

**12th Supplement to the
Offering Document of
UBL Asset Allocation Fund
(UAAF)**

**Risk Profile (Asset Allocation): Medium
Risk of Principal Erosion: Principal at Medium Risk**

Effective Date: 17-02-2025

12th Supplemental to the Offering Document of UBL Asset Allocation Fund (UAAF)

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 Asset Allocation Fund (UAAF) has been established through a Trust Deed (the Deed) date 29 May 2013, 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 making amendment in Authorized Investment Table via this supplementary Offering Document of UBL Asset Allocation Fund.

Words and expressions used but not defined in this Supplemental shall have the same meanings as are assigned to them in Offering Document of UAAF.

1. The following Authorized investment table has been amended and read as follows:

| Sr. No | Description | Entity/Instrument Rating | Maximum Exposure Limit | Minimum Exposure Limit | Maximum Maturity |
|---------------------|---|----------------------------|------------------------|------------------------|------------------|
| 1 | Listed Equity Securities | N/A | 90% | 0% | N/A |
| 1(A) Newly Added | Equity Future Contracts* | N/A | 90% | 0% | N/A |
| 2 | Corporate Debt Securities (including TFCs/Sukuks) | Investment Grade and above | 50% | 0% | N/A |
| 3 | Pakistan Investment Bonds, Federal Investment Bonds, Treasury bills, bills, Ijara Sukuk, & other securities or instruments issued or guaranteed by Federal Government and permitted by the Commission | N/A | 90% | 0% | 10 Years |
| 4 | Cash and Near Cash instruments which includes cash in bank accounts (excluding TDRs), treasury bills & GoP Ijara Sukuk not exceeding 90 days maturity | Investment Grade and above | 100% | 10% | N/A |
| 5 | Money Market Instruments including Musharaka Certificates, Certificate of Deposits (CoD), Certificate of Investments (COI) issued by financial institutions | Investment Grade and above | 90% | 0% | 6 Months |

| | | | | | |
|---------------------|---|----------------------------|--|----|----------------|
| 5(A) NewlyAdded | Money Market Instruments including Musharaka Certificates, Certificate of Deposits (CoD), Certificate of Investments (COI) issued by financial institutions | Investment Grade and above | 15% | 0% | Above 6 Months |
| 6 | Term Deposits/placementswith Commercial banks | Investment Grade and above | 90% | 0% | 6 Months |
| 6(A) Newly Added | placementswith Commercial banks | Investment Grade and above | 15% | 0% | Above 6 Months |
| 7 | Commercial Paper | Investment Grade and above | 50% | 0% | 1 Year |
| 8 | Reverse Repo against Fixed Income Government Securities | N/A | 50% | 0% | 6 Months |
| 9 | Convertible debt securities issued by corporate/financial institutions | Investment Grade and above | 30% | 0% | N/A |
| 10 | Convertible and Non-Convertible preferred shares | N/A | 30% | 0% | N/A |
| 11 | Ready/ Future spread transactions and Margin/ Trade Financing products/ system or any other leveraged product/System approved by the Commission | N/A | 40% | 0% | N/A |
| 12 | 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 and above | 30% | 0% | 5 Years |
| 13 | Investment outside Pakistan** | N/A | 30% (subject to a cap of US\$ 15 million) | 0% | N/A |
| 14 | Equity Securities Lending*** | N/A | 10% | 0% | N/A |

Note: Combined exposure in Listed Equity Shares & Net Open Future position shall not exceed 90% of the Net Assets of the Fund.

*The investment in Net Open Future contracts shall be used as an investment tool to meet investment objective of the Scheme as well as for hedging and risk management purpose. Independent risk management department of the management company will monitor compliance of exposure limits and adequacy preserved cash.

Net Open Future positions shall not exceed 90% of the net assets of the Fund, subject to the following risk management and compliance procedures:

- a) Net Open Future positions shall be subject to the single entity and sector limits as prescribed under Regulation 55(5) & (6) of the NBFC Regulations shall also adhere to the position limits prescribed by KSE in Risk Management Regulations.
- b) Net Open Future Exposure in future contracts shall be marked to market on a daily basis.
- c) To the extent of net open positions in Future contracts (net buy position), preserved cash will be kept in an earmarked bank account. Preserved cash is the difference between contract price and margin paid.
- d) For the purpose of reporting to the SECP, exposure in future contracts shall be calculated by converting the derivative position into equivalent position in the underlying security.
- e) Net Open Future sale position in future contract without the pre-existing interest shall not be executed.
- f) Spread transactions shall be accounted for in calculating the above-mentioned exposure limits under Regulation 55(5) & (6) of the NBFC Regulations.
- g) Any transaction in the future contract should be reported by UBLFM to Trustee.

Asset Allocation Policy of Future Contracts:

This asset allocation policy will take into account the various Investment restrictions and Exposure limits as elaborated below in Clause 2.3 which aim to provide diversification benefits.

**This will enable the Fund to diversify risk as well as avail opportunities for higher returns in international markets, subject to SECP and other regulatory approvals and in accordance with such terms, guidelines and directions as may be issued by SECP and the State Bank of Pakistan (SBP) from time to time.

*** UBL Fund Managers on behalf of the aforementioned Collective Investment Schemes may lend equity securities ~~man~~ up to 10% of net assets of such Collective Investment Scheme out of its equity portfolio.



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
FUND MANAGEMENT DEPARTMENT

No. SCD/AMCW/UAAF/187/2024

January 10, 2025

Chief Executive Officer,
UBL Funds Managers Limited,
4th Floor, STSM Building,
Beaumont Road, Civil Lines,
Karachi.

Subject: APPROVAL OF 12TH SUPPLEMENTAL TO THE OFFERING DOCUMENT OF UBL ASSET ALLOCATION FUND

Dear Sir,

Please refer to the application dated December 12, 2024 and subsequent correspondence received from UBL Fund Managers Limited (UBL FML) regarding the subject matter.

2. In this regard, I am directed to convey approval of the Securities and Exchange Commission of Pakistan (the "Commission") to the 12th Supplemental to the Offering Document of UBL Asset Allocation Fund (UAAF) (the "Fund") in terms of Regulation 44(8) of the NBFC & NE Regulations, 2008 read with Regulation 54(1).
3. The Management company must give at least thirty days prior notice to each Unit Holder about the proposed change; and the Unit Holders shall be given an option to exit at the applicable Net Asset Value without charge of any exit load
4. Approval of the Supplemental Offering Document will, in no way, absolve the Management Company of its obligations about contents of, or statements made in the Document.
5. The Management Company shall place the supplement to the offering document on its website.
6. The Management Company shall place the updated and consolidated constitutive documents (with notes referring to the supplemental constitutive document highlighting the change made in the original document/ clauses), along with the original and supplemental/restated constitutive document separately on its website. Furthermore, the updated constitutive document shall clearly specify the last date of updating i.e. "XYZ fund updated up to DD/MM/YY".
7. The Management Company shall ensure compliance with the prevailing requirements of law including NBFC Regulations and its constitutive document.
8. The Management Company may proceed in accordance with the constitutive documents of the UAAF and applicable regulatory framework.

Regards,


Sidra Tul Muntaha
Assistant Director

Cc: Head of Trustee and Custodial Operations
Central Depository Company of Pakistan