

**7<sup>th</sup> Supplement to the  
Offering Document of  
UBL Income Opportunity  
Fund (UIOF)**

**(Formerly UBL Financial Sector Bond Fund)**

**Publication Date: 06.03.2018**

## 7<sup>th</sup> Supplemental Dated 18.01.2018 to the Offering Document of UBL Income Opportunity Fund (UIOF)

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 Income Opportunity Fund (formerly UBL Financial Sector Bond Fund) has been established through a Trust Deed (the Deed) dated January 1st, 2013, under the Trust Act, 1882 entered into and between UBL Fund Managers Limited (UBL Funds), as the Management Company and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee.

### **Objective of the Supplementary Offering Document**

UBL Funds is making changes in the **Investment Policy, Investment Restrictions & Management Fee** in the Offering Document of UBL Income Opportunity Fund (UIOF) via this supplementary Offering Document.

Effective from the dates mentioned below; the following Clauses in the Offering Document are revised:

Clause 1, 2 & 3 from 04-06-2018

Clause 4 from 05-03-2018

### **1. Amendment in (Credit Risk) under Investment Policy (Clause 2.2) of the Offering Document and read as follows:**

**a) Credit Risk:** This risk is mitigated through the Investment Policy parameter whereby, UIOF shall only invest in TFC / Sukuks with a minimum rating of to A- as per the restrictions mentioned in Authorized Investment Table of the Offering Document.

### **2. Amendment in (Table of Authorized Investments) under Investment Policy (Clause 2.2) of the Offering Document and (Clause 9) of the 3<sup>rd</sup> Supplemental Offering Document of the Fund and read as follows:**

- The following points are being updated in the **Authorized Investment Table** and read as follows:

#### **Authorized Investments:**

S. No.	Description	Entity / Instrument Rating	Minimum Exposure	Maximum Exposure	Maximum Maturity
1	Government Securities	N/A	0%	100%	N/A
2	Debt Securities including TFCs, Sukuks & Commercial Paper	AA & Above	0%	75%	N/A
2 (a)	Debt Securities including TFCs, Sukuks & Commercial Paper	A-to AA-	0%	10%	N/A

3	Term Deposit Receipts <b>less than 6 months</b>	Investment Grade & Above	0%	75%	6 Months
3 (a)	Term Deposit Receipts <b>above 6 months</b>	Investment Grade & Above	0%	15%	N/A
4	MTS & Spread Transaction	N/A	0%	40%	N/A
5	Cash and Near Cash instruments which include cash in bank account (excluding TDRs), Treasury Bills & GoP Ijara Sukuk not exceeding 90 days maturity *	Investment Grade & Above	25%	100%	90 days
6	Non-Traded Securities including Reverse Repo, Bank Deposits, Money Market Placements, Certificate of Investment (COI), Certificate of Musharka (COM), Certificate of Deposit (COD) <b>less than 6 months</b>	Investment Grade & Above	0%	75%	6 Months
6 (a)	Non-Traded Securities including Reverse Repo, Bank Deposits, Money Market Placements, Certificate of Investment (COI), Certificate of Musharka (COM), Certificate of Deposit (COD) <b>above 6 months</b>	Investment Grade & Above	0%	15%	N/A
7	Any other securities or Instruments that may be permitted or approved under SECP Rules & Regulations or any other directive from time to time.	Investment Grade & Above	0%	30%	N/A

\* On calendar month average basis

**Note:**

In line with SECP Direction No, 37 of 2016, UBL Income Opportunity Fund shall not place funds (including TDR, PLS saving deposit, COD, COM, COI, money market placements & other clean placements of funds) of more than 25% of Net Assets of UBL Income opportunity Fund with all microfinance banks, non-banking finance companies and Modarabas.

Weighted average time to maturity of the Net Assets of the UIOF shall not exceed four (04) years; however this condition shall not apply to securities issued by the Federal Government.

**3. Amendment in Investment Restrictions under (Clause 2.5.d) of the Offering Document and (Clause 13) of the 3<sup>rd</sup> Supplemental Offering Document of the Fund and read as follows:**

- (d) The Management Company on behalf of UBL Income Opportunity Fund shall maintain minimum cash and near cash instruments subject to applicable Regulations, Circulars or Directives issued by the Commission. The present limit for the fund is 25% of net assets during the year based on monthly average basis.

#### **4. Amendment in Annexure 'B' of the Offering Document and read as follows:**

- The following point of Annexure 'B' is amended/added and read as follows:

##### **Current Level of Management Fee:**

The Management Company shall charge a fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate 1.50% of remuneration based on net assets, as permitted under the Rules & Regulations.

The Fee is subject to a minimum of 0.25% of the daily net assets of the Scheme, subject to the guidelines as may be issued by the Commission from time to time.

The actual rate of Management Fee on the basis of Net Assets shall be disclosed in the Fund Manager Reports and Financial Statements.

##### **Note:**

Gross earnings of the Fund would be calculated by adding up the following:

- 1) Realized and unrealized gains on securities including impact of amortization of any discounts and/or premium on these securities;
- 2) Any other income earned by any Authorized Investment of the Scheme while calculating Gross earnings of the Scheme, no deduction would be made whatsoever on account of management fee, tax, formation cost or any other expense chargeable to Scheme.



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

No. SCD/AMCW/UIOF/290/2018

March 5, 2018

**Mr. Yasir Qadri**  
Chief Executive Officer  
UBL Fund Managers Limited  
4th floor, STSM Building, Beaumont Road,  
Civil Lines, Karachi.

**Subject: Approval of the Seventh Supplement to the Offering Document of UBL Income Opportunity Fund(UIOF)**

Dear Sir,

Please refer to the applications dated March 05, 2018, March 02, 2018 and February 26, 2018 received from your office on the captioned subject.

In this regard, I am directed to inform you that the amendments proposed by UBL Fund Managers Limited in the seventh supplement to the offering document of UBL Income Opportunity Fund have been acceded to by the Securities and Exchange Commission of Pakistan.

UBL Fund Managers Limited is advised to inform/notify the unit holders regarding the proposed amendments in the offering document in terms of Regulation 44(7) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 and also disclose this information on the website of UBL Fund Managers Limited.

Yours truly,

**Zonish Inayat**  
(Deputy Director)

“نہایت اہم اور محفوظ رہے“

Cc:

**Mr. Iqleem-uz-Zaman**  
Assistant General Manager  
Trustee and Custodial Operations Unit-II  
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