

**2nd Supplement to the
Replacement
Offering Document of
UBL Stock Advantage
Fund (USF)**

Effective Date: 25.04.2019

Second Supplement to the Replacement Offering Document of UBL Stock Advantage Fund (USF)

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 Stock Advantage Fund (USF) is established in Karachi, Pakistan as an Open end Scheme by a Trust Deed, dated 05-06-2006 under the Trusts Act, 1882 between UBL Fund Managers Limited, 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.

Objective of the Supplementary Offering Document

UBL Funds is making changes in the “**Investment Policy**” under Authorized Investment Table (Clause 2.1.1) of the Replacement Offering Document of UBL Stock Advantage Fund (USF) via this Second Supplementary Offering Document.

1. Amendment in Clause 2.1.1 (Investment Policy)

The following points are being updated in the Authorized Investment Table under clause 2.1.1 of the Replacement Offering Document and read as follows:

No.	Key Investment Avenues	Asset Allocation		Rating
		Minimum	Maximum	
1	Listed Equities (During the year based on quarterly average investment calculated on daily basis)	70%	100%	N/A
1 (A) Newly Added	Equity Future Contracts*	0%	30%	N/A
2	Cash in Bank Accounts	0%	30%	Investment Grade & Above
3	TBill/ PIB/ GOP Ijarah Sukuk (with remaining maturity not exceeding 90 days)	0%	30%	N/A

4	Investment in any equity security not listed on stock exchange, where application for listing has been accepted by stock exchange	0%	15%	N/A
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* 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 30% 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 PSX 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 earmarked in 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.

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 2.4 which aim to provide diversification benefits.



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

No. SCD/AMCW/USAF/ 386/2019

April 25, 2019

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

Subject: Second Supplemental to the Replacement Offering Document of UBL Stock Advantage Fund

Dear Sir,

Please refer to the application vide email dated April 23, 2019 on the captioned subject received from your office.

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

UBL Fund Managers Limited may therefore proceed in accordance with the constitutive document of the Fund and prevalent regulatory framework.

Yours truly,

Raja Ateeq Ahmed
Assistant Director

"Say no to Corruption"