

**3rd Supplement to the
Offering Document of
UBL Income Opportunity
Fund (UIOF)**

(Formerly UBL Financial Sector Bond Fund)

Publication Date: 05-01-2016

Effective Date: 05.04.2016

Third Supplemental Dated 05-01- 2016 to the Offering Document of UBL Income Opportunity Fund (formerly UBL Financial Sector Bond Fund)

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.

Effective from 5th April, 2016 the following Clauses in the Offering Document are revised:

1. Amendment in Covering Leaf

Name of the fund mentioned on the covering leaf is amended and read as follows:

OFFERING DOCUMENT OF
UBL Income Opportunity Fund
(Formerly UBL Financial Sector Bond Fund)
(An Open Ended Income Scheme)

2. Amended in 1st Heading on Page 3:

OFFERING DOCUMENT OF
UBL Income Opportunity Fund
(formerly UBL Financial Sector Bond Fund)
Income Scheme

MANAGED BY

UBL Fund Managers Limited

**[An Asset Management Company Registered under the Non-Banking Finance Companies
(Establishment and Regulation) Rules, 2003]**

Date of Publication of Offering Document Dated 15th March 2013

Initial Offering Period from 27th March 2013 to 28th March 2013 (both days inclusive)

UBL Income Opportunity Fund (*formerly UBL Financial Sector Bond Fund (UFBF)*) has been established through a Trust Deed (the Deed) date 1st January 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.

3. Amendment under Heading “Approval of the Securities and Exchange Commission of Pakistan” on Page 3:

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of UBL Income Opportunity Fund - UIOF (*formerly UBL Financial Sector Bond Fund*) and has registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) vide letter No SCD/AMCW/AD-ZI/UFBF/41/2013 dated February 13th 2013 SECP has approved the 3rd Supplemental Offering Document, under the Regulations vide letter No. SCD/AMCW/UIOF/198/2015 dated 03-12-2015.

4. Amendment in 1st para under Heading “Offering Document” on Page 3:

This Offering Document sets out the arrangements covering the basic structure of the UBL Income Opportunity Fund (*formerly UBL Financial Sector Bond Fund*) (the “Fund”, the “Scheme”). It sets forth information about the Fund that a prospective investor should know before investing in any class of Unit of the Fund. The provisions of the Trust Deed, the Rules, the Regulations), circulars, directives etc as specified hereafter govern this Offering Document.

5. Amendment

In the Offering Document any reference to UBL Financial Sector Bond Fund (UFBF) shall be deemed to be replaced with UBL Income Opportunity Fund (UIOF).

6. Clause 2.1 is amended and read as follows:

The Objective of UBL Income Opportunity Fund is to provide a competitive rate of return to its investors by investing in quality TFCs / Sukuk, Government Securities, Bank Deposits, and short and long term debt instruments.

7. Clause 2.2 (a), (b) & (c) have been amended and read as follows:

- a) Credit Risk:** This risk is mitigated through the Investment Policy parameter whereby UIOF shall only invest in TFC / Sukuk with a minimum rating of AA or higher.
- b) Interest Rate Risk:** Mitigation of this risk is through active management of fund’s duration as part of its investment strategy.
- c) Liquidity Risk:** Mitigation of this risk is through an Investment Policy parameter whereby UIOF’s weighted average time to maturity of the net assets will not exceed four years excluding Government Securities. Non-traded securities (e.g. TDRs, & COIs) will have a maximum maturity of six months.

8. “Benchmark” is amended and read as follows:

The Benchmark of UBL Income Opportunity Fund shall be based on 75% six month Rolling average of 6-month KIBOR and 25% average 6-month deposit rate of three (3) banks rated A and above.

9. The “Authorized Investments” has been amended and read as follows:

	Description	Entity / Instrument rating	Maximum Exposure	Minimum Exposure	Maximum Maturity
1	Government securities	N/A	100%	0%	N/A
2	Debt securities including TFCs, Sukuks and Commercial Paper	AA and above	50%	0%	N/A
3	Term deposit receipts	A and above	75%	0%	N/A
4	CFS and Spread Transactions	N/A	40%	0%	N/A
5	Cash and near cash instruments which include cash in bank account (excluding TDRs), and T-Bills not exceeding 90-days	A and above	100%	25%	90-days
6	Non traded securities including reverse repo, bank deposits, certificates of investment (COI), certificates of musharaka (COM) and anything over 6-months which is not a marketable security	A and above	15%	0%	N/A
7	Any other securities or instruments that may be permitted or approved under SECP rules, regulations or any other directives from time to time	A and above	30%	0%	N/A

- Weighted average time to maturity of the net assets shall not exceed 4 years, and this condition shall not apply to securities issued by the Federal Government.

10. Clause 2.5 (c) xx. has been amended and read as follows:

- xx. UBL Income Opportunity Fund shall comply with exposure limits elicited in the Regulations and SECP circulars.

11. Clauses 2.5 (c) xxi, xxii, xxiii & xxiv have been removed.

12. Clauses 2.5 (c) xxv & xxvi have been renumbered to clause 2.5 (c) xxi & clause 2.5 (c) xxii respectively.

13. Clause 2.5 (d) has been amended and read as follows:

- (a) 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 quarterly average investment calculated on daily basis.

14. Clause 4.5.4 (b) has been amended and read as follows:

- (b) Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" as specified below;
- Demand draft or Pay order in favor of **CDC Trustee – UBL Income Opportunity Fund**
 - Online transfer to Bank Account(s) of **CDC Trustee – UBL Income Opportunity Fund**
 - Cheque (account payee only marked in favor of **CDC Trustee – UBL Income Opportunity Fund**)
 - Account Holder may also make payment for Purchase of Units in favor of "**CDC Trustee - UBL Funds**" provided that the account holder specifies name of the Fund along with percentage Allocation in the Fund, in the Investment Application Form.

15. Clause 1(iii) under Heading Annexure 'B' has been amended and read as follows:

iii. Management Fee:

- Current level of Management Fee: 1.5% per annum

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



CDC/T&C-S II/DH/0601/2015

November 20, 2015

Mr. Ali Alvi
Head of Risk, Strategy, Business & Development
UBL Fund Managers Limited
11th Floor, Executive Tower,
Dolmen City Block IV, Clifton,
Karachi.

Dear Mr. Ali,

**REVISED TRUSTEE CONSENT ON DRAFT 3RD SUPPLEMENT TO THE OFFERING DOCUMENT
UBL INCOME OPPORTUNITY FUND (FORMERLY UBL FINANCIAL SECTOR BOND FUND)**

In continuation to our earlier letter # CDC/T&C-S II/DH/0543/2015 dated October 20, 2015, we have reviewed the enclosed revised draft offering document of UBL Income Opportunity Fund (formerly UBL Financial Sector Bond Fund) and have No Objection on the changes suggested by the Securities & Exchange Commission of Pakistan.

Further, any changes made subsequently in the attached document will require our fresh consent.

Looking forward for a warm and growing working relationship.

Yours truly,

Iqleem uz Zaman Khan
Assistant General Manager
Trustee & Custodial Operations Unit-II

Abdul Samad
Head of Department
Trustee & Custodial Operations Unit-II

Cc: Mr. Imran Inayat Butt
Director, Asset Management Companies Wing
Securities and Exchange Commission of Pakistan

Encl: As above



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

No. SCD/AMCW/UIOF/198/2015

December 3, 2015

Mr. Mir Muhammad Ali
Chief Executive Officer
UBL Fund Managers Limited
8th Floor, Executive Tower
Dolmen City Building
Block-4, Clifton
Karachi

Subject: Approval of the Third Supplement to the Offering Document of UBL Income Opportunity Fund(Formerly UBL Financial Sector Bond Fund)

Dear Sir,

Please refer to the application dated November 25, 2015 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 third supplement to the offering document of UBL Income Opportunity Fund(Formerly UBL Financial Sector Bond Fund) have been acceded to by the Securities and Exchange Commission of Pakistan.

UBL Fund Managers Limited is advised to inform the unit holders regarding the proposed amendments in offering document as required under Regulation 44(7) of the Non Banking Finance Companies & Notified Entities Regulations, 2008.

Yours truly,

Zonish Inayat
(Assistant Director)

Cc:

Mr. Iqleem-uz-Zaman
Assistant General Manager
Trustee and Custodial Operations Unit-II
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi.