

**Supplement to the
Offering Document of
UBL Islamic Sovereign
Fund
(UISF)**

Dated: July 24, 2012

First Supplemental Dated July 24, 2012 to the Offering Document of UBL Islamic Sovereign Fund-I (UISF)

(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 Islamic Sovereign Fund I (the Fund) is established in Karachi, Pakistan as an Open end Scheme by a Trust Deed, dated October 6, 2011 under the Trusts Act, 1882 between UBL Fund Managers Limited (UBL Funds), as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee and authorized under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Effective from July 24, 2012 the covering leaf, heading and the following Clause in the Offering Document are revised with regards to the Initial Offering Period.

1. Amendment in Covering Leaf :

The Fund name mentioned on the covering leaf is amended and read as follows:

OFFERING DOCUMENT

**UBL Islamic Sovereign Fund
(UISF)**

2. Amendment in First Page:

The Fund name in the First Page, including Clause 1 is amended and read as follows:

UBL Islamic Sovereign Fund

3. Amendment in Clause 3.1:

Clause 3.1 is amended and is now read as follows:

“**UBL Islamic Sovereign Fund**”, an Open end Shariah Compliant (Islamic) Income Scheme

4. Amendment in Clause 4.1

Clause 4.1 of the Offering Document is amended and read as follows:-

To generate a competitive return with minimum risk, by investing primarily in Shariah Compliant Government Securities.

5. Amendment in Clause 4.2.1.

Clause 4.2.1 of the Offering Document is amended and read as follows:-

| Shariah Compliant Instruments /Securities | Exposure Limit (% of Net Assets) | Minimum Entity Rating | Minimum Instrument Rating |
|--|---|------------------------------|----------------------------------|
| "Government Securities" | 70-100% | N/A | N/A |
| Cash in Bank Accounts (excluding TDR) with Islamic Banks or with licensed Islamic Banking windows of Conventional Banks plus Near Cash instruments including Treasury bills having maturity not exceeding 90 days | 25-30% | (A) | (A) |
| Any other Shariah compliant non-traded security with maturity of up to 6 months, including but not limited to (i) deposits in licenced Islamic Banks and licenced Islamic banking windows of conventional Banks; (ii) Placement of funds under, Musharaka, Mudarabah, Murabaha, Ijarah and Istisna arrangements with banks and DFIs. | 0-30% | (A) | (A) |
| Any other Shariah compliant non-traded security with maturity exceeding 6 months, including but not limited to (i) deposits in licenced Islamic Banks | 0-15% | (A) | (A) |

| | | | |
|---|--|--|--|
| and licenced Islamic banking windows of conventional Banks; (ii) Placement of funds under, Musharaka, Mudarabah, Murabaha, Ijarah and Istisna arrangements with banks and DFIs | | | |
|---|--|--|--|

6. Amendment in Clause 4.5.3.

Clause 4.5.3 of the Offering Document is amended and read as follows:-

The Fund Property can be invested in international investments, including the following:

- (a) International Shariah Compliant profit bearing securities issued by Foreign Governments;
- (b) International Shariah Compliant money market and fixed income instruments issued by Foreign Governments;
- (c) Shariah Compliant foreign currency bank deposits and certificates of investment;
- (d) foreign currency bank accounts in Pakistan; and
- (e) Shariah Compliant Government Securities based mutual funds

7. Amendment in Clause 4.6.4 (l), (p),(q),(za), and (zb).

Clause 4.6.4 (l), (p), (q), (za), and (zb) of the Offering Document is amended and read as follows:-

Clause 4.6.4 (l): take exposure in,-

- (i) TFCs; and
- (ii) debt securities issued by private sector entities

Clause 4.6.4 (p): take Exposure to CFS and Spreads;

Clause 4.6.4 (q): hold any security lower than A;

Clause 4.6.4 (za): place funds with any NBFC and Modaraba with rating lower than A;

Clause 4.6.4 (zb): place funds with any bank and DFI with rating lower than A;

8. Amendment in Clause 5.14.2:

Clause 5.14.2 of the Offering Document is amended and read as follows:-

The Trustee shall open Bank Accounts titled “CDC – Trustee UBL Islamic Sovereign Fund” at such Bank, with minimum A rating, at such branches as may be agreed between the Trustee and the Management Company from time to time for the Fund for collection, investment, redemption or any other use of the Fund’s monies. The Trustee shall also open an account titled “CDC – Trustee UBL Funds”. This account shall be a temporary allocation account where collections shall be held prior to their being allocated and transferred to the Scheme on a daily basis by the Trustee. The Management Company may also require the Trustee to open separate account for temporary parking of redemption funds.

9. Amendment in Clause 6.3.2 (a):

Clause 6.3.2 (a) of the Offering Document is amended and read as follows:-

Fully completed application form (or such other form including via online as prescribed by the Management Company from time to time) for purchase of Units, accompanied by the full amount of the investment by cheque, bank draft, pay order or online transfer as the case may be in favour of “CDC - Trustee UBL Islamic Sovereign Fund” or “CDC Trustee – UBL Funds” and crossed “Account Payee only” and copies of the documents mentioned in sub-Clauses (b) , (c), and (d) below, should be delivered at any of the Authorised Branches of the Distributors (as mentioned in Annexure “B” of this Offering Document). . Such forms have to be submitted within the cut-off timings as specified in Clause 6.3.3. Only Authorised Branches of the Distributors as stated below in Annex ‘B’ are authorised to collect application and payment instrument for issue of Units. Further, it is to be noted that the requirements in the application forms in respect of documents/ information may be varied in light of any amendments made to such requirements by the SECP or amendments to other regulatory requirements.

10. Amendment in Clause 8.2:

Clause 8.2 under heading “Trusteeship Tariff Structure of the Offering Document is amended and read as follows:-

PKR 1-1 billion: Rs. 0.7 million or 0.15% p.a. of Net Assets, whichever is higher

PKR 1 billion and above: Rs. 1.5 million plus 0.075% p.a. of Net Assets, on amount exceeding Rs. 1 billion

11. Amendment in Clause 21.1.9:

Clause 21.1.9 of the Offering Document is amended and read as follows:-

Authorised Investments” means Shariah compliant (Islamic) investments of following types:

a) deposits in licenced Islamic Banks and licenced Islamic banking windows of conventional Banks;

b) “Government Securities”

c) Certificates of Musharaka (CoM), Certificates of Deposit (CoD);

d) Placement of funds under, Musharaka, Mudarabah, Murabaha, Ijarah and Istisna arrangements with banks and DFIs;

e) Any other Shariah compliant investment which maybe authorized by the Commission.

12. Amendment in Clause 21.1.37:

Clause 21.1.37 of the Offering Document is amended and read as follows:-

“Fund”, “Unit Trust”, “Trust” or “Scheme” means the UBL Islamic Sovereign Fund constituted under the Trust Deed for continuous offers for sale of Units.

13. Amendment in Annexure:

“**Front-end Load**” portion of Annexure “A” of the Offering Document is amended and read as follows:-

Front-end Load: 1%