

Supplementary Offering Document of Mahana Munafa Plan based on Shariah Compliant Option

An administrative plan under
United Islamic Income Fund
Managed by UBL Fund Managers Limited

1. Introduction

1.1 The Mahana Munafa Plan based on Shariah Compliant Option is an administrative plan offered by UBL Fund Managers Limited so as to facilitate the Unit Holders to generate a stable riba free stream of income on a monthly basis.

1.2 The Mahana Munafa Plan provides Unit Holders with monthly income and a reasonable rate of return through investment in the Income Units of United Islamic Income Fund (UIIF). It is ideal for investors having a low risk tolerance.

1.3 All transactions under this arrangement are governed by the Trust Deed relating to the UIIF (dated August 10, 2007) as amended from time to time vide Supplemental Trust Deed(s). Unless specifically altered by this document, all the terms and conditions of the Offering Document of the UIIF shall apply to the respective Units of the Fund in which investment is made under this plan.

2. Investment Objective

To generate consistent riba free returns and provide a stable stream of monthly income, while seeking capital preservation from a portfolio that is invested predominantly in shariah compliant fixed income instruments (through investment in UIIF Income Units).

3. Investment Pattern

Asset Class	Percentage Allocation
UIIF (Income Units)	100%

4. Basic Plan Information

Nature of Plan: Open-end

Front-end Load: 1.00%

Back-end Load: Not Applicable

Minimum Application Amount: Rs. 100,000 with subsequent investments of Rs. 10,000 only

Periodicity of Unit transactions: Every Monday to Saturday that is a Subscription Day

Redemption Proceeds: Dispatched within 6 Business Days

* The present minimum application amount is Rs. 100,000/-. Units of UIIF shall be issued against the amount received from the Unit Holder in accordance with the terms of the Offering Documents of UIIF. The Management Company may alter the minimum application amount from time to time and announce it on its website.

5. Features and Administrative Arrangements

5.1 The Plan is constituted of the Fund in order to generate monthly riba free income and offer preservation of capital with the portfolio being invested in UIIF (fixed income instruments), thereby providing stability to investments.

5.3 An investor may invest in the Mahana Munafa Plan by filling out the prescribed Form and submitting it along with the investment amount (drawn in favor of CDC-Trustee - UBL Funds). Payment through credit cards, debit cards, auto debit instructions, IVR (Interactive Voice Response), online using the internet from our website, SMS, ATM facility or in such form (other than through cash or any bearer instruments) is subject to finalization of arrangement by the Management Company (subject to mutually agreeing with the Trustee and approval of SECP).

5.4 The Mahana Munafa Plan Unit Holder (hereinafter referred to as the Unit Holder) may also select a Systematic Investment Plan (SIP) through which the investor may invest predetermined amounts on a monthly or a quarterly basis. The Unit Holder may also alter this monthly/quarterly amount, provided that such amount is not less than the minimum amount fixed by the Management Company from time to time.

5.5 The Unit Holder shall send in the quarterly or monthly contributions, by submitting the prescribed form along with 4 or 12 post dated cheques respectively, under the SIP. The Management Company may also introduce arrangements whereby a Unit Holder may pay contributions through standing instructions to a bank. In the event that the Unit Holder does not make the monthly/quarterly payment(s) for any reason, the account will remain live and amount outstanding in the Mahana Munafa Plan would continue to remain in the Plan. The Unit Holder may continue the monthly/quarterly payments at any stage. No penalties shall be imposed in case of delay or missing out on contributions.

5.6 On receipt of investment amount at the time of opening an account or subsequently for purchase of Units under the Mahana Munafa Plan, the Units shall be issued at the respective NAV applicable for UIIF (which follows a backward pricing mechanism, as per its constitutive document) on the day the funds and the Application Forms are lodged. The pricing of the units is subject to change from time to time as directed by the Commission.

5.7 The Transfer Agent ('UBL Fund Managers') shall send an Account Statement to the Unit Holder each time there is activity in the account (other than that caused by reallocation). Such Statement shall be sent by ordinary mail to the Unit Holder's address recorded in the Register. Certificates representing Units purchased under this plan shall not be issued and the Account Statement issued in this respect will be the final confirmation in respect of the Units purchased under the Administrative Plan.

Flexible Income Option

5.8 The Unit Holders may exercise the option of redeeming a certain number of Units for fulfilling their requirement of a certain amount at Regular Intervals (i.e. monthly, quarterly, semi-annually or annually). Such instructions shall be given in writing at the beginning of each regular interval or at the time of purchase of Units.

5.9 The Unit Holders, at the time of purchase or beginning of an interval, authorize the Management Company to decide the quantum of part redemption of their unit holdings at the end of every regular interval based on the performance of the Plan during that regular interval. If the value of investment falls below the minimum amount to be maintained in the Plan, due to market fluctuations during an interval, the Management Company will NOT redeem any units at the end of that interval. Further, the Management Company may seek additional amount from the unit holders to meet the minimum investment requirements.

(a) If the value of investment increases during an interval, the Management Company will calculate the number of units to be redeemed for the purpose of distribution of income in such a manner that the total redemption value of such units is equal to the increase in the value of investment during that interval, which means that the profit earned on the respective units due to increase in NAV would be distributed to the unit holders

(b) If the value of investment of the respective fund falls during an interval which means that NAV of the respective fund has declined, the Management Company will not redeem any units (no income would be distributed) at the end of that interval as there would not be any profits for distribution

Fixed Income Option

5.10 The Management Company may, at its discretion decide a fixed amount from time to time, to be distributed to the Unit Holders at regular intervals (i.e. monthly, quarterly, semi-annually or annually). The Unit Holders, at the time of purchase or beginning of an interval, authorize the Management Company to redeem such number of units from their holding that in rupee terms is equivalent to the specified fixed amount that is to be distributed at the end of every regular interval.

As a result of operation of this Clause, the initial amount invested may deplete in case sufficient returns are not earned to cover the amount distributed to the Unit Holder. In case, the initial investment amount falls below the minimum amount to be maintained in the Plan, due to the erosion of capital (as a consequence of Para 5.10 above) during an interval, the Management Company will continue to distribute the specified fixed amount at the end of that interval. Further, the Management Company may seek additional amount from the unit holders to meet the minimum investment requirements. In case the additional amount called for by the Management Company is not paid within the time prescribed by the Management Company, the Management Company can stop the payment of regular income in its discretion till such time that the amount is paid to maintain the minimum investment amount. Further, the Management Company may also decide to close the accounts in such case.

5.11 Cash dividends and/or Bonus Units (as the case may be) declared on the respective Units held in the Mahana Munafa Plan shall be reinvested in the respective Plan to which such dividends relate at that point in time. Holders of Units eligible for cash dividends only, shall however be paid cash dividends by dispatch of crossed payees account warrants or cheques at the risk of the Holders at their addresses recorded in the Register. In case of joint Holders, the warrant/ cheque shall be issued in the name of the Holder named first in the Register.

5.12 The Management Company shall not record a pledge/lien on the Units held in the Mahana Munafa Plan. However, the Management Company may at its discretion allow for partial pledging of units in the Mahana Munafa Plan

5.13 The Unit Holder may submit a redemption request for redeeming partial or all Units purchased under the Mahana Munafa Plan. The redemption proceeds shall be payable in accordance with the Offering Document of UIIF.

5.14 Partial redemption from the Plan will only be allowed subject to maintenance of a minimum investment amount in the Plan and other conditions,

5.15 The Unit Holder may also convert the Units held by him in the Mahana Munafa Plan into the units of any other plans being offered by the Management Company and vice versa,. Such conversions to/from the Mahana Munafa Plan shall be at the NAV of the respective Fund, UIIF , as per it's constitutive document; plus a processing charge not exceeding one half of one percent of the NAV. The Management Company at its discretion may charge reduced or no processing charge for such conversions.

5.16 In the event the Management Company announces a suspension of further issue of Units of the UIIF, it may allow the existing Unit Holders to continue purchasing Units under the Mahana Munafa Plan.

5.17 In the event of winding up of UIIF, the Mahana Munafa Plan shall be discontinued and the Units standing to the credit of the Unit Holder shall be dealt with the same manner the rest of the Units in the UIIF.

5.18 The Management Company may at its discretion, with the approval of the Commission and Trustee and with notification to the Unit Holders introduce changes in the Plan, from time to time.

5.19 In the event any changes are introduced in the Plan after an existing Unit Holder has made an initial investment in the Plan, the existing Unit Holder shall not be under any obligation to comply with the changes. However, if the Unit Holder is willing to comply with the changes, he/she shall be welcome to opt for the changed terms and may be required to sign a form accepting the new terms. Any subsequent investments shall be in accordance with any changes so made.

5.20 The Management Company may at its discretion, charge different levels of the Front-end Sales Load for the Plan, to different Investors from time to time.

6. Insurance (Takaful) Coverage

6.1 The Management Company shall provide Free Accidental Life Insurance and/or inter alia Accidental health insurance, up to an amount as may be communicated by the Management Company from time to time to investors (who wish to opt for it), on a minimum investment amount of Rs. 500,000 subject to maintenance of a certain average amount in the account to continue to avail the insurance coverage, provided by a reputable Insurance Company approved by the Management Company. The Management Company will provide the details of the insurance coverage and the terms and conditions attached thereto after finalization of agreement with Insurance Company to the unit holders.

This is subject to change as communicated by the Management Company from time to time.

7. Risk Disclosure

7.1 In addition to the risks disclosed in the Offering Document of UIIF, the investment in the Mahana Munafa Plan is exposed to the following risks:

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

7.1.2 The liquidity of the Plan's investments is inherently restricted by the trading volumes in the securities in which the Fund invests.

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

7.1.4 The target amount of monthly income and returns thereon in the UIIF are based on best estimates of the performance of the Fund and is dependant on the ability to continue investing in similar investments on maturity of the investments in the portfolio. There is no guarantee as to the actual performance of the UIIF.

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

7.1.7 The UIIF is subject to being wound up under certain circumstances as explained in the Offering Document. In the event of the Fund being wound up, the Mahana Munafa Plan shall be discontinued and the Units standing to the credit of the Unit Holder shall be dealt with the same manner the rest of the Units in the UIIF.

7.18 In case of Fixed Income Option, the initial amount invested may deplete in case sufficient returns are not earned to cover the amount distributed to the Unit Holder.

8. All Other Matters

The Offering Document relating to the United Islamic Income Fund (UIIF) of which this plan is an administrative arrangement, shall apply to all such matters, relating to the investment in Units issued under the respective Fund and is not covered by this Supplementary Offering Document.

9. "Unit Holder" means an investor/ Unit Holder in the United Islamic Income Fund.

10. The Unit holders are advised to read the Constitutive Documents and Offering Documents of the respective funds.