

**6th Supplement to the
Offering Document of
Al Ameen Islamic Retirement
Savings Fund
(AIRSF)**

Risk Profile: Allocation Dependent
Risk of Principal Erosion: Principal at Risk based on Allocation

A Voluntary Pension Fund

Effective Date: 06.04.2021

6th Supplemental to the Offering Document of Al Ameen Islamic Retirement Savings Fund (AIRSF)

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.

Al-Ameen Islamic Retirement Savings Fund is established in Pakistan as a Voluntary Pension Fund through a Trust Deed, dated November 17, 2009, registered under the Registration Act, 1908. Central Depository Company of Pakistan Limited is appointed as the Trustee of the fund through the first supplemental Trust deed dated February 21, 2014 executed between UBL Fund Managers Limited in its capacity as the Pension Fund Manager and Central Depository Company of Pakistan Limited. The pension fund is authorized under the Voluntary Pension System (VPS) Rules, 2005.

Objective of the Supplementary Offering Document

UBL Funds is making changes as per Circular no. 12 of 2021 via this supplementary Offering Document of Al Ameen Islamic Retirement Savings Fund.

Words and expressions used but not defined in this Supplemental shall have the same meanings as are assigned to them in the Offering Document of Al Ameen Islamic Retirement Savings Fund (AIRSF).

1. The following new sub points (b, c and d) are added under point 5.6.1 “Obligation of the Pension Fund Manager” and renumbered the remaining sub points accordingly:

- b) The Pension Fund Manager (PFM) shall have at least one investment committee (IC) which shall be responsible for selecting and developing appropriate investment and risk management strategies for the proper performance of the pension fund and developing internal investment restrictions limits and restriction for pension funds and in case same IC takes decisions for both mutual funds and pension funds, the decision taken for each kind of funds shall be separately identified and recorded in the minutes. Further the PFM shall: -
 - i. act with due care, skill and diligence in carrying out its duties and responsibilities;
 - ii. ensure that investment decisions are consistent with the objectives and investment policy of the Pension Funds;
 - iii. ensure that investments do not deviate from the Constitutive Documents or the VPS Rules/Regulations or circulars or directions of the Commission issued from time to time;
 - iv. develop and follow internal investment restrictions and policies; and
 - v. review the performance of the Pension Fund on a regular and timely basis;
- c) A Pension Fund Manager shall be responsible for managing and meeting the liquidity requirements of the Pension Fund and Participants thereof.
- d) A Pension Fund Manager shall carry out due diligence for executing investment and disinvestment decision(s) in a security. Rating of an issue or issuer, where mentioned herein below, shall be only

one of the factors to be considered by Pension Fund Manager and it shall in no way be construed as a recommendation or permission of the commission to any Pension Fund Manager to invest in any security solely on the basis of rating. However, a Pension Fund Manager shall ensure that the security and the issuer meet the minimum rating scale referred in the Investment Policy to stay qualified for continued investment.

2. The following point 6.8.1 & 6.8.5 of sub clause 6.8 “Allocation Policy” under clause 6 has been amended and read as follows:

6.8.1 A Participant has the option to select any Allocation Scheme in relation to his Contributions and shall make such selection at the date of opening his Individual Pension Account. A Participant may change allocation Scheme as and when required till retirement by sending written notice of the change to the Pension Fund Manager at least thirty (30) days or such other period as may be specified in the Rules. Further, another option has been introduced whereby the participant may freeze his current portfolio and for future contributions he can select a different allocation scheme. This freezing of Portfolio can be done twice till retirement

6.8.5 If any Participant fails to select an Allocation Scheme at the date of opening his Individual Pension Account, the Pension Fund Manager shall allocate Contributions of the Participant to the Default Allocation Scheme, which shall be Life Cycle Asset Allocation Scheme, specified in Clause 6.6.8 (E) and if such a scheme has not been offered, then allocate contributions to either Low Volatility or Lower Volatility.

3. The following sub point B and C are removed and new points B & C are added , (A, E & F) has been amended, (H, I, J & K) is removed, (H) is newly added under 8.3.2 of clause 8.3 “Investment Objective and Investment Policy of the AIRSF Equity Sub-Fund” and read as follows:

- A. Assets of an equity sub-fund shall be invested in equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a StockExchange and Equity sub-fund shall be eligible to invest in units of Real Estate Investment Trusts and Exchange Traded Fund provided that entity/sector/group exposure limits as prescribed are complied with.
- B. A pension fund manager may make investment maximum upto 5% of net asset of Equity Sub-Fund in units of Private Equity and Venture Capital Funds registered under Private Funds Regulations 2015.
- C. A pension fund manager may make investment maximum upto 10% of net asset of Equity Sub-Fund in public offering and pre-initial public offering of equity securities.

- E. Investment in equity securities of any single company shall not exceed Fifteen percent (15%) of net assets of an equity sub-fund or paid-up capital of that single company, whichever is lower

- F. A pension fund manager may invest up to thirty percent (35%) or the index weight, whichever is higher, subject to maximum of forty percent (40%) of net assets of an Equity Sub-Fund in equity securities of companies belonging to a single sector as classified by Pakistan Stock Exchange

- H. A PFM shall ensure that the investment in equity securities of the following companies shall not exceed 10% of the net assets of the equity sub fund on monthly average basis;
 - i. Securities which are not eligible on CDS;
 - ii. Company is not traded on regular trading counter of PSX.
 - iii. The minimum free float of the company is less than 15% or 50,000,000 shares whichever is less;
 - iv. The securities of the company are traded less than 50% of the total trading days during the last six months or from the date of listing as the case may be;
 - v. Company's paid up capital is fully eroded owing to accumulated losses as per the annual audited accounts or half yearly limited scoped reviewed accounts whichever is latest:
 - vi. There are major non-compliance issues i.e. holding of annual general meeting, finalization of annual audited accounts, appointment of board of directors and non-compliance with any specific direction (s) of the Commission except those companies that have obtained relaxation or extension to comply with such regulatory requirements from the Commission. For the purpose of this clause, the word "specific direction" shall mean an explicit direction issued to a particular company in a certain matter;
 - vii. Auditor's report is qualified with respect to company's ability as going concern or contains adverse opinion or disclaimer of opinion;
 - viii. Winding up proceedings have been initiated against the company.

4. The sub point (A to H) is removed and new points (a to I) are added under 8.4.2, sub clause 8.4 “Investment Objective and Investment Policy of the AIRSF Debt Sub-Fund” and read as follows:

- a. The Debt Sub-fund shall consist of government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, commercial paper, TFC/ Sukuk or any other Islamic mode of placement, reverse repo, deposits/placements with Microfinance Banks and any other approved debt/ money market security issued from time to time;
- b. Rating of any security in the portfolio shall not be lower than A+;
- c. Rating of any bank and DFI with which funds are placed should not be lower than A+;
- d. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AA;
- e. Rating of any Microfinance Bank with which funds are placed should not be lower than A+;
- f. At least 25% of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days' maturity;
- g. Exposure to any single entity shall not exceed 15% of net assets;
- h. Exposure in debt security of an entity shall not exceed 15% of net assets or 10 % of size of the issue of that debt security, whichever is lower;
- i. The limits specified in clause (g) and (h) above are applicable to all securities mentioned other than the securities issued by Federal Government;
- j. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a Debt Sub-fund;
- k. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI, money market placements and other clean placements of funds) of more than 25% of net assets of sub-funds with all microfinance banks, non-bank finance companies and Modarabas;
- l. The weighted average time to maturity of a Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government;

5. The point 8.5.2 (A to C), 8.6 & 8.7 are removed and new sub point (a to I) under 8.5.2 has been added under clause 8.5 “Investment Objective and Investment Policy of the AIRSF Money Market Sub-Fund” and read as follows:

- a. Investment avenues - government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) or any other Islamic mode of placement, TDRs, commercial papers, reverse repo;
- b. Rating of any security in the portfolio shall not be lower than AA;
- c. Rating of any bank and DFI with which funds are placed should not be lower than

AA;

- d. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA;
- e. At least 10% of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or shariah compliant government securities not exceeding 90 days' maturity;
- f. Exposure to any single entity shall not exceed 15% of net assets
- g. Exposure in security of an entity shall not exceed 15% of net assets or 10 % of size of the issue of that security;
- h. The limits specified in clause (f) and (g) above are applicable to all securities mentioned other than the securities issued by Federal Government;
- i. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund;
- j. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI, money market placements and other clean placements of funds) of more than 25% of net assets of money market sub sub-fund with all microfinance banks, non-bank finance companies and Modarabas;
- k. The weighted average time to maturity of assets of a Money Market Sub-fund shall not exceed one year.
- l. Time to maturity of any asset in the portfolio of Money Market Sub-fund shall not five (5) years.

6. The point (a & c) is removed , (b, d ,e, g, h, i, j, k, l & m) is replaced with (a, b, c, e, f, g, h, i & j) ,(f) is replaced with (d) and amended, new point (k) is added under sub clause 8.8 "Investment Restrictions" and read as follows:

The Pension Fund Manager shall not at any time on behalf of the Pension Fund

- d) invest or deposit or place assets of the Pension Fund if the issuer or the Bank or the security does not fulfill the minimum rating specified in the investment policy.
- k) The pension fund manager shall adhere to the limits stipulated herein above; however, if the limits are breached merely due to corporate actions including take up of right or bonus issue(s) or due to change in net assets resulting from fluctuation in price of securities or due to with draws the pension fund manager shall regularize the deviation within four (4) months of the breach.