# 5<sup>th</sup> Supplement to the Offering Document of UBL Money Market Fund (UMMF)

Publication Date: 20.01.2017

**Effective Date: 20.01.2017** 

# 5<sup>th</sup> Supplemental Dated 20.01.2017 to the Offering Document of UBL Money Market Fund (UMMF)

Managed by UBL Fund Managers Limited (UBL Funds) an Asset Management Company registered with the Securities & Exchange Commission of Pakistan (SECP) and regulated under the Non-Banking Finance Companies (NBFC) Rules 2003 and NBFC & NE Regulations 2008.

UBL Money Market Fund (UMMF)(Formerly UBL Savings Income Fund (USIF)) has been established through a Trust Deed (the Deed) dated February 21, 2014, under the Trust Act, 1882 entered into and between UBL Fund Managers Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee.

# **Objective of the Supplementary Offering Document**

UBL Funds is making changes in the Investment Policy defined under clause 2.2 of the Offering Document, in compliance with the relevant regulations.

# 1. Change in Clause 2.2 – Investment Policy

 Authorized Investment and Investment Strategy under Clause 2.2 has been amended and read as follows:

## **Authorized Investments**

S.No	Instruments/Securities	Maximum Exposure (% of Net Assets)	Minimum Exposure	Minimum Instrument/ Entity Rating
1.	Cash in bank accounts (excluding TDRs) and readily convertible T-Bills	100%	20%	GOP/AA and above
2.	Government Securities (PIB, T-Bills, Ijara Sukuks etc)	100%	0%	GOP
3.	Deposits in Current, Savings and PLS accounts in commercial banks	100%	0%	AA
4.	Term Deposits (TDRs) and Clean Placements with commercial banks	70%	0%	AA
5.	Deposits (Current / Saving / PLS accounts, term deposits), Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharka with Microfinance Banks	20%	0%	АА
6.	Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of	20%	0%	AAA

	Musharka with NBFCs and Modarabas			
7.	Placements and Certificate of Investment (COI) with DFIs	70%	0%	AA
8.	Reverse Repo against Government Securities or such other allowable securities, in accordance with the regulations	70%	0%	GOP/AA and above
9.	Foreign Investments (in authorized money market instruments and other money market funds) subject to prior approval of SECP	Up to 30% subject to a cap of \$15,000,000 or such limit or cap imposed by SECP or SBP	0%	AA rated by a reputed International Rating Agency
10.	Commercial Papers	30%	0%	AA (entity rating)
11.	Any Other investment as authorized by the commission from time to time	30%	0%	AA

**NOTE:** Time to maturity of any asset shall not exceed six months and weighted average time to maturity of the net assets shall not exceed 90 days.

# Investment Strategy:

The Fund will invest the entire net assets in Investments i.e. Authorized short term money market Instruments with a maximum time to maturity of six months. This is intended to reduce counter-party risk inherent in placements with financial institutions, while maintaining liquidity. Liquidity will also be managed by opportunistically investing in the call money market when call money yields are attractive relative to other money market yields.

The Fund's investment strategy will be based on fundamental credit analysis of counter parties. Specifically, the Investment strategy will focus on the following key broad parameters:

- a) Sponsor of the counterparty: Investments will be made keeping in mind the market reputation and past track record of the counterparty and its main sponsors.
- b) Strength of financials and ability to repay: The strength and stability of counterparty earnings will be taken into consideration and special focus will be made on its cash flows and the resultant ability to repay the amount.
- c) Rate of return offered: Attempt will be made to invest in those instruments that offer competitive returns vis-à-vis other similar investments in the market.



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN SPECIALIZED COMPANIES DIVISION POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/UMMF/ 38 /2017

January 19, 2017

Mr. Yasir Qadri
Chief Executive Officer
UBL Fund Managers Limited
8<sup>th</sup> Floor, Executive Tower
Dolmen City Building
Block-4, Clifton
Karachi

Subject: Approval of the 5th supplemental offering document of UBL Money Market Fund(UMMF)

Dear Sir,

This is with reference to UBL Fund Managers Limited (UBLFML) application dated January 13, 2017 regarding the captioned subject.

In this regard, I am directed to convey that fifth supplemental offering document of UBL Money Market Fund enclosed with the aforementioned letter has been acceded to.

Moreover, the request for waiver of ninety days' notice period requirement has also been acceded to on the condition that UBLFML shall send letters to all existing unit holders of the fund regarding change in investment policy.

Yours truly,

Zonish Inayat

(Deputy Director)

Cc:

Mr. Igleem-uz-Zaman

Assistant General Manager Trustee and Custodial Operations Unit-II CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi.

"Say no to Corruption"

# CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

# **Head Office**

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### CDC/T&C-S II/DH/0013/2017

January 12, 2017

Mr. Ali Alvi Chief Investment Officer UBL Fund Managers Limited 8<sup>th</sup> Floor, Executive Tower, Dolmen City Block IV, Clifton, Karachi.

Dear Mr. Ali,

# TRUSTEE CONSENT ON DRAFT $5^{\text{th}}$ Supplement To The Offering Document Of UBL Money Market Fund

We refer to your email dated January 12, 2017 on the captioned subject, we have reviewed the enclosed draft 5<sup>th</sup> Supplement to the Offering Document of **UBL Money Market Fund** and hereby provide our consent for the same for onward submission to the Securities & Exchange Commission of Pakistan for their approval under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, any changes made subsequently in attached document will require our fresh consent.

Looking forward for a warm and growing working relationship.

Yours truly,

Iqleem uz Zaman Khan Assistant General Manager Trustee & Custodial Operations Unit-II Abdul Samad

Head of Department

Trustee & Custodial Operations Unit-II

Cc: Mr. I:

Mr. Imran Inayat Butt,

Executive Director, Asset Management Companies Wing

Securities and Exchange Commission of Pakistan

NIC Building Jinnah Avenue,

Blue Area, Islamabad.

Encl: As above

