| 3. | Mr. Mansoor M. Khan
Banker
116/1, 6 th Street, off;
Khayaban-e-Rahat, Phase VI
DHA,
Karachi | Director | - Investment Corporation of Pakistan
- United Executors & Trustee Co. Ltd.
- United Bank Financial Services (Pvt.) Ltd.
- SPV Limited |
| 4. | Mr. Mir Muhammad Ali
Banker
48/1, 6 th Commercial Street, Phase IV, DHA,
Karachi. | Director | - United Executors & Trustee Co Ltd.
- United Bank Financial Services (Pvt.) Ltd.
- SPV Limited |
| 5. | Mr. Khalid Munawaruddin
Banker
GF-1, 23B, Seaview Apartments,
Karachi. | Director | - United Executors & Trustee Co. Ltd. |
| 6. | Mr. Aameer Karachiwalla
Banker
17, Par Lane No. 1, Off. Khayaban-e-Nishat, Phase VI, DHA,
Karachi. | Director | - United Executors & Trustee Co. Ltd.
- National Investment Trust Limited
- United Bank Financial Services (Pvt.) Ltd. |
| 7. | Mr. Jeeva Shahid Haroun
Lawyer
D-95, Block 7, Clifton,
Karachi. | Company
Secretary/
Director | - United Executors & Trustee Co. Ltd.
- United Bank Financial Services (Pvt.) Ltd. |
| 8. | Dr Ahsan H. Khan
Banker
51/1, 9 th Street Off
Khayaban-e-Hafiz Phase V
Karachi | Director | - United Bank Financial Services (Pvt.) Ltd. |

Particulars of the Directors

Mr. Amar Zafar Khan – Chairman

Mr. Amar Zafar Khan is a Chartered Accountant from England & Wales, and holds a Masters in Business Administration degree from the Cranfield School of Management (United Kingdom). Mr. Amar Zafar Khan has 27 years diverse experience within financial services industry of which 22 years have been with international institutions, primarily Citibank. Most of his banking career has been associated with launching new businesses (spanning the Middle East, Africa and Europe) and more recently turning around privatized businesses. UBL is his second such experience, having previously participated in the privatization, planning and turnaround of a large commercial bank in Nigeria.

Mr. Shaharyar Ahmad – Chief Executive

Mr. Shaharyar Ahmad carries with him over 25 years experience of investment banking in Pakistan, Europe and Middle East. He has held senior banking positions at Bank of Credit and Commerce International including Head of Merchant Banking Division in England and Chief Manager and Executive Incharge of Investment Banking in Spain. At the National Commercial Bank, Saudi Arabia, he was Head of Asset Management and Special Projects.

Mr. Mansoor M. Khan – Director

Mr. Mansoor M. Khan is Master of Business Administration from University of Hartford Connecticut, USA. He has over 20 years work experience in Corporate Banking, Credit and Marketing areas of foreign banks in Pakistan and overseas. Prior to joining UBL he worked for BCCI, Commercial Bank of Kuwait and Emirates Bank International. At UBL he has been instrumental in developing a team of professionals possessing the expertise to cater to the needs and requirements of top tier corporates.

Mr. Mir Muhammad Ali – Director

MSc in Finance from University of Strathclyde, Glasgow and gold medallist Master in Business Administration from Institute of Business Administration Karachi, has extensive experience in corporate finance, project finance, advisory, money market operations and equity products. He has been involved in a number of innovative structured finance transactions for both local and foreign customers. Before joining UBL, Mr. Ali was responsible for Corporate Finance and Marketing Function at Pakistan Kuwait Investment Company (Pvt.) Ltd., where he advised international as well as domestic customers. He has also passed CFA level I and level II exam conducted by AIMR and is candidate for level III exam for 2003.

Mr. Khalid Munawaruddin – Director

Mr. Khalid Munawaruddin has been associated with UBL since 1997. He carries with him more than two decades of rich experience in Corporate Banking, Financial Management, Risk Management, and Islamic Banking. Prior to joining UBL he worked with Bank of America and with Mashreq Bank.

Mr. Aameer Karachiwalla – Director

A Chartered Accountant from England and Wales, He has more than fifteen years of experience of working in the banking and corporate sector. Mr. Aameer Karachiwalla before joining UBL worked for Citicorp Investment, American Express Bank and for the automotive industry.

Dr. Ahsan H. Khan – Director

Dr. Ahsan H. Khan has held senior level assignments in various local and foreign banks. He worked as senior executive in National Bank of Oman for 12 years. His assignments in Pakistan include Group Leader Islamic Investment Bank, Management Advisor to the Bank of Khyber and Chief NWFP Investment Committee. Currently, Dr. Khan is working as the Divisional Head, Corporate communications and Islamic Banking Division, UBL.

Mr. Jeeva Shahid Haroun – Company Secretary

Mr. Jeeva Shahid Haroun is a distinguished lawyer well versed with corporate and banking laws. He is a Bar-at-Law from United Kingdom. Mr. Jeeva Haroun carries with him 13 years of experience in Corporate law with expertise in developing commercial paper and bill discounting products. Before joining UBL he was working with a foreign bank.

3.2.2 Roles and Responsibilities

Roles and Responsibilities of UAMC

1. UAMC shall promote the sale of units of UMF, invest and manage the assets of UMF in accordance with the provisions of the Trust Deed
2. UAMC 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. UAMC 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 and shall account to CDC for any loss in value of the Trust Property where such loss has been caused by its negligence reckless or willful act and/or omission or by its officers, officials or agents.
3. UAMC 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 Trust Deed shall be made by CDC according to the instructions of UAMC in this respect, unless such instructions are in conflict with the provisions of the Constitutive Documents or the Rules.
4. UAMC may from time to time appoint, remove or replace the Transfer Agent.
5. UAMC shall provide to CDC such information as CDC may require in respect of any matter relating to the Trust.
6. UAMC 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 UAMC be liable for any act or omission of CDC

nor for anything except its bad faith or willful breach of duty. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, UAMC 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.

7. UAMC shall maintain proper accounts and records of UMF to enable a complete view of assets and liabilities, income and expenditure and amounts received in respect of Units and paid out on redemptions of Units and by way of distribution.
8. UAMC shall prepare and transmit to the Holders and SECP the annual report together with balance sheet and income and expenditure account and auditors report. The Management Company shall also prepare and transmit to Unit Holders and SECP the unaudited balance sheet and income and expenditure account in respect of first half of the year and un-audited financial statements of the first and third quarter of each Accounting Period and any other report as required per the Rules and/or the Trust Deed.
9. UAMC in consultation with CDC shall from time to time appoint, remove or replace one or more Distribution Company(s) (“**Distribution Company**”) for carrying the Distribution Function at one or more locations.

3.2.3 Voting Rights of UAMC

All rights of voting attached to any Trust Property shall be exercisable by UAMC 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.

3.2.4 Remuneration of UAMC

1. UAMC shall be entitled to prescribe and receive remuneration upto the maximum rate of remuneration permitted under the Rules; it being further understood and agreed that UAMC shall fix the rate of remuneration for the duration of each quarter of an Accounting Period and shall intimate such rate to the Trustee at least seven (7) calendar days prior to the beginning of each such quarter. The applicable remuneration for the quarter shall be published in two newspapers at the beginning of such quarter. **For the current quarter of the Accounting Period the remuneration has been fixed at 1.0% p.a. of the average daily amount of the total NAV.**
2. The remuneration due to UAMC shall be paid within fifteen (15) calendar days of the relevant Audit Date, provided that UAMC may from time to time draw in advance out of the accrued remuneration a sum that CDC shall consider reasonable.
3. UAMC shall be responsible for the payment of all expenses incurred by UAMC 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. UAMC 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 authorised under the provisions of the Rules and the Trust Deed to be payable out of Trust Property.
4. UAMC 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.

3.2.5 Rationale for Quarterly Fixing of the Remuneration Fee

UAMC plans to provide investors to the UMF fair returns while providing the flexibility of easy encashment. Quarterly review of the remuneration fee would allow UAMC to set the fee for each quarter in accordance with the performance of previous quarter.

3.3 TRUSTEE

3.3.1 *The Company*

CDC 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 and Habib Bank Limited.

Professional And Independent Management

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

The mission of CDC is to offer a wide range of services that will support the capital markets so as to contribute to the country's ability to support and develop the Pakistani Capital Market as the hub of financial activities in the region. CDC's goals are to eliminate paper based settlement, to diversify its services, and to become a leading institution of the region. In addition to its existing activities, CDC plans providing the following services:

- Delivery vs. Payment
- National Clearing & Settlement System (project awarded by SECP)
- Handling of Govt. securities

3.3.2 *Roles and Responsibilities*

CDC is responsible for safeguarding the interests of the Holders. The other responsibilities of CDC include:

1. Complying 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 performed on its behalf by any: (a) officer or responsible official of CDC; or (b) nominee or agent appointed by CDC with the written approval of UAMC; 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 on its part or any of its directors, officers, nominees or agents.
2. Exercising 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 it in good faith in accordance with or in pursuance of any request of UAMC provided they are not in conflict with the provisions of the Constitutive Documents or the Rules.

3. Carrying out the instructions of UAMC 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 highly impractical or not possible to carry out any instructions or fulfill or effectuate any of the provisions of the Trust Deed, CDC shall not be responsible thereof and it shall neither incur any liability for anything done or omitted to be done in good faith.
4. CDC shall provide to UAMC such information as UAMC may require from time to time in respect of the Trust Property and all other matters relating to the Trust.
5. 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, UAMC has in all material respect managed the Trust Property in accordance with the provisions of the Rules and the Constitutive Documents and if UAMC has not done so, the respect in which it has not done so and the steps CDC has taken in respect thereof.
6. 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 UAMC 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 CDC shall (out of the Trust Property) indemnify UAMC against all such costs, charges and expenses; provided that no such indemnity shall be given in respect of any action taken against UAMC for negligence or breach of fiduciary duties in connection with its duties under the Trust Deed or the Rules.
7. CDC or the Sub-Custodian or any of their Connected Person shall not sell or purchase or deal in the sale of any relevant investment or enter into any other transaction with the Trust, except with the prior written approval of UAMC.
8. Any transaction between CDC and UAMC or any of its Connected Persons as principal, shall only be made, if permissible under the Rules and with the prior written consent of CDC.
9. CDC shall ensure that: (a) 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 (b) the methods adopted by UAMC in calculating the value of Units are adequate and in accordance with the provisions of the Constitutive Documents and the Rules.
10. CDC will take into custody all assets of UMF including cash and registered assets. Government Securities and other physically held securities forming part of the Trust Property may be held by the Sub-Custodian but will be under the direct control of CDC.

3.3.3 Remuneration of CDC and Its Agent

CDC, as the Trustee, shall be entitled to an annual remuneration out of the Trust Property determined as follows:

NET ASSETS	REMUNERATION
Up to Rs. 250 million	0.5% p.a. with a minimum of Rs. 1,250,000
On amount exceeding Rs. 250 million up to Rs. 500 million	Rs. 1,250,000 plus 0.35% p.a. on amount exceeding Rs. 250 million
On amount exceeding Rs. 500 million up to Rs. 1,000 million	Rs. 2,125,000 plus 0.25% p.a. on amount exceeding Rs. 500 million
On amount exceeding Rs. 1,000 million	Rs. 3,375,000 plus 0.10% p.a. on amount exceeding Rs. 1,000 million

1. 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-rata.
2. Such remuneration shall be paid to CDC in arrears within thirty (30) Business Days after the end of each calendar month.
3. The remuneration and expenses of the Sub-Custodian shall be borne by UAMC.

4. CDC 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.

3.4 TRANSFER AGENT

3.4.1 Roles and Responsibilities

THK Associates (Pvt.) Limited, with their registered office at Sheikh Sultan Trust Building No 2, Beaumont Road Karachi, have been appointed as the Transfer Agent through an agreement. The Transfer Agent will perform the functions of a registrar and its responsibilities include maintaining the register of 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, recordal of pledges and liens and recordal 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. THK Associates (Pvt.) Limited has the necessary resources and skills to provide an efficient service to Unit Holders.

3.5 CUSTODIAN

CDC has been appointed as the Custodian and will be responsible for the safe custody of the securities of UMF and for ensuring smooth settlement of all the transactions carried out by UMF.

3.5.1 Remuneration

UMF will pay CDC on the basis of inflow and outflow of securities (Settlement Charges). In addition to this, CDC would be paid the custody charges.

Schedule of Fees				
Transaction Fee	Rs. 0.008	Per share or Per unit of TFC	To be collected in advance	Cash/P. O./D.D/ Credit Voucher/Cheque
Annual Fee	Rs. 2,000	Delivered-Out Fixed annually per account	Annually in advance	-do-
Withdrawal Fee For TFCs	Rs. 50	Per unit of TFC	To be collected in advance	-do-

3.6 SUB-CUSTODIAN

CDC, in its capacity as Trustee of UMF, has currently appointed UBL to act as sub-custodian for CDC. The arrangement has been executed via a Sub-Custodian agreement dated August 30, 2002.

UBL or any other Bank appointed as a sub-custodian at later stage will keep custody of State Bank of Pakistan (SBP) and other government securities kept in Subsidiary General Ledger Account (SGLA) and physical securities. CDC currently does not have the facility to handle securities held in SGLA and in physical form. Once CDC is able to have its own SGLA with SBP, the Sub-custodian arrangement would be discontinued.

3.7 AUDITORS, LEGAL ADVISERS AND BANKERS

3.7.1 Auditors

The Auditors of UMF are:

A.F. Ferguson & Co.,
Chartered Accountants
State Life Building Number 1-C
I.I Chundrigar Road
Karachi.

3.7.2 *Legal Advisers*

The Legal Advisor of UMF are:

Haidermota & Co.
D-79, Block 5, Clifton,
KDA Scheme No 5,
Karachi.

3.7.3 *Bankers*

UBL would act as the Principal Banker to UMF in addition to any other financial institution appointed by UMF from time to time.

3.8 DISTRIBUTION COMPANIES

3.8.1 *Role of 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 State Life Building No 1, I.I. Chundrigar Road Karachi, would act as the primary Distribution Company and booths will be setup at selected branches of UBL to sell these units.

The distribution functions ("**Distribution Functions**") would entail the following:

1. Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
2. Issuing receipts in respect of (1) above;
3. 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 UAMC or the Transfer Agent as appropriate; and
4. Accounting to the Trustee for all (1) moneys received from the applicants for issuance of Units (2) payments made to the Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.

4 ASSET MANAGEMENT PLAN

4.1 STATEMENT OF INVESTMENT OBJECTIVES

“United Money-Market Fund shall seek to provide its Holders attractive daily returns from a portfolio of low risk assets while maintaining comparatively high liquidity.”

4.2 INVESTMENT POLICY

The portfolio shall be geared towards maximizing current income to the extent consistent with preservation of capital and maintenance of liquidity. The portfolio shall comprise of both short-term and medium-term investments. The medium-term investments would enable the fund to earn higher returns and would also provide limited opportunities for capital appreciation whereas the short-term investments would assist in meeting liquidity and redemption requirements.

UMF will invest in a wide range of instruments including rated Corporate Debt, Government Securities, Asset Backed Securities, Certificates of Investments, Reverse Repo transactions and other money market instruments; however, UMF will not invest in Equities.

UMF may change the asset allocation depending on the prevailing market conditions. In determining the asset allocation and security exposures, UMF will comply with the provisions of Trust Deed, Rules and SECP letter SC/MF-ED/245/2002 dated June 25, 2002 and other conditions imposed by SECP from time to time.

Pursuant to relaxation granted by SECP in respect of exposure limits under Rule 13 of the Rules vide its letter no. SC/MF-DD(R)/188/2002 dated April 18, 2002, the following restrictions will apply in connection with investments made and to be made by the Trust: (a) investments in unlisted securities can be upto 100% of Net Assets provided in the case of unlisted securities corporate debt the issuing entity should have a minimum investment grade rating; (b) investments in Government securities can be upto 100% of Net Assets; (c) investments in Reverse Repo shall not exceed 50% of Net Assets, provided that the counter party should have a minimum investment grade rating; (d) investment in unsecured and call market placement shall not exceed 25% of Net Assets provided that the counter party should have a minimum investment grade rating; provided further that (i) the foregoing restrictions shall not apply if and to the extent SECP has furnished any further relaxations; and (ii) it will not be necessary for CDC to sell any investment merely because owing to appreciation or depreciation of any investment or redemption of Units such limit will be exceeded.

The above relaxation is subject to complying with the following conditions, which shall not however be applicable to investments made in instruments issued by Government of Pakistan:

1. The investment limits prescribed for a single company and single sector in Rule 13 of the Rules shall be observed for investment in all those money market instruments which have been issued by non-government entities.
2. Investments shall be made only in those money market instruments the issuer of which has minimum investment grade rating assigned by a rating agency registered with the Commission or approved by State Bank of Pakistan.
3. If the instrument itself is rated it shall have minimum investment grade rating.

Subject to the foregoing exposure limits and restrictions on investments as provided in the Rules shall apply.

4.3 RESTRICTED INVESTMENTS

UMF will not invest in the following:

1. ordinary shares forming part of a company’s equity;
2. bearer securities;
3. securities on margin;
4. securities, which result in assumption of unlimited liability (actual or contingent);
5. commodities or commodity contracts;

6. real estate or interest in real estate save and except in securities which are secured by real estate or interests therein or issued by companies that invest in real estate or interest therein and are approved by UAMC;
7. in any security of a company if any director or officer of the management company owns more than five percent of the total nominal amount of the security issued or collectively the directors and officers of the management company owns more than ten percent of those securities.

4.4 INVESTMENT QUALITY

UMF will only invest in investment grade corporate debt (rated by a reputable credit rating agency registered with SECP). The same rating criteria will be applicable for instruments used in Repo and Reverse Repo transactions. If however, the instrument itself is not rated then the issuer of the instrument shall have a minimum investment grade rating.

4.5 BORROWING POLICY

4.5.1 Limits

UAMC may request CDC to borrow an amount up to a maximum limit as prescribed by the Rules .

4.5.2 Exception

CDC will not 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.

4.5.3 Pledge

For the purposes of securing any borrowing CDC may with the approval of UAMC 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 UAMC 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.

5 PRINCIPAL FEATURES

5.1 TYPES OF UNITS AND DENOMINATION

5.1.1 *Class A (Restricted)*

These are load free units and have been offered to UBL against investment in seed capital. These units are not redeemable or transferable for a period of two years from the date of subscription.

5.1.2 *Class A*

These are load-free Units. There will be no load charged at the time of entry, exit or reinvestment. These Units are being offered to individuals, corporates, insurance companies, pension and provident funds and other than those institutions to which Class C units would be offered

5.1.3 *Class B*

These Units carry a front-load whereby investors will be charged 1.0 % of the NAV of the Units which will be added to the NAV to calculate the Offer Price at the time of purchase. These Units are not being currently offered. As per the Trust Deed, UAMC and CDC can revise the sales load with mutual consent.

5.1.4 *Class C*

These Units carry an exit Sales Load whereby the investors will be charged 1.0 % (“Back end load”) of the NAV at the time of redemption. These Units are being offered to Banks, NBFIs, DFIs Brokerage Houses Modarabas and all other financial institutions. As per the Trust Deed, the UAMC and CDC can revise the sales load with mutual consent.

All the Units will have a Face Value of Rs 100/- with a minimum investment size of Rs 5,000.

5.1.5 *Processing Charges*

All redemptions of 250 units and above i.e. Face Value of Rs 25,000 and above will be subject to a Processing Charge of Rs 200 per transaction. Such charge may be changed by UAMC from time to time after consultation with CDC and intimation of such change to SECP.

5.2 PURCHASE & 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**”).

5.3 OFFER AND REDEMPTION PRICES

The Units will be offered at the Offer Price applicable for day cleared funds are received from the investors. UAMC will announce the Offer and Redemption prices on a daily basis.

The Offer Price shall be equal to the sum of:

1. The Net Asset Value as of the close of the immediately preceding Business Day;
2. Front-end Load in the case of Class B Units;
3. Such amount as UAMC may consider to be an appropriate provision for Duties and Charges;

such sum to be adjusted upwards to the nearest Rupee.

If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value UAMC shall suspend any issuance of Units and shall calculate a new Offer Price. UAMC shall also inform the Commission of the suspension of issuance of Units and of the new Offer Price, and publish the same in two widely circulated daily newspapers in Pakistan-one in English and the other in Urdu.

The Units may be redeemed at a price (“**Redemption Price**”) which shall be equal to the NAV as of the close of the Business Day immediately preceding the day of determination of the Redemption Price less:

1. Back-end Load in the case of Class C Units; and
2. Such amount, adjusted downwards to the nearest rupee, as UAMC may consider appropriate provision for Duties and Charges.

If the variation of the NAV at any time exceeds two percent (2%) of the NAV, UAMC shall suspend any redemption of Units and shall calculate a new Redemption Price. UAMC shall also inform the Commission of the suspension of redemption of units along with the announcement of the new Redemption price, and publish the same in two widely circulated daily newspapers in Pakistan, one in English and the other in Urdu.

The Offer and Redemption Price determined by UAMC shall be made available to the public at the office and branches of the Distribution Companies and shall also be published in at least one English and one Urdu newspaper on a daily basis with circulation in all major cities of Pakistan.

5.4 ISSUE OF UNITS OUTSIDE PAKISTAN

Subject to foreign exchange control and other applicable laws, for delivery of Units in any country outside Pakistan the price at which such Units may be issued may at the discretion of UAMC include in addition to the Offer Price a further amount sufficient to cover any currency exchange fluctuation, any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of certificates in connection therewith or the remittance of money to Pakistan.

In the event that the Redemption Price for Units is paid in any country outside Pakistan, the price at which such Units may be redeemed may, at the discretion of UAMC, include as a deduction to the Redemption Price a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such payment or redemption.

5.5 PHYSICAL / SCRIPLESS UNITS

UAMC would issue both physical and scripless Units. Scripless Units will be issued to facilitate quick sale/redemption as it is assumed that due to nature of the fund, sale/redemption of Units would be substantial. For issuance of physical Units, Rs. 25/- will be charged to the customer on each certificate issued.

5.6 PRICING METHODOLOGY

The Offer and Redemption prices of the Units on any given day shall be based on the Net Asset Value (NAV) of UMF on the previous business day. These 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. **Class A Units will carry No Sales Load.** The NAV will be calculated in accordance with the Rules.

5.7 SALES LOAD

Class A Units will carry no Sales Load whereas Class B Units and Class C Units will have Sales Load.

5.7.1 Purpose

The purpose of Sales Load is to cover the cost of providing distribution, transfer and redemption related services to the Class B and C Holders. For similar services provided to Class A Holders, UAMC shall bear the cost out of the management fee.

5.7.2 Method of Calculating Sales Load

Only Class B and Class C Units will have a Sales Load which shall be one percent (1.0%) of the Net Asset Value or such other percentage as may be mutually agreed between CDC and UAMC in writing.

5.8 TAXATION

5.8.1 Taxation on the Income of UMF and Liability to Zakat

Liability for Income Tax

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

1. Dividend income 5% of the gross income
2. Capital gains arising on sale of securities listed on any stock exchange in Pakistan- exempt from tax upto June 30, 2004 (Assessment Year 2004-05)
3. Return from Term Finance Certificates or Corporate Papers, profit on Government securities, return on deposits/Certificates of Investments with banks/financial institutions, profits from money market transactions, profit from Profit or Loss Sharing accounts with banks is taxable at the rate of 35%, applicable to a public company.

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

Notwithstanding the tax rate stated above, the income of UMF will be exempted from income tax if not less than 90% of the income of the year is distributed amongst the Holders.

Zakat

UMF is Saheb-e-nisab under Zakat and Ushr Ordinance, 1980. The balance in the credit of Savings Bank Account or similar account with a bank standing on 1st day of Ramazan-ul-Mubarak will be subjected to deduction of 2.5% Zakat.

5.8.2 Taxation of Holders 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 with respect to the specific tax consequences to him of investing in UMF.

Holders of UMF will be subject to Income Tax on Dividend as under:

	Rate
Public Company and Insurance Company	5%
If received by any other person, including a non-resident	10%

The rate of tax so specified will be the final tax and the payer will also be required to withhold the amount of tax at source.

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 Assessment Year 2004-05.

Holders who are exempt from income tax may obtain exemption certificate from the Commissioner of Income Tax and on the basis of the exemption certificate income tax, will not be withheld.

Holders of UMF shall be entitled to a tax credit under section 62(1) and (2) of the Income Tax Ordinance 2001 on purchase of new Units. The amount on which tax credit will be allowed shall be lower of (a) amount invested (b) ten percent of the total income of the Holder and (c) Rupees one hundred thousand and will be calculated by applying the average rate of tax of the 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 credit allowed. UMF will obtain listing on one of the stock exchanges in Pakistan.

Zakat

Under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except for certain category of Investors, Units held by resident Pakistani unitholders are subject to Zakat at 2.5% of the Par Value of Units held on the Zakat Valuation Date. Except for those Unitholders exempted under the said Ordinance, Zakat will be collected and paid in to the government treasury by redeeming the appropriate number of Units out of the respective accounts on the Zakat Valuation Date. In the event the Units are held in certificate form or UAMC is of the view that circumstances so warrant, the Zakat shall be recovered when the certificates are redeemed or from the dividend payment relating to such certificates whichever is earlier.

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

6 PURCHASE OF UNITS

6.1 WHO CAN APPLY

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

1. Citizens of Pakistan; in respect of minors below 18 years of age, applications should be made by their guardians.
2. 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 by-laws.
3. 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.
4. Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended by S.R.O. 261(1)/2002 dated May 10, 2002 to the extent of twenty percent of provident fund. UMF will obtain listing on one of the stock exchanges in Pakistan
5. Provident, Pension and Gratuity Funds constituted by organizations other than companies under section 20(h) of the Trusts Act 1882 (11 of 1882)
6. Insurance Companies under Insurance Ordinance, 2000
7. Non Profit organization under section 213(i) of the Income Tax Rules 2002

6.2 APPLICATION PROCEDURE

1. Fully completed application form for purchase of units, accompanied by the full amount of purchaser's payment and copies of the documents mentioned in sub-para 2, 3 and 4, given below, should be delivered at any of the Authorized Branches of the Distribution Companies. Only Authorized Branches of the Distribution Companies are authorized to collect application and payment for issue of Units.
2. In case of individual applicants, a photocopy of the National Identity Card of the applicant or any other form of identification acceptable to UAMC.
3. In case of a corporate body or a registered society or a trust,
 - a. copy of the memorandum and articles of association/charter/bye-laws or rules and regulations;
 - b. copy of the relevant Resolution of the board of directors approving the investment;
 - c. 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
 - d. copy of the National Identity Card of the officer to whom the authority has been delegated.
4. In case of existing unit holders, if any of the documents have previously been deposited, fresh submission of documents will not be required provided that the deposited documents are acceptable to UAMC.
5. 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.
6. 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.
7. 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.

6.2.1 *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 “**Trustee- United Money-Market 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.**

6.3 **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 National Identity Card.

The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption requests, or dividend or fractional payments. His receipt shall be considered as a valid discharge by 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.

6.4 **ALLOTMENT (ISSUE) OF UNITS**

If an application duly delivered at or posted to the Authorized Branch of the Distribution Company is accompanied by a cheque or bank draft the Units applied for will be allotted (issued) on the date of when the accompanying cheque or bank draft is realized if it is a Subscription Day, or if not a Subscription Day, then on the next following Subscription Day provided the cheque or bank draft accompanying the application is realized. If the cheque or bank draft has been returned unpaid, the application will be rejected.

6.5 **SALE TIME**

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

7 REDEMPTION PROCEDURE

7.1 APPLICATION PROCEDURE

The Holder can request for redemption on any given Subscription Day by submitting the complete prescribed application form and endorsed certificate (if any) 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 or his/their representatives.**

7.2 PAYMENT OF REDEMPTION PROCEEDS

Payment of the redemption proceeds will be made by either by 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 3 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 three (3) business days, duly completed redemption form must be received by the Branch 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.

7.3 JOINT HOLDERS

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

7.4 PARTIAL REDEMPTION

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

7.5 REDEMPTION REQUESTS IN EXCESS OF 10% OF UNITS IN ISSUE

Payments of Units redeemed shall be made within three (3) Business Days of the date of receipt of such application; provided that in the event redemption requests on any one Subscription Day exceed ten percent (10%) of total number of Units outstanding for the time being, payment shall be made within five (5) Business Days of such Subscription Day.

7.6 SUSPENSION OF ISSUE OR REDEMPTION OF UNITS

UAMC may upon information to the Trustee suspend the issue or redemption of Units at any time during extraordinary circumstances mentioned in paragraph 2.7 of this Offering Document.

In case of suspension and termination of suspension UAMC shall immediately notify it to the Commission and publish the same as soon as practicable in at least two widely circulated newspaper in Pakistan. The requirement to publish in such newspaper shall stand waived if such suspension is terminated within 12 hours of declaration of suspension.

8 TRANSFER OF UNITS

8.1 APPLICATION PROCEDURES

A Holder can transfer Units held by him by:

1. transferring, pledging or otherwise encumbering the Units held by him by an instrument in such form as UAMC may prescribe from time to time with the approval of CDC completing a Transfer Application Form to be signed by the transferor and transferee; submitting to any of the Authorized Branches of the relevant Distribution Company the Transfer Application Form and relevant certificate, if issued.
2. 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.
3. 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.
4. 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.

8.2 PARTIAL TRANSFER

Partial transfer of units covered by a single certificate is not permitted.

9 SERVICE TO HOLDERS

9.1 AVAILABILITY OF FORMS

All the forms mentioned are available at all the Authorized Branches of the Distribution Company and the head office of UAMC.

9.2 TRANSFER OF ACCOUNT

Once a Holder has purchased a unit from an Authorized Branch of the Distribution Company, all his records/forms will be kept and maintained at that Authorized Branch. However, for the convenience of the Holder, the Holder of account may transfer the account to another Authorized Branch on application. In case the relevant Distribution Company does not continue as the Distribution Company, UAMC and CDC will make arrangements for Holder's account to be transferred to another Distribution Company's Authorized Branch at the nearest location.

9.3 REGISTER OF UNIT HOLDERS

A Register of Holders shall be maintained by THK Associates (Pvt.) Ltd. in its capacity as the Transfer Agent at Ground Floor, Sheikh Sultan Trust Building No.2, Beaumont Road Karachi.

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 provisions of the Deed, with the prior arrangement with the UAMC or the Transfer Agent.

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

UAMC shall ensure that the Transfer Agent 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 of at least two hours in each business day) be open in legible form to the inspection of any Holder without charge.

9.4 INFORMATION IN THE REGISTER

9.4.1 *The Register will contain the following information:*

About Unit holders

- Name of Holder/joint Holders;
- Address of Holder/first named joint Holder;
- National Identity Card Number(s) of Holder/joint Holders;
- Father's/Husband's name of Holder/joint Holders;
- Occupation of Holder/ joint Holders;
- Tax / Zakat status of the Holder;
- Record of Signature of Holder

About Units

- Type;
- Distinctive numbers;
- Certificate number, if applicable;
- Date of purchase/redemption/transfer and the reference number, if any;
- Number of Units held; and

- Record of verification of Transfer forms/redemption forms. Such other information as UAMC may require.

Instructions

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

9.5 ACCOUNT STATEMENT

The Transfer Agent will send directly to each Holder a non-transferable account statement each time there is a transaction in the folio, i.e., Units are (1) subscribed, (2) redeemed, (3) transferred in favor of third person, (4) transferred from 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.

9.6 CERTIFICATES

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

1. 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 fee not exceeding Rs. 25/- (Rupees Twenty Five only) per Certificate of any denomination, subject to revision of fee from time to time by UAMC. The proceeds of such fee will accrue to UAMC.
2. Certificates shall only be issued for Units that have been fully paid, in such denomination as may be required by the Holder. Separate Certificates shall be issued for each class of Units.
3. 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 authorised nominee at his own risk by registered post, by courier service or may be collected by the Holder from the Distribution Company.
4. 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.
5. Certificates shall be issued in such form as may from time to time be agreed between UAMC and CDC. A Certificate shall be dated, shall bear the name and address of UAMC 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.
6. Certificates may be engraved or lithographed or printed as UAMC may determine from time to time with the approval of CDC and shall be signed on its behalf by a duly authorised officer and on behalf of UAMC by a duly authorised officer of UAMC. Every such signature shall be autographic unless there shall be for the time being in force an arrangement authorised 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 authorised representative of the Transfer Agent, 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 UAMC or the Transfer Agent or any person whose signature appears thereon as a duly authorised signatory may have ceased to be the Trustee, UAMC, Transfer Agent or any authorised signatory.

9.7 REPLACEMENT OF CERTIFICATES

In case any Certificate are lost, mutilated, defaced or destroyed, the Transfer Agent with the approval of UAMC 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 Distribution Company/Transfer Agent evidence satisfactory to UAMC 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 UAMC and CDC may require.

Before the issuing of any Certificate the Distribution Company / Transfer Agent may require from the applicant for the Certificate the payment to it of a fee of Rs. 25/= (Rupees Twenty Five only) for each Certificate, subject to revision of fee from time to time by UAMC together with a sum sufficient in the opinion of UAMC to cover any Duties and Charges payable in connection with the issue of such Certificate.

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.

9.8 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 UAMC may prescribe from time to time with the approval of CDC.

The Transfer Agent shall take a note of the pledge/ charge/lien in his record, whether the certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of CDC and/or the Transfer Agent alongwith 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, UAMC 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 UAMC and the Transfer Agent take any responsibility in this matter.

9.9 FINANCIAL REPORTING

The following reports will be sent to the Holders:

1. Audited financial statement, together with the auditors report, the report by the UAMC and the report by CDC within four months of the close of each Accounting Period.
2. Un-audited financial statement, together with the report by UAMC within two months of the close of the first half of each Accounting Period.
3. Un-audited financial statement, together with the report by UAMC within a month of the close of the first and third quarter of each Accounting Period.

The regularity of reporting will change if so required under the Rules and the Ordinance.

10 INCOME DISTRIBUTION

10.1 ACCOUNTING PERIOD

The Accounting Period will commence from the date of commencement of the Initial Period for the first year and from July 1 for all the following years to June 30.

10.2 DECLARATION OF ADDITIONAL UNITS

UAMC shall decide not later than forty five days after the end of the Accounting Period whether to distribute profits, if any, to the Holders in the form of additional Units. UAMC may pay to the Holders interim dividends if it considers that the income of the Accounting Period would justify such distribution. The distribution shall be in the form of issuance of additional units that is dividend reinvestment.

10.3 DETERMINATION OF DISTRIBUTABLE INCOME

The number of Units available for distribution in respect of any Relevant Period shall be determined by UAMC but shall not exceed the portion of Net Assets on the Relevant Date that is attributable to the sum total of:

1. the total income received on the Trust Property during such Relevant Period including all amounts received in respect of dividend, mark up, profit, interest and fee;
2. net realized appreciation as set out in 10.4

from which shall be deducted expenses as set out in 10.5, adjustment as set out in 10.6 and such other deductions and adjustments as UAMC may determine in consultation with the Auditor.

10.4 NET REALIZED APPRECIATION

Receipts deemed by UAMC to be in the nature of capital accruing from investments shall not be regarded as available for determining distributable Units 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 UAMC after consulting the Auditor to be in the nature of the net realized appreciation may be included in determining distributable Units to the Holders by CDC and shall not form part of the Trust Property.

10.5 EXPENSES OF UMF

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

1. The remuneration of UAMC and CDC for the relevant period;
2. repayment of principal and 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;
3. Amortization of the Formation Cost in not more than five equal annual installments after the creation of Trust;
4. Auditor's fee and other expenses payable out of the Trust Property;
5. Taxes on Trust income or turnover.

10.6 DISTRIBUTABLE AMOUNT

The amount qualifying for purposes of determining distributable Units in respect of the relevant period shall be adjusted as under:

1. deduction of a sum by way of adjustment to allow for effect of purchase of shares or any of the investments cum dividend, interest, profit or mark-up;

2. addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units upon a reduction of the Trust during the relevant period;
3. adjustment considered necessary by UAMC to reflect the diminution in value of Trust Property.

Out of the amount determined for the purpose of distributable 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.

10.7 DISTRIBUTION OF UNITS

The additional Units to be distributed in terms of above shall be in the form of Class A Units.

Within five (5) calendar days of UAMC advising CDC in respect of issuance of additional Units, CDC 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.

After allocating the additional Units in whole numbers, the remaining amount if any, may be paid by cheque or warrants and sent through the registered post or reliable courier service to the registered address of such Holder, or in the case of joint Holders to the registered address of the joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as UAMC shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge therefore.

Alternatively, an additional Unit may be issued at the option of the Holder subject to the Distribution Company receiving from the Holder within the period notified by UAMC such additional amounts as may be required for issuing such Unit.

10.8 CREDIT OF ADDITIONAL UNITS

The additional units issued, as payout shall be credited to the folio of the investor within 30 working days of the announcement of payout.

11 RISK DISCLOSURE AND DISCLAIMER

The fund invests in a portfolio of money market instruments. Such investments are subject to varying degrees of risk. The risk emanates from various factors that include, but are not limited to:

11.1 INTEREST RATE RISK

Interest rate risk is the uncertainty regarding the ending-wealth 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 to the overall interest rate scenario in the market. UMF shall strive to earn above average return relative to the market interest rates. This risk will also be mitigated by investing in those long term instruments which carry a variable rate of return.

11.2 CREDIT RISK

Credit risk is the uncertainty regarding the ability of the counter-party to meet the terms of the transaction. However, UMF shall invest in a well-diversified portfolio that would enable to minimize the credit risk on a single party. Moreover, approximately 25% of the portfolio shall be invested in Government securities, which are risk-free in nature.

11.3 PRICE RISK

Price risk is the uncertainty regarding the value of the underlying security. UMF shall invest in a well-diversified portfolio that would enable to minimize the price risk on a single security.

11.4 LEGAL/REGULATORY RISK

Legal/regulatory risk is the uncertainty regarding adverse changes in regulations or government policies governing the transaction. UMF shall obtain regulatory approvals from the relevant authority before the launch of the units. Furthermore, UMF shall strive to work within the regulatory framework laid down by the authority.

11.5 PERFORMANCE RISK

Performance risk is the uncertainty regarding the performance of UMF with respect to its ability to earn relatively higher rate of return. Assets of UMF shall be managed by UAMC which in turn would be run by a professional and capable team of fund manager(s) and bankers.

Disclaimer

The units of UMF 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 UAMC or any of the Core Investors or any other bank or Financial Institution. The portfolio of UMF is subject to risks inherent in all such investments. The value of Units of UMF may appreciate as well as depreciate.

12 FINANCIAL INFORMATION

12.1 AUDITORS CERTIFICATE ON INVESTMENT OF RS. 250 MILLION IN UNITS OF UMF

October 21, 2002
A 0945

Mr. Shaharyar Ahmad
Chief Executive
United Asset Management Company Limited
8th Floor, State Life Building No. 1
I.I Chundrigar Road
Karachi - 74200

Dear Sir,

Certificate on Core Investor's Investment in United Money Market Fund

We thank you for your company's letter dated October 12, 2002 and as requested we have verified from the books of accounts and records of United Money Market Fund (UMF) managed by the company, that a sum of Rs 250 million has been received as subscription from United Bank Limited against issue of 2,500,000 units and credited to its (i.e. UMF's) bank account on August 7, 2002 which is operated by the Central Depository Company of Pakistan Limited as a trustee.

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

Yours truly

-sd-

A.F. Fergusons & Co.
Chartered Accountants

12.2 AUDITORS CERTIFICATE ON THE NET ASSET VALUE OF UNITS IN UMF

October 21, 2002
A 0950

Mr. Shaharyar Ahmad,
Chief Executive,
United Asset Management Company Limited
8th Floor, State Life Building No. 1
I.I Chundrigar Road
Karachi-74200

Dear Sir,

Net Assets Value (Unaudited) of Each Unit of United Money Market Fund

We thank you for your company's letter dated October 12, 2002 and as requested we have ascertained from the unaudited books of accounts and records of United Money Market Fund (UMF) that the net assets value of each of its units as at October 18, 2002 was Rs 101.65 which has been computed as follows:

	Rs '000
Total Assets	284,863
Less: Total Liabilities	30,733
Net Assets	<u>254,130</u>
Number of Units issued as at October 18, 2002	<u>2,500,000</u>
Net assets value of each unit	Rs <u>101.65</u>

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

Yours truly

-sd-

A.F. Fergusons & Co.
Chartered Accountants

12.3 FORMATION COST

The Formation Cost shall be borne by UMF and amortized over a period of not more than 5 years. The cost will not exceed Rs. 1,000,000.

13 LIQUIDATION OF TRUST

13.1 TERMINATION OF TRUST

The Trust may be terminated by UAMC if the Net Assets at any time shall fall below Rs. 50 million. UAMC shall give at least three month's notice in writing to the Holders and shall disclose the grounds for its decision.

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

13.2 DISTRIBUTION OF LIQUIDATION PROCEEDS

Upon the Trust being terminated, UAMC 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 UAMC 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 UAMC for all costs, charges, expenses, claims and demands.

14 ARBITRATION

In the event of any disputes arising out of the Trust Deed or the Offering Document between UAMC 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 UAMC 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.

15 DEFINITIONS

1. **“Accounting Date”** means the thirtieth day of June in each year provided that UAMC 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. **“Accounting Period”** means a period ending on and including an Accounting Date and commencing in case of first such period from the date of commencement of the Initial Period and in any other case from the end of the preceding Accounting Period.
3. **“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.
4. **“Auditor”** means the Auditor of the Trust appointed by UAMC.
5. **“Authorised Investment”** means any investment other than Restricted Investments.
6. **“Back-end Load”** means, in respect of Class C Units, the Sales Load deducted from the Net Asset Value in determining the Redemption Price.
7. **“Bank”** means any banking company licensed under the Banking Companies Ordinance, 1962.
8. **“Business Day”** means a day on which Banks are open for business in Pakistan.
9. **“CDC”** means the Central Depository Company of Pakistan Limited.
10. **“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.
11. **“Connected Person”** shall have the same meaning as in the Rules.
12. **“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.
13. **“Distribution Agreement”** means the Distribution Agreement dated October 9, 2002.
14. **“Distribution Company”** means United Bank Limited and/or any other financial institution appointed by UAMC in consultation with the Trustee for performing the Distribution Function and shall also include UAMC if it performs the Distribution Function.
15. **“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 UAMC or the Transfer Agent as appropriate; and
 - d) Accounting to the Trustee for all (1) moneys received from the applicants for issuance of Units (2) payments made to the Holders on redemption of Units; and (3) expenses incurred in relation to the Distribution Function.
16. **“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 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.

17. **“Formation Cost”** means preliminary expenses relating to regulatory and registration fees of the scheme.
18. **“Front-end Load”** means the Sales Load that is included in the Offer Price for Class B Units.
19. **“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 and any securities / instruments replacing or substituting the foregoing from time to time.
20. **“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 this Deed.
21. **“Initial Period”** means a period determined by UAMC not exceeding seven calendar days during which Class A (Restricted) Units will be offered at the Initial Price.
22. **Initial Price”** means the Offer Price in respect of Class A (Restricted) Units that is equal to the sum of the Par Value and any applicable Duties and Charges as determined by UAMC.
23. **“Net Assets”** shall have the same meaning as in the Rules.
24. **“Net Assets Value”** means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
25. **“No Sales Load”** means No Sales Load payable on sale or redemption of Units.
26. **“Offer Price”** means the sum to be paid to the Trustee for the benefit of the Trust for issuance of one Unit
27. **“Offering Document”** means the prospectus, advertisement or other document (approved by the Commission) which contains the investment and distribution policy and all other information in respect of the Unit Trust, as required by the Rules and is circulated to invite offers by the public to invest in the Unit Trust.
28. **“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.
29. **“Ordinance”** means the Securities and Exchange Ordinance 1969 (XVII of 1969), as amended from time to time.
30. **“Par Value”** means the face value of a Unit that shall be Rs.100/= (Rupees One Hundred) or such other amount as may be determined by UAMC in consultation with the Trustee from time to time.
31. **“Redemption Account”** means the account (which may be a current, saving or deposit account) maintained by the Trustee with United Bank Limited and/or any other Bank having an investment grade rating and approved by UAMC in which the amount required for redemption of Units to the Holders may be transferred;
32. **“Relevant Date”** means the date on which UAMC decides to distribute the Units
33. **“Relevant Period”** means the period in respect of which distribution of Units are proposed to be made by UAMC.
34. **“Redemption Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit.
35. **“Register”** means the Register of the Holders kept pursuant to the Rules and this Deed.
36. **“Registrar Functions”** means the functions with regard to:
 - maintaining the 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, recordal of pledges and liens and recordal 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.

37. **“Restricted Investments”** means the following:
- ordinary shares forming part of a company’s equity;
 - bearer securities;
 - securities on margin;
 - securities which result in assumption of unlimited liability (actual or contingent);
 - commodities or commodity contracts;
 - real estate or interest in real estate save and except in securities which are secured by real estate or interests therein or issued by companies that invest in real estate or interest therein and are approved by UAMC;
38. **“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.
39. **“Rules”** means the Asset Management Companies Rules, 1995 issued pursuant to the Ordinance, as amended 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, as appropriate.
40. **“Sales Load”** means the sales charge or commission (excluding Duties and Charge) being one percent (1.0%) (or such other percentage as may be mutually agreed between the Trustee and UAMC in writing) of the Net Asset Value which may be included in the Offer Price of certain classes of Units (other than Class A (Restricted) Units or Class A Units) or deducted from the Net Asset Value in order to determine the Redemption Price of certain classes of Units.
41. **“Securities and Exchange Ordinance”** means the Securities and Exchange Ordinance, 1969 (XVII of 1969).
42. **“Stock Exchange”** means Stock Exchanges, registered under the Securities and Exchange Ordinance, 1969.
43. **“Sub-Custodian”** means a financial or any other institution for the time being appointed by the Trustee with the approval of UAMC to hold and protect the part of the Trust Property that consists of Government Securities and other physical securities.
44. **“Subscription Day”** means every Business Day provided that UAMC may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day or days not to be a Subscription Day.
45. **“THK”** means the THK Associates (Pvt.) Limited.
46. **“Transfer Agency Agreement”** means the Transfer Agency Agreement dated June 13, 2002.
47. **“Transfer Agent”** means a company including a Bank that UAMC shall appoint for performing the Registrar Functions.
48. **“Trust Deed”** is defined in the Preamble of this Offering Document.
49. **“Trust Property”** shall consist of:
- (i) The aggregate proceeds of all Units issued from time to time after deducting the sum of : (a) Duties and Charges; and (b) applicable Sales Load;
 - (ii) All Authorised Investments made by the Trustee in terms of this Deed and all income, profit (including accrued profits) and other benefits arising therefrom 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 this Deed; and
 - (iii) Amounts standing to the credit of the Redemption Account, 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 Deed.
50. **“Trust” or “Unit Trust”** means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.
51. **“UAMC”** means the United Asset Management Company
52. **“UMF”** means the United Money-Market Fund.

53. “**Unit**” means one undivided share in the Trust.

54. “**Unit Holder Resolution**” means a resolution proposed and passed by Holders holding a simple majority of Units for the time being outstanding (present in person or proxy).

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.

16 ANNEXURE A: AUTHORISED BRANCHES OF THE DISTRIBUTION COMPANY

AUTHORISED BRANCHES**KARACHI:**

1. United Bank Limited
Kassim Chambers North Napier Road
Karachi
Phone No. 7729839, 7726737, 7777115
Fax No. 7775993
2. United Bank Limited
First Chowrangi, P.O. Box No.2135
Nazimabad, Karachi
Phone No. 6687556, 6608288
3. United Bank Limited
UBL Bldg Block 'B', North Nazimabad
Karachi
Phone No. 6642820, 6677380
Fax No. 6645824
4. United Bank Limited
Barkat-e-Haidery Market, Block E
North Nazimabad
Karachi
Phone No. 6632586
Fax No. 6625619
5. United Bank Limited
Gulshan-e-Iqbal, Opp. KDA Flats
Block 10-A, Rashid Minhas Road
Karachi
Phone No. 9243526-27
6. United Bank Limited
Jubilee Insurance House
I.I Chundrigar Road, Karachi
Phone No. 2419498, 2426648, 2428719
Fax No. 2413098, 2428717
7. United Bank Limited
City Branch, I.I. Chundrigar Road
Karachi
Phone No. 2429232, 2416446, 90332815
Fax No. 2414080
8. United Bank Limited
Karsaz Shopping Centre, PNS Karsaz
Karachi
Phone No. 9230946
9. United Bank Limited
Clifton Centre, Main Schon Circle
Block -5 Clifton Karachi
Phone No. 9250762, 9250769, 9250774, 9250776
Fax No. 9250775
10. United Bank Limited
Khayaban-e-Shamsheer, Plot No.4-c,
Phase-5, Stadium Lane no.1,
Defence Housing Authority, Karachi
Phone No. 5856477, 5853591
Fax No. 5854605
11. United Bank Limited
Finance & Trade Centre Sharah-e-Faisal
Karachi
Phone No. 9206426, 9205948, 9205319
Fax No. 9205947
12. United Bank Limited
P.E.C.H.S. Commercial Area
Main Tariq Road
Karachi
Phone No. 4520625, 4553042
Fax No. 4536598
13. United Bank Limited
Main Service Lane,
Opp. Shaheed-e-Millat Fly Over
Shahrah-e-Faisal
Karachi
Phone No. 4549656, 4387078
Fax No. 4527586
14. United Bank Limited
KDA Scheme No 1
Stadium Road, Karachi.
Phone No. 9231996, 9231135
15. United Bank Limited
Plaza Quarters, 7 Marston Road, Karachi
Phone No. 7725180, 7725209, 9215188
Fax No. 9215207
16. United Bank Limited
Stock Exchange Building
I.I. Chundrigar Road, Karachi
Phone No. 2419406
Fax No. 2419445
17. United Bank Limited
Fabro Centre, HE-1/HE-2
Bahadurabad Chowrangi
Karachi.
Phone No. 9230227, 9230242
Fax No. 9230243

LAHORE:

1. United Bank Limited
Bank Square, Lahore
Phone No. 9212192-94, 9212197, 9212199,
9212203
Fax No. 9212198, 9210288
2. United Bank Limited
Amin Chambers, Gulberg Market
Lahore. Phone No. 5754212, 5750020
Fax No. 5750682

3. United Bank Limited
Liberty Market, Gulberg,
Lahore
Phone No. 5751463, 5753201, 5756590
Fax No. 5757841
4. United Bank Limited
S-9, Bank Square, Model Town
Lahore
Phone No. 5881749
Fax No. 5857979
5. United Bank Limited
S.D. Vault Branch
65, Sharah-e-Qaid-e-Azam
Lahore
Phone No. 7244475, 7325068, 7244697,
7244391, 7244340
Fax No. 7231730

ISLAMABAD/RAWALPINDI

1. United Bank Limited
Aab para Market
Islamabad
Phone No. 2821814, 2829965
Fax No. 2274788
2. United Bank Limited
Civic Centre
Islamabad
Phone No. 2824463, 2829592
Fax No. 2828062
3. United Bank Limited
Jinnah Avenue
UBL Building, Blue Area F-6, Islamabad
Phone No. 2272750-58, 9221632
Fax No. 2271645
4. United Bank Limited
F-10 Markaz, Islamabad
Phone No. 2294677
Fax No. 2290438
5. United Bank Limited
F-7 Main Markaz, Islamabad
Phone No. 2650812
Fax No. 2650813
6. United Bank Limited
F-8 Main Markaz, Islamabad
Phone No. 2261600, 2850127
7. United Bank Limited
Haider Road
Rawalpindi Cantt
Phone No. 5563786, 5567793, 5562476,
5562109
Fax No. 5522058
8. United Bank Limited
Pearl Continental Hotel, Rawalpindi
Phone No. 5562970, Fax No. 5562149

PESHAWAR:

1. United Bank Limited
City Branch, Afghan Mansion,
Ground
Floor,
Naz Cinema Road, Peshawar
Phone No. 211376, 211767
Fax No. 214264
2. United Bank Limited
Saddar Road
Peshawar Cantt.
Phone No. 273898, 9213137, 9213140,
9213142, 272181
Fax No. 9213143

FAISALABAD:

1. United Bank Limited
Bank Square, Circular Road
Faisalabad
Phone No. 9200447-49, 613265
Fax No. 618405
2. United Bank Limited
D.Ground Comm.Area, People's Colony
Faisalabad
Phone No. 9220132-34
Fax No. 9220131

SIALKOT:

1. United Bank Limited
Mujahid Road
Sialkot
Phone No. 9250209
Fax No. 9250210
2. United Bank Limited
Small Indus. Estate, Shahab Road, Sialkot
Phone No. 256057, 255286, 255288
Fax No. 563954

MULTAN:

1. United Bank Limited
Hussain Agahi Branch
Husain Aghai, P.O.Box No.52, Multan.
Phone No. 9200737, 9200492-94
Fax. No. 9200736

SHIEKHUPURA:

1. United Bank Limited
Aziz Bhatti Road,
Shiekhupura
Phone No. 53061, 56114, 53400
Fax No. 612268

MIANWALI:

1. United Bank Limited
Ballokhel, Mianwali
Gali City, Police Station,
Mianwali
Phone No. 31109, 30770
Fax No. 30770

JHANG:

1. United Bank Limited
District Court, Yousuf Shah Road,
Saddar,
Jhang
Phone No. 610943

KHUSHAB:

1. United Bank Limited
Jauharabad
Main Bazar,
Khushab
Phone No. 720233
Fax No. 720445

SARGODHA:

1. United Bank Limited
Railway Road, Civil Lines,
Sargodha
Phone No. 215385, 9230481, 9230482, 9230484
Fax No. 9230480, 9230485

LARKANA:

1. United Bank Limited
Raza Shah, Kabir Road
Larkana
Phone No. 440903, 440938, 440307
Fax No. 440313

HYDERABAD:

1. United Bank Limited
Gul Centre, Hyderabad
Phone No. 9200486, 9200541

SUKKUR:

1. United Bank Limited
Minara Road,
Sukkur
Phone No. 25146, 25805
Fax No. 25178

DHARAKI:

1. United Bank Limited
Jing, Dharaki
Distt Ghotki
Phone No. 42312

JACOBABAD:

1. United Bank Limited
Guddu, Tehsil Kamshore,
District Jacobabad
Phone No. 76615

DADU:

1. United Bank Limited
New Chowk, Dadu
Phone No. 611917
Fax No. 610357

GUJRANWALA:

1. United Bank Limited
Bank square, GT Road,
Gujranwala
Phone No. 217922, 217925
Fax No. 224631
2. United Bank Limited
Chamber of Commerce Building, GT Road,
Gujranwala
Phone No. 9200563, 9200564, 9200566
Fax No. 9200565
3. United Bank Limited
Circular Road, Wazirabad
District Gujranwala
Phone No. 605069
Fax No. 603807

17 ANNEXURE B: FORMS

Application forms are annexed.

18 ANNEXURE C: SIGNATORIES TO THE OFFERING DOCUMENT

Director	Signature
1. Mr. Amar Zafar Khan	-sd-
2. Mr. Shaharyar Ahmad	-sd-
3. Mr. Mansoor M. Khan	-sd-
4. Mr. Mir Muhammad Ali	-sd-
5. Mr. Khalid Munawaruddin	-sd-
6. Mr. Aameer Karachiwalla	-sd-
7. Mr. Jeeva Shahid Haroun	-sd-
8. Dr. Ahsan H. Khan	-sd-

Dated: October 22, 2002

Witness 1:

-sd-

Name: Muhammad Umer Khan
NIC No. 503-78-271093
Address: UBL Head Office, Karachi.

Witness 2:

-sd-

Name: Zia ur Rehman
NIC No. 501-77-594063
Address: UBL Head Office, Karachi.