

**Second Supplement Dated February 24, 2011 to the  
Offering Document of HBL Stock Fund (HBL-SF)  
issued on August 25, 2007**

**Managed by HBL Asset Management Limited, a company incorporated under Companies Ordinance 1984 and licensed under Non Banking Finance Companies (Establishment and Regulation) Rules 2003**

**HBL Stock Fund (HBL SF or Fund) was established in Pakistan by a Trust Deed dated August 09, 2007 registered under the Trust Act 1882 between HBL Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited as the Trustee and registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.**

**1. Existing para (1) of Clause 1.1 is amended and now read as follows:**

“HBL Asset Management Limited (HBL Asset), a company incorporated under the Companies Ordinance 1984, licensed by the Commission to undertake investment advisory and asset management services with its registered office at **8B, 8<sup>th</sup> Floor, Executive Tower, Dolmen City, Block 4, Clifton**, Karachi Pakistan, as the establisher and the Management Company; and”

**2. Insertion of Clause 1.1 A**

Name and Category of Collective Investment Scheme are added as Clause 1.1 A which is read as follows:

“HBL Stock Fund”, is an open-end Equity Scheme.

**3. Existing clause 1.2 is amended and now read as follows:**

“**The** Deed shall be subject to and be governed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, **Non Banking Finance Companies & Notified Entities Regulations, 2008**, Securities and Exchange Ordinance 1969 **as amended from time to time** and all applicable laws and regulations. The terms and conditions of **the** Deed and any deed supplemental hereto shall be binding on each Holder.”

**4. Existing clause 1.4 is amended and now read as follows:**

“The duration of HBL-SF is perpetual. However, it can be wound up by the Commission or by the Management Company with prior approval of the Commission on the occurrence of certain events as stated in clause 11 of this Offering Document under the heading, “**Cancellation of Registration and Revocation** of HBL Stock Fund”.

**5. Existing clause 1.5 is amended and now read as follows:**

“The registered address of HBL Asset Management Company Limited (HBL Asset) is at 8B, 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton Karachi. . The Trust was established on 6th September 2006. The official website of the Management Company is [www.hblfunds.com](http://www.hblfunds.com) and [www.hblasset.com](http://www.hblasset.com).”

**6. Existing clause 2.2 is amended and now read as follows:**

The fund will seek to focus on undervalued stocks of companies offering prospects for capital growth. The fund will invest in equity instruments and T-Bills of less than 90 days maturity

**7. Existing clause 2.3 is amended and now read as follows:**

- a. Listed Equity Securities;
- b. Cash and/or near cash instruments which include cash in bank accounts (excluding TDRs);
- c. Treasury bills not exceeding 90 days maturity
- d. Any other security and/or instruments that may be allowed by the SECP from time to time; and
- e. Authorized investments in overseas markets subject to prior separate written approval of the SECP and State Bank of Pakistan to the extent and subject to such cap as may prescribed by SECP/SBP, from time to time; and.
- f. Derivative instruments for hedging purposes only and subject to the prior approval of SECP.

**8. Insertion of New Clause 2.3A**

After existing clause 2.3, a new clause 2.3A is added:

The performance of the Scheme will be compared against the KSE 100 index”

**9. Existing table in clause 2.4.1 is amended and now read as follows:**

No.	Description	Maximum Exposure	Minimum Exposure	Minimum Issuer/ Counterparty Rating	Minimum Instrument Rating
1	Listed Equity Securities;	100%	70%	N/A	N/A
2	Cash and/or near cash instruments which include cash in bank accounts (excluding TDRs);	30%	-	N/A	N/A
3	Treasury bills not exceeding 90 days maturity	30%	-	N/A	N/A
5	Authorized investments in overseas markets subject to prior separate written approval of the SECP and State Bank of Pakistan to the extent and subject to such cap as may prescribed by SECP/SBP, from time to time; and.	30% (subject to a cap of USD 15 mn)	-	As specified by the Commission at the time of granting approval for foreign investment	
<ul style="list-style-type: none"> <li>• The Fund shall not take exposure to Continuous Funding System (CFS).</li> </ul>					

**10. Existing clause 2.4.3 is amended and now read as follows:**

The Scheme shall not invest more than thirty (30) percent of its Net Asset or index weight of the sector whichever is higher subject to maximum of thirty five (35) percent in securities of any one sector as per classification of the pertinent stock exchange(s).

**11. Existing clause 2.4.4 be and hereby deleted in its entirety:**

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**12. Existing clause 2.4.5 is amended and now read as follows:**

If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Rules, the Management Company shall not purchase any further Investments in such company or sector. However this restriction on purchase shall not apply to any offer of right shares or bonus shares or any other offering, if the Management Company is satisfied that accepting such offer is in the interest of the Trust.. Provided that Where the Exposure of a Fund exceeds the limits specified in Regulation 55(5) of NBFC Regulations because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets the excess Exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Management Company.

**13. Existing clause 2.4.7 be and hereby deleted in its entirety:****14. Existing clause 2.4.8 is amended and now read as follows:**

“The Management Company shall not on behalf of the Fund;

- a. purchase any security in a forward contract;
- b. purchase any security on margin;
- c. Invest in securities of the Management Company;
- d. Invest in bearer securities;
- e. issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
- f. apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the Scheme of de-listing;
- g. lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- h. Sell Units for consideration other than cash unless permitted by the Commission;
- i. merge with, acquire or take over any other asset management company or a Scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or take over;
- j. securities which result in assumption of unlimited liability (actual or contingent);
- k. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- l. make a loan or advance money to any person from the assets of the scheme;
- m. accept deposits from a Collective Investment Scheme;
- n. apply any part of assets of the Scheme to real estate, commodities or commodity contracts (other than the securities issued by commodity companies and real estate companies);
- o. make any investment from the scheme which will vest with the Management Company or its group, the management or control of the affairs of the investee company;

- p. enter on behalf of the scheme into underwriting or sub-underwriting contracts; and
- q. take exposure in any other Collective Investment Scheme,

**15. Existing clause 2.4.12 is amended and now read as follows:**

Exposure of the Fund to any single entity shall not exceed an amount equal to ten (10) percent of the net assets of the Fund or the index weight of the security subject to the limit of fifteen percent, whichever is higher. Subject to the condition that Exposure of the Fund to equity securities of any company shall not exceed ten (10) percent of the issued capital of investee company.

**16. Existing sub clause 2.6.3 is amended and now read as follows:**

“The Management Company on behalf of a HBL SF shall not without the approval of its Board of Directors in writing and consent of trustee, purchase from, or sell any securities to any connected person or employee of the Management Company. However this restriction shall not apply to the issue, sale or redemption of units issued by HBL SF.”

**17. Existing sub clause 2.6.4 is amended and now read as follows:**

“The Trust shall not invest in any security by a company if any director or officer of the Management Company owns more than five percent of the total nominal amount of the securities issued of such company, or collectively the directors and officers of the Management Company own more than ten percent of the securities issued by the said company.”

**18. Existing sub clause 2.6.5 is amended and now read as follows:**

“All connected party transactions carried out by the Management Company on behalf of HBL SF shall be in accordance with the provisions of the deed and this offering document and shall be disclosed in the annual report of the Scheme.”

**19. Existing sub clause 2.6.6 is amended and now read as follows:**

**20. Existing sub clause 2.7.2 be and hereby deleted in its entirety:**

**21. Existing sub clause 2.7.3 as be and hereby deleted in its entirety:**

**22. Existing sub clause 2.7.4 be and hereby deleted in its entirety:**

**23. Existing sub clause 2.7.2 be and hereby deleted in its entirety:**

**24. Insertion of sub clause 2.7.11**

After sub clause 2.7.10 of clause 2.7, add the following sub clause 2.7.11

There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned Category. This non compliance may be due to various reasons including adverse market conditions, liquidity constraints or investment specific issues.

Investors are advised to study the latest Fund Manager Report specially portfolio composition and financial statements of the Scheme to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned Category. The latest monthly fund manager report as per the format prescribed by Mutual Fund Association of Pakistan (MUFAP) is available on the web site of the management company and can be obtained by calling / writing to the management company.

25. Add the words “with the prior approval of its Board of Directors” in the first line of clause 2.8 after the words “Management Company”, and the clause should read as follows

“Under extraordinary circumstances the Management Company, with the prior approval of its Board of Directors may announce a suspension or deferral of redemption in such cases invoke a Queue System or announce winding-up in such events the investor will probably have to wait for the payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund’s Trust Deed for more detailed information regarding this clause.”

26. Replace the entire table in clause 3.2 with the following and clause should read as follows:

<b>Name, Occupation and Address</b>	<b>Position</b>	<b>Other Directorships</b>
R. Zakir Mahmood Banker C-70, KDA Scheme # 1, Karachi	<b>Chairman</b>	<ul style="list-style-type: none"> <li>i. Habib Bank Limited</li> <li>ii. Habib Allied International Bank Plc, U.K.</li> <li>iii. Habib Finance International Ltd, Hong Kong</li> <li>iv. Platinum Habib Bank Plc, Nigeria</li> <li>v. Khushhali Bank Limited</li> <li>vi. First Women Bank Ltd</li> <li>vii. Habib Bank Financial Services (Pvt.)Ltd</li> <li>viii. New Jubilee Insurance Company Limited</li> </ul>
Shahid Ghaffar Investment Banker B-114, Block 13 D-2, Gulshan-e-Iqbal, Karachi	<b>Chief Executive Officer</b>	<b>None</b>
Sohail Malik Banker 74/1 Street 16, Phase VI, DHA, Karachi	<b>Director</b>	<ul style="list-style-type: none"> <li>i. PlatinumHabib Bank Plc, Nigeria</li> <li>ii. Habib Bank Financial Services (Pvt)Ltd</li> </ul>
Abid Sattar	<b>Director</b>	<b>None</b>
Towfiq Habib Chinoy Business Executive 45B, 8th Circular Street,	<b>Director</b>	<ul style="list-style-type: none"> <li>i. New Jubilee Insurance Company Limited</li> <li>ii. Pakistan Cables Ltd.</li> </ul>

DHA Phase II, Karachi		<ul style="list-style-type: none"> <li>iii. International Industries Ltd.</li> <li>iv. BOC Pakistan Ltd.</li> <li>v. New Jubilee Life Insurance Limited</li> <li>vi. IGI Investment Bank Ltd.</li> <li>vii. Continental Furnishing Company Pvt. Ltd.</li> <li>viii. Packages Limited</li> <li>ix. International Steels Limited</li> </ul>
Sadia Khan Business Executive 6B, 12th South Street Extension, DHA Phase II, Karachi	<b>Director</b>	<ul style="list-style-type: none"> <li>i. First Micro Finance Bank Ltd.</li> <li>ii. Kashf Foundation</li> <li>iii. Delta Shipping (Pvt) Limited</li> <li>iv. NBP Leasing Limited</li> </ul>

27. Following paragraph is added in sub clause 3.2.2, as profile of Ms. Sadaf Adnan, after the profile of Mr. Rehan N. Shaikh:

**Ms. Sadaf Adnan- Head of Corporate Sales**

Ms. Sadaf Adnan holds an MBA Degree from Quaid-e-Azam University, Islamabad. She has also done her Masters in Public Administration and Post Graduate Diploma in Computer Sciences. With over a decade of diversified experience holding key positions, Ms. Sadaf has served tremendously in the area of Institutional Sales and Marketing. She started off her career in 2000 with ANZ Grindlays Bank, Rawalpindi where she managed corporate portfolios of clients. Later she joined as the Director Operations in Lyzac Works, Lahore where she executed advertising campaigns for clientele. In a span of a year, she became the Chief Operating Officer of Eden Developers Pvt.Limited. After three years, in 2004, she became part of Dynasel Pakistan Pvt. Limited (Lahore) as Director Corporate Sales and looked after the sales of existing brands along with revamping of advertising related collateral for company’s profitability. In 2007, she was inducted as Regional Sales Head Central and North in JS Global Capital Limited and JS Investments Pvt. Limited. Over there she successfully handled fund distribution units and also brought about a functional change through team building and development of business pipelines. She also brought a major turnover by raising additional capital in Mutual Funds as well as money market instruments for the Company. Prior to joining HBL Asset Management Limited, she served as the Regional Head Central and North at NAFA where she was responsible for sales activities, coaching, training and general direction to sales team members.

28. Delete the profiles of Ms. Naveen Jumani -Manager Finance, Mr. Faran Hussain- Officer Investor / Registrar Services in entirety from clause 3.2.2:

29. Following paragraph is added in sub clause 3.2.2, as profile of Mr. Noman Ahmad Soomro:

**“Noman Ahmad Soomro – Chief Financial Officer**

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining HBL Asset Management, he was working at A.F.Ferguson Chartered Accountants; a member firm of Pricewaterhouse Coopers. During his five years at A.F.Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. Mr. Soomro was also a key member of the team which conducted pre-acquisition Financial and Taxations Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal

Audit reviews of a large commercial bank and a foreign bank where the responsibilities included reporting on effectiveness and efficiency of internal audit department and independent reporting on internal control weaknesses.”

**30. Following paragraph is added in sub clause 3.2.2, as profile of Ms. Umar Farooq, after the profile of Ms. Noman Ahmed Soomro:**

Umar Farooq - Manager Research & Product Development

Mr. Umar Farooq holds an MBA Degree with major in Management Information Systems (MIS). He has a diversified work experience of 9 years. He started his career in year 2000 with Ernest & Young Sidat Hyder Morshed Associates, working in Information System (IS) audit department. While working there for three years, he conducted audits for various Banks and Financial institutions including NBP, MCB and NIFT. In 2004, he joined ACE Securities (Pvt) Limited as an Analyst in the research department, where he developed his skills in Technical Analysis of Financial Markets. After three years of concentrated research along with exposure to equity sales, he joined Global Securities Pakistan Limited as a Technical Analyst and AVP Institutional Equity sales in 2006. During his tenure at Global Securities, Mr. Umar Farooq conducted extensive research and enhanced his skills in technical research. He was also responsible for institutional Equity sales. He joined HBL Asset Management in January 2008 as Manager Research and Product Development.

**31. Following paragraph is added in sub clause 3.2.2, as profile of Mr. Noman Qurban, after the profile of Mr. Umar Farooq:**

“Noman Qurban – Head of Risk Management & Compliance

Mr. Noman Qurban is a Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining HBL Asset Management, he was working with a large brokerage house, looking after the Financial Reporting and Budgeting & Planning functions of the Company. He completed his articleship with A.F.Ferguson & Co Chartered Accountants; a member firm of Pricewaterhouse Coopers. During his association with A F Ferguson & Co he worked in the Assurance and Business Advisory Services of the firm performing audits of several Companies in various sectors including, mutual funds, banks, DFIs, oil and gas, steel, textile companies of Pakistan. His responsibilities during audit included planning and supervision of the audit engagements, assessment of business and audit risks of clients, reporting on internal control weaknesses and assisting clients in preparation of financial statements.”

**32. Existing part (i) of sub clause 3.2.3 is amended and now read as follows:**

The responsibilities of the Management Company is to promote the sale of Units in HBL-SF, invest and manage the assets of HBL-SF in the interest of unit holders according to the NBFC Rules and NBFC Regulations and provisions of the Deed, in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its related parties including connected persons and group companies or its Officers;

**33. Existing Part (ii) of sub clause 3.2.3 is amended and now read as follows:**

The Management Company shall maintain proper accounts and records of HBL-SF to enable a complete and accurate view of assets and liabilities, income and expenditure, all transactions, and amounts received in respect of issue of Units, amounts paid out by HBL-SF on redemption of Units and by way of distributions, and paid out at the termination of HBL SFas required under the Rules and the Regulations.

**34. Existing Part (iii) of sub clause 3.2.3 is amended and now read as follows:**

The Management Company shall prepare and transmit physically to Unit Holders, the Commission the Trustee and the Stock Exchange on which units of HBL SF are listed, the annual report together with balance sheet, income statement, cash flow statement, statement of movement in unit holder's fund or net assets or reserves and auditors' report of HBL-SF as per the NBFC Regulations. The Management Company shall also prepare and transmit physically (or through electronic means or on the web subject to the Commission's approval) to Unit Holders, the Commission the Trustee and the Stock Exchange on which units of HBL SF are listed, the balance sheet and income statement, cash flow statement, statement of movement in unit holder's fund or net assets or reserves of HBL-SF on quarterly basis, in accordance with the NBFC Regulations.

**35. Existing Part (iv) of sub clause (3.2.3) of clause 3.2 is amended and now read as follows:**

The Management Company shall make available to the Trustee such information and record relating to the Fund which may be necessary for the trustee to discharge obligations under the deed, and the NBFC Regulations as amended from time to time. The Management Company shall account to Trustee for any loss in value of the assets of HBL-SF caused by its negligence, reckless or wilful act or omission.

**36. Existing Part (v) of sub clause (3.2.3) of clause 3.2 is amended and now read as follows:**

The Management Company shall be responsible for all acts and omissions of all persons to whom it may delegate any of its functions as manager, as if these were its own acts and omissions.

**37. Insertion of Part (ix) of sub clause 3.2.3**

After Part (viii) of sub clause 3.2.3, Part (ix) shall be added as follows:

“The Management Company shall within one month of the close of the first and third quarter and within two months of the close of the second quarter of Accounting period of the Trust or such extended period permissible under the Rules and the Regulations, prepare and transmit physically (or through electronic means or on the web subject to the Commission's approval) to the Unit Holders, the Trustee, the Commission and the Stock Exchange (s), on which units of the scheme are listed, the balance sheet as at the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise”

**38. Insertion of Part (x) of sub clause 3.2.3**

After Part (ix) of sub clause 3.2.3, Part (x) shall be added as follows:

“The Management Company shall appoint a qualified individual as fund manager who shall be responsible for the management of not more than three Schemes or such number of schemes as allowed by the Commission from time to time and constitute an investment committee in accordance with the provisions of the Regulations to invest and manage assets of the Fund. The investment committee shall be responsible to the Chief Executive of the Asset Management Company and the Chief Executive shall ensure that Committee functions effectively.”

**39. Insertion of Part (xi) of sub clause 3.2.3**

After Part (x) of sub clause 3.2.3, Part (xi) shall be added as follows:

The Management Company shall with the consent of the Trustee appoint at the establishment of the Scheme



and upon any vacancy, the Auditor, who shall be independent of the auditors of the Management Company and of the Trustee. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.”

**40. Insertion of Part (xii) of sub clause 3.2.3**

After Part (xii) of sub clause 3.2.3, Part (xii) shall be added as follows:

“(a) The Management Company shall, under intimation to the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying out the Distribution Function(s) at one or more locations locally or internationally. Provided the Management Company and its affiliates may also perform Distribution Function(s) and act as a Distribution Company (ies). The Management Company shall ensure, where it delegates the Distribution Function, that the Distributors to whom it delegates, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the commission and are abiding by the code of conduct prescribed by the association(s) and the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

(b) The Management Company shall appoint investment facilitations/Sales agents from time to time to identify, solicit and assist investors in investing in the Scheme”

**41. Insertion of Part (xiii) of sub clause 3.2.3**

After Part (xii) of sub clause 3.2.3, Part (xiii) shall be added as follows:

“The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance, redemption, conversion, etc of units in the Offering Document of the Scheme and its website. Management Company shall receive the said application only at such designated points.”

**42. Insertion of Part (xiv) of sub clause 3.2.3**

After Part (xiii) of sub clause 3.2.3, Part (xiv) shall be added as follows:

“The Management Company shall ensure that all the designated points for acceptance of applications for issuance, redemption, conversion, etc of units of the Scheme have appropriate date and time stamping mechanism for timely acknowledgement of the said applications.”

**43. Insertion of Part (xv) of sub clause 3.2.3**

After Part (xiv) of sub clause 3.2.3, Part (xv) shall be added as follows:

“The Management Company shall announce the Net Asset Value (NAV) of the Scheme as per Regulations or direction of SECP.”

**44. Insertion of Part (xvi) of sub clause 3.2.3**

After Part (xvi) of sub clause 3.2.3, Part (xvi) shall be added as follows:

“The Management Company shall clearly specify Cut-off Timings (for acceptance of application forms of issuance, redemption, conversion etc of units of the Scheme) on its web site and at designated points. Such Cut-off Timing shall uniformly apply on all Unit Holders. The prevailing Cut-off Time is mentioned in annexure ‘C’

**45. Insertion of Part (xvii) of sub clause 3.2.3**

After Part (xvi) of sub clause 3.2.3, Part (xvii) shall be added as follows:

“The Management Company may nominate one or more of its officers to act as attorney(s) for interacting with the Trustee.”

**46. Insertion of Part (xviii) of sub clause 3.2.3**

After Part (xvii) of sub clause 3.2.3, Part (xviii) shall be added as follows:

“Subject to the prior approvals of the SECP and the SBP, the Management Company may in consultation with the Trustee appoint advisors and professionals in offshore countries for making investments in such countries and/or for issuing Units to the investors in the offshore countries and in particular, shall determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee in their respective capacities, in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme”

**47. Insertion of Part (xix) of sub clause 3.2.3**

After Part (xviii) of sub clause 3.2.3, Part (xix) shall be added as follows:

“The Asset Management Company on behalf of the Fund shall not at any time rollover the investments, if in the opinion of trustee, the Fund would not be able to issue payment instrument for the redemption money to the unit holder within time period stipulated in the Regulations.”

**48. Insertion of Part (xx) of sub clause 3.2.3**

After Part (xix) of sub clause 3.2.3, Part (xx) shall be added as follows:

“The Asset Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment of the Unit Holder(s) in the Fund.”

**49. Insertion of Part (xxi) of sub clause 3.2.3**

After Part (xx) of sub clause 3.2.3, Part (xxi) shall be added as follows:

“The Management Company shall oblige to process payment instrument immediately on receipt of application”

**50. Insertion of Part (xxii) of sub clause 3.2.3**

After Part (xxi) of sub clause 3.2.3, Part (xxii) shall be added as follows:

“The Management Company is obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.”

**51. Insertion of Part (xxiii) of sub clause 3.2.3**

After Part (xxii) of sub clause 3.2.3, Part (xxiii) shall be added as follows:

“The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment / disinvestment transactions entered into by it on behalf of the Scheme. The Management Company shall ensure that the settlement instructions are given promptly after entering into the transactions so as to facilitate the timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with the dictates of the transaction subject to the NBFC Regulations, the Offering Document and terms of this Deed.”

**52. Insertion of Part (xxiv) of sub clause 3.2.3**

After Part (xxiii) of sub clause 3.2.3, Part (xxiv) shall be added as follows:

“The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.”

**53. Insertion of Part (xxv) of sub clause 3.2.3**

After Part (xxiv) of sub clause 3.2.3, Part (xxv) shall be added as follows:

“The Management Company shall ensure that no entry and exit from the Scheme (including redemption and re-issuance of Units to the same Unit Holders on different NAVs) shall be allowed other than the following manners, unless permitted otherwise by the Commission under the Regulations:

- a) cash settled transaction based on the formal issuance and redemption requests
- b) net off issuance and redemption transaction at same net asset value when redemption request is ready to disburse and rank at the top in the list of pending redemption requests (if any).”

**54. Insertion of Part (xxvi) of sub clause 3.2.3**

After Part (xxv) of sub clause 3.2.3, Part (xxvi) shall be added as follows:

“The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any Broker.”

**55. Existing Part (i) of sub clause (3.3.1) of clause 3.3 is amended and now read as follows:**

The Trustee shall take into its custody and under its control all the property of HBL-SF and hold it in trust for the Unit Holders in accordance with the Rules, the Regulations and provisions of the Constitutive Documents and the cash and registerable assets shall be registered in the name of, or to the order of the Trustee.

**56. Existing Part (ii) of sub clause (3.3.1) of clause 3.3 is amended and now read as follows:**

The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Deposited Property, unless they are in conflict with the Rules, the Regulations and provisions of the Constitutive Documents or all other applicable laws.

**57. Existing Part (iii) of sub clause (3.3.1) of clause 3.3 is amended and now read as follows:**

“The Trustee shall ensure that: (a) the sales, issue, repurchase, redemption, and cancellation of Units are carried out in accordance with the provisions of the Constitutive Documents the Rules and the Regulations; and (b) the methods adopted by the Management Company or any third party (on behalf of the Management Company) in calculating the value of the Units are adequate and pricing and valuation for sale, issue, repurchase, redemption and cancellation is carried out in accordance with the provisions of the Constitutive Documents, the Rules and the Regulations.”

**58. Existing Part (iv) of sub clause (3.3.1) of clause 3.3 is amended and now read as follows:**

The Trustee shall issue a report to the Unit Holders to be included in the annual and second quarter report of the Scheme, that whether in its opinion, the Management Company has in all material respects managed the HBL SF in accordance with the provisions of the Rules, the Regulations and the Constitutive Documents and if the Management Company has not done so, the respects in which it has not done so and the steps the Trustee has taken in respect thereof.

**59. Existing Part (viii) of sub clause (3.3.1) of clause 3.3 is amended and now read as follows:**

The Trustee shall not be under any liability on account of anything done or suffered by HBL-SF in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provision of the Deed or the Rules and the Regulations.

**60. Existing Part (ix) of sub clause (3.3.1) of clause 3.3 is amended and now read as follows:**

The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations and the Constitutive Documents and the conditions under which HBL-SF was authorized are complied with by the Management Company

**61. Insertion of Part (x) of sub clause 3.3.1**

After Part (ix) of sub clause 3.3.1, Part (x) shall be added as follows:

The Trustee shall ensure that units of HBL-SF have been issued after realization of subscription money.

**62. Insertion of Part (xi) of sub clause 3.3.1**

After Part (x) of sub clause 3.3.1, Part (xi) shall be added as follows:

Trustee shall oblige to other obligations as specified in the Regulations.

**63. Insertion of Part (xii) of sub clause 3.3.1**

After Part (xi) of sub clause 3.3.1, Part (xii) shall be added as follows:

“The Trustee shall ensure that the Management Company, has specified a criteria in writing to provide for a diverse panel of brokers at the time of any change in the panel of brokers. The Trustee shall ensure that the Management Company has been diligent in appointing brokers to avoid undue concentration of business with any broker.”

**64. Insertion of Part (xiii) of sub clause 3.3.1**

After Part (xii) of sub clause 3.3.1, Part (xiii) shall be added as follows:

“The Trustee shall immediately inform the Commission if any action of the Management Company contravenes the Ordinance, the Rules, the Regulations, Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.”

**65. Insertion of Part (xiv) of sub clause 3.3.1**

After Part (xiii) of sub clause 3.3.1, Part (xiv) shall be added as follows:

“The Trustee shall comply with the directions of the Commission given in the interest of the Holders.”

**66. Insertion of Part (xv) of sub clause 3.3.1**

After Part (xiv) of sub clause 3.3.1, Part (xv) shall be added as follows:

“Trustee shall not invest in the Units of the Fund.”

**67. Existing Clause 3.7 is amended and now read as follows:**

HBL-SF will be distributed through various branches of Habib Bank Limited, various Distribution Companies and their branches authorised for this purpose by the Management Company, including the main office of the Management Company. A list of the various locations for acceptance of applications for issuance, redemptions, conversion etc is given in Annexure A and on the website of the Management Company ([www.hblasset.com](http://www.hblasset.com)). The list of the designated locations mentioned in Annexure A is based on the current addresses of the designated Habib Bank Limited branches, Distribution Companies and their authorised branches can be changed due to relocation of offices or addition or deletion of Distribution Companies and their branches. Accordingly any addition and/or deletion in the various locations for acceptance of applications for issuance, redemptions, conversions etc. will be notified from time to time at the Management Company’s website [www.hblasset.com](http://www.hblasset.com).

**68. Existing Sub clause (3.8.1) of clause 3.8 is amended and now read as follows:**

The Auditors will hold the office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to Accounting Period and will be eligible for re-appointment by the Management Company, with the concurrence of the Trustee. However, an auditor may be appointed for up-to five consecutive terms. Thereafter, that auditor may be appointed after a break in appointment.

**69. Existing Sub clause (3.8.3) of clause 3.8 is amended and now read as follows:**

The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules and NBFC Regulations.

**70. Existing Sub clause (3.8.5) of clause 3.8 is amended and now read as follows:**

The contents of the Auditors’ report shall be as required under schedule V of the NBFC Regulations.

**71. Existing Sub clause (3.11.1) of clause 3.11 is amended and now read as follows:**

The Management Company shall not open or close or arrange to open or close any account with a bank for HBL SF without the approval of its board. The trustee at the request of the Management Company shall open bank account(s) titled “CDC-Trustee HBL-Stock Fund” for the Unit Trust at designated bank(s) for collection, investment, redemption or any other use of Deposited Property.

**72. Insertion of sub clause 3.11.6**

After clause 3.11.5, a new clause 3.11.6 shall be added as follows:

“The Trustee shall, if requested by the Management Company, subject to relevant regulatory approvals open Bank Accounts titled "CDC Trustee - HBL Stock Fund" in offshore countries where the Investments are made on account of the Fund, such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, custodians, sub-custodians, and brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP and the exchange control regulations as well as any directives of the SBP and/or the SECP.”

**73. Insertion of clause 3.12**

After sub clause 3.11.6, a new Clause 3.12 shall be added as follows:

**DETAILS OF THE PERFORMANCE OF THE FUNDS UNDER THE MANAGEMENT OF THE HBL ASSET MANAGEMENT COMPANY**

**HBL Income Fund (HBL-IF)**

Date of Launch: March 15, 2007

Listing: Lahore Stock Exchange (LSE)

Par Value: Rs. 100

Net Assets (Sep 30, 2010)	1.575 billion	
NAV (Sep 30, 2010)	100.05	
Stability Rating	A (f) JCR-VIS	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Period July 1 to Sep 30, 2010	13.05%	2.31% (annualized 9.16%)
Year Ending June 30, 2010	13.28%	9.58%
Year Ending June 30, 2009	4.03%	10.23%
Year Ending June 30, 2008	9.28%	9.19%
Year Ending June 30, 2007	9.58%	9.30%
Average annual return as on Sep 30, 2010 (since launch)	9.84%	9.49% (based on annualized return)

**HBL Stock Fund (HBL-SF)**

Date of Launch: August 29, 2007

Listing: Lahore Stock Exchange (LSE)

Par Value: Rs.100

Net Assets (Sep 30, 2010)	1.631 billion	
NAV (Sep 30, 2010)	83.35	
Rating	1 year performance ranking: MFR 3 Star JCR-VIS 2 years performance ranking: MFR 4 Star JCR-VIS	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Period July 1 to Sep 30, 2010	2.84%	None
Year Ending June 30, 2010	19.52%	13.13%

Year Ending June 30, 2009	-22.68%	None
Year Ending June 30, 2008	-1.76%	7.02%
Average annual return as on Sep 30, 2009 (since launch)	-0.52%	10.08%

**HBL Multi Asset Fund (HBL-MAF)**

Date of Launch: December 14, 2007

Listing: Lahore Stock Exchange (LSE)

Par Value: Rs.100

Net Assets (Sep 30, 2010)	345.57 million	
NAV (Sep 30, 2010)	81.78	
Rating	1 year performance ranking: MFR 4 Star JCR-VIS 2 years performance ranking: MFR 5 Star JCR-VIS	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Period July 1 to Sep 30, 2010	1.67%	None
Year Ending June 30, 2010	19.17%	19.77%
Year Ending June 30, 2009	-16.79%	None
Year Ending June 30, 2008	-5.08%	7.45%
Average annual return as on Sep 30, 2009 (since launch)	-0.26%	13.61%

**HBL Money Market Fund (HBL-MMF)**

Date of Launch: July 12, 2010

Listing: Lahore Stock Exchange (LSE)

Par Value: Rs.100

Net Assets (Sep 30, 2010)	780 million	
NAV (Sep 30, 2010)	102.2806	
Rating	AA+ (f) JCRVIS & Co.	
<b>Performance:</b>	<b>Return (p.a.)</b>	<b>Payout</b>
Period July 1 to Sep 30, 2010	10.68%	10.53% (annualized return)
Average annual return as on Sep 30, 2009 (since launch)	10.68%	10.53%

**74. Insertion of Clause 3.13**

After clause 3.12, a new clause 3.13 is added as follows:

**PERFORMANCE OF THE PUBLIC LISTED COMPANIES WHERE THE DIRECTORS ARE HOLDING SIMILAR OFFICE (FOR LAST 5 YEARS)**

<b>Habib Bank Limited</b>					
<b>(in millions)</b>	<b>Dec-09</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Dec-06</b>	<b>Dec-05</b>
Profit after Tax	13,401	10,512	8,041	12,700	9,647
Total Assets	863,779	749,807	691,992	594,062	528,894
Total Equity	84,370	66,309	63,237	53,443	41,178
Cash Dividend per share (%)	60%	55%	40%	-	-
Stock Dividend per share (%)	10%	20%	10%	-	-

<b>New Jubilee Insurance Company</b>					
<b>(in millions)</b>	<b>Dec-09</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Dec-06</b>	<b>Dec-05</b>
Profit after Tax	656	(267)	588	842	556
Total Assets	6,420	5,425	5,933	4,377	2,785
Total Equity	2,621	2,061	2,412	2,034	1,193
Cash Dividend per share (%)	30%	15%	30%	20%	15%
Stock Dividend per share (%)	20%	-	20%	25%	20%
<b>Pakistan Cables</b>					
<b>(in millions)</b>	<b>Jun-10</b>	<b>Jun-09</b>	<b>Jun-08</b>	<b>Jun-07</b>	<b>Jun-06</b>
Profit after Tax	46	64	65	194	173
Total Assets	3641	3,008	3,346	2,979	2,718
Total Equity	681	718	651	603	456
Cash Dividend per share (%)	15%	22.5%	-	37.5%	25%
Stock Dividend per share (%)	-	-	10%	33.33%	75%
<b>BOC Pakistan</b>					
<b>(in millions)</b>	<b>Dec-09</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Dec-06</b>	<b>Dec-05</b>
Profit after Tax	252	402	459	450	370
Total Assets	2,316	2,312	2,279	1,968	1,965
Total Equity	1,453	1,507	1,426	1,212	1,063
Cash Dividend per share (%)	90%	130%	130%	150%	120%
Stock Dividend per share (%)	-	-	-	-	-
<b>New Jubilee Life Insurance Company</b>					
<b>(in millions)</b>	<b>Dec-09</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Dec-06</b>	<b>Dec-05</b>
Profit after Tax	130	(55)	125	83	42
Total Assets	8,324	5,643	5,852	4,042	2,727
Total Equity	547	417	481	357	301
Cash Dividend per share (%)	10%	-	5%	5%	-
Stock Dividend per share (%)	-	-	-	-	-
<b>IGI Investment Bank limited</b>					
<b>(in millions)</b>	<b>Jun-10</b>	<b>Jun-09</b>	<b>Jun-08</b>	<b>Jun-07</b>	<b>Jun-06</b>
Profit after Tax	(199)	(375)	(6)	(39)	31
Total Assets	8261	6,549	9,831	6,649	5,293
Total Equity	1670	1,869	2,244	1,068	645
Cash Dividend per share (%)		-	-	-	-
Stock Dividend per share (%)		-	-	-	10%



<b>Packages</b>					
(in millions)	<b>Dec-09</b>	<b>Dec-08</b>	<b>Dec-07</b>	<b>Dec-06</b>	<b>Dec-05</b>
Profit after Tax	4,064	(196)	4,326	6,101	1,015
Total Assets	35,608	35,035	33,438	22,673	11,620
Total Equity	23	16	18,171	13,673	7,736
Cash Dividend per share (%)	32.5%	-	-	60%	60%
Stock Dividend per share (%)	-	-	15%	15%	-
<b>International Industries</b>					
(in millions)	<b>Jun-10</b>	<b>Jun-09</b>	<b>Jun-08</b>	<b>Jun-07</b>	<b>Jun-06</b>
Profit after Tax	1026	375	705	613	534
Total Assets	18758	11,179	10,626	8,600	5,247
Total Equity	3324	2,660	2,398	1,827	1,471
Cash Dividend per share (%)	25%	22.5%	25%	37.5%	50%
Stock Dividend per share (%)	-	-	30%	33%	33%

**75. Existing Clause 4.1 is amended and now read as follows:**

The Fund is divided into Units having an initial offer price (par value) of Rs. 100 (Rupees One Hundred) each. This price is applicable to core investors, pre-IPO investors and during the initial public offering (IPO). Thereafter the Units will be issued at the offer price pursuant to Clause 4.5.1 of this offering document. Units can be bought with an initial investment of Rs. 1,000 and any addition to existing Units could be made by Rs. 500 and above.

The Management Company shall have the discretion to change the minimum investment limit.

**76. Existing Clause 4.2 is amended and now read as follows:****1. Class R (Restricted / Core Units)**

Class R (Restricted/ Core Units) issued to the core investors with no Front end Load and Back end Load. These units cannot be redeemed for a period of two (2) years from the date of closure of Initial offering Period. However such units are transferable. In case of any distribution, Class R Unit Holders shall be entitled to receive bonus units only.

**2. Class A Units (Private Placement / Initial Public Offer)**

Class A units are being offered and issued during the Private Placement and Initial Public Offer Period (IPO) with no Front end Load. The Back end Load shall be charged as mentioned in Annexure B. In case of any distribution, Class A Unit Holders shall be entitled to receive bonus units only as decided by Management Company.

**3. Class B Units**

Class B Units shall be offered and issued after the expiry of the Initial Public Offering (IPO). The Front End Load and Back end Load will be charged as mentioned in Annexure B. In case of any distribution, Class B Unit Holders shall be entitled to receive bonus units only.

**4. Class C Units**

Class "C" units, shall be offered and issued after the Initial Public Offering (IPO) with Front-end Load and Back-end Load as specified in Annexure B. In case of any distribution, Class C Unit Holders shall be entitled to receive cash dividend only.

An investor shall at the time of opening an account, select the class(s) of units in which the investor wishes to invest i.e. Class B or Class C. The investor may convert the units from one class of units to another class i.e. from Class "A" to Class "C" or from Class "C" to Class "B" or from Class "B" to Class "C" without any extra charges. However, if Class "R" units (Restricted Core Units) issued to the core investors are converted to Class "C" units, such units cannot be redeemed for a period of two (2) years from the date of closure of initial public offer. However such Class "C" units would be transferable during restricted period subject to applicability of non redemption condition for remaining of two years' period.

The Management Company may, with the consent of the Trustee and after obtaining prior approval of the Commission, introduce and offer other classes of Units.

**77. Existing Part 2 of clause 4.3 is amended and now read as follows:**

Units shall be accounted for in fractions up to four decimal places or as may be decided by the Management Company from time to time with prior approval of Trustee and properly disclosed to the Unit Holders.

**78. Existing Part (a) of clause 4.4 is amended and now read as follows:**

Units can be purchased at the Offer Price and redeemed at the Redemption Price at any of the designated points as provided in Annexure A and as amended from time to time by the Management Company on its website ([www.hblasset.com](http://www.hblasset.com)) on any Dealing Day before Cut off Time as specified in Annexure 'C' and as notified by the Management Company from time to time on its website.

**79. Existing Part (e) of clause 4.4 is amended and now read as follows:**

After the Initial Period, the Management Company shall announce the Offer and Redemption Prices on every Dealing Day, calculated on the basis of the NAV and adjusted for such Front end Load or Back end Load, transaction costs, charges and duties as are described herein.

**80. Existing Part (f) of clause 4.4 be and hereby deleted in its entirety:**

**81. Existing Part (g) of clause 4.4 be and hereby deleted in its entirety:**

**82. Existing Part (i) of clause 4.4 is amended and now read as follows:**

The Management Company shall publish the Offer and Redemption Prices on its website.

**83. Insertion of Part (k) of clause 4.4**

After Part (j) of clause 4.4 Part (k) is added as follows:

A permanent change in the method of dealing shall be made after expiry of one month' notice to unit holders and with the approval of Trustee

**84. Insertion of Part (l) of clause 4.4**

After new Part (k) of clause 4.4, Part (l) is added as follows:

A temporary change in method of dealing can be made by the Management Company with the approval of the Trustee only in following exceptional circumstances after having regard to the interest of unit holders:

- the event of war (declared or other wise) natural disasters, a major breakdown in law and order, terrorist threats and/or activities, closure of the capital markets and /or the banking system or other events that render the Management Company, Transfer Agents, Trustees or the Distributors unable to function
- In the event the money market/stock market on which any of the securities invested in by the Fund are listed are closed;
- the existence of a state of affairs which in the opinion of the Management Company constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Unit Holders;
- a break down in the means of communication normally employed in determining the price of any investment;
- when remittance of money cannot be carried out in reasonable time;
- the Management Company is of the view that it would be detrimental to the remaining Unit Holders to redeem Units at a price determined in accordance with the Net Asset Value.

**85. Existing Part (1) of sub clause 4.5.1 is amended and now read as follows:**

After the Initial Period the NAV shall be calculated by dividing the Net Assets by the number of Units outstanding and the Offer Price shall be calculated and announced by the Management Company on every Dealing Day latest by 1830 hrs.

**86. Existing Part (2) of sub clause 4.5.1 is amended and now read as follows:**

The Offer Price shall be equal to the sum of:

- (a) The Net Asset Value as of the close of the Dealing Day on which completely and correctly filled prescribed application form is received along with realized payment before the Cut off Time as specified in Annexure 'C' and as announced by the Management Company from time to time on its website and at the designated points;
- (b) Any Front-end Load; and
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;

Such sum shall be adjusted to the nearest four decimal places or such decimal places as may be

prescribed by the management company from time to time with the consent of the trustee and such change shall be properly disclosed to the Unit holders or investors.

**87. Existing Part (1) of sub clause 4.5.3 is amended and now read as follows:**

Fully completed application form for purchase of Units, accompanied by the full amount for the investment and copies of the documents listed below should be delivered at any designated point for receiving such application (as specified in Annexure A and as amended from time to time by the by the Management Company on its website) or may be submitted to the Management Company directly o . Only designated branches of Habib Bank Limited and authorized distributors and their branches (as listed in Annexure A and as amended from time to time by the by the Management Company on its website) are authorized to collect application and payment for issue of units.

**88. Existing Part (8) of sub clause 4.5.3 is amended and now read as follows:**

The applicant must obtain a receipt duly signed and stamped by an authorized official confirming the receipt of the application form at the designated points where application for purchase of units was submitted.

**89. Existing Part (10) of sub clause 4.5.3 is amended and now read as follows:**

Investors will be allotted Units based on the Offer Price of the Fund as announced by the Management Company on the day the payment is realised for a duly completed application form within the hours on a Dealing Day as prescribed by the Management Company from time to time. The Investor will be provided an Account Statement within fifteen (15) Business Days after the Units have been issued.

**90. Existing Sub clause 4.5.5 is amended and now read as follows:**

An application for purchase of Units may be lodged at the any designated points for accepting such applications (as specified in Annexure A and as amended from time to time by the Management Company on its website) or presented to the Management Company The application shall be in the form prescribed by the Management Company. Application Forms are available at the designated points or Investment Facilitators or can be downloaded from its website i.e. [www.hblasset.com](http://www.hblasset.com). Units shall be issued based on the Purchase (Offer) Price that is determined as per Clause 4.5 of this Offering Document.

Payment for the Units can be made in the form of;

- Demand draft or Pay Order in favour of “CDC-Trustee HBL Stock Fund”.
- Online Transfer of money to “CDC - Trustee HBL-Stock Fund”
- Cheque (Account Payee Only in favour of “CDC-Trustee HBL Stock Fund”)
- Any other mode of payment acceptable to the Management Company as introduced from time to time to “CDC Trustee HBL-Stock Fund”.
- 

**91. Existing Part (2) of sub clause 4.6.1 is amended and now read as follows:**

After the Initial Period the Redemption Price shall be equal to the Net Asset Value as of the close of the Dealing Day on which completely and correctly filled prescribed application form is received before the Cut off Time as specified in Annexure ‘C’ and as announced by the Management Company from time to time on its

website and at the designated points, less:

- (a) Any Back-end Load;
- (b) ~~Any taxes imposed by the Government; and~~
- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges;
- (d) Transaction Costs

Such sum shall be adjusted to the nearest four decimal places or such decimal places as may be prescribed by the management company from time to time with the consent of the trustee and such change shall be properly disclosed to the Unit holders or investors. Any taxes imposed by the Government may however be deducted from the respective redemption proceeds.

**92. Existing Part (a) of sub clause 4.6.3 is amended and now read as follows:**

Requests for redemption can be made by completing the prescribed application form and endorsing the relevant Certificate, if issued, and submitting the same at any designated point for receiving such application (as specified in Annexure A and as amended from time to time by the Management Company on its website) or to the Management Company before the Cut off Time (as specified in Annexure 'C' and as announced by the Management Company from time to time on its website) on any Dealing Day as notified by the Management Company on its website. The request for redemption would only be honoured after verifying the signature and other particulars of the Unit Holder from the Register.

**93. Existing Part (b) of sub clause 4.6.3 is amended and now read as follows:**

The Unit Holder will receive a note confirming the receipt of the application for redemption duly signed and stamped by an authorised official at the designated points for receiving such application.

**94. Existing Part (d) of sub clause 4.6.3 is amended and now read as follows:**

If subsequent to the receipt of the application at the designated point, but prior to the Redemption of the Units, the application is found by the Transfer Agent or the Distributor or the Management Company to be incomplete or incorrect in any material manner, the Transfer Agent or the Distributor will advise the applicant to remove the discrepancy; meanwhile the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.

**95. Existing Part (e) of sub clause 4.6.3 is amended and now read as follows:**

Units will be redeemed on the basis of the Redemption Price announced as of the close of the Dealing Day on which a fully completed Redemption Form acceptable to the Management Company is submitted within the Cut off Time as specified in Annexure 'C' and as announced by the Management Company from time to time on its website.

**96. Existing Part (a) of sub clause 4.6.4 is amended and now read as follows:**

Unless otherwise instructed, payment of the redemption proceeds will be made by a crossed cheque/online transfer, in favour of the Unit Holder's registered name, or in favour of the first-named joint Holder in the

event of joint Holders, and will be sent to registered address of the Unit Holder or first-named joint Holder's address, or if so authorized by all the joint holders, at the address of the Joint Holder who has signed the redemption form as provided, within six working days after the receipt of a properly documented request for redemption of Units. However, if so authorized by the Unit Holder, payment of the redemption proceeds will be made by transfer to the bank account number of the Unit Holder or first-named joint Holder in the event of joint Holders. No money shall be paid to any intermediary except the Unit Holder /joint Holder or his /their authorized representatives.

**97. Existing Sub clause 4.7.1.1 is amended and now read as follows:**

A Unit Holder can transfer Units held by him by completing a prescribed Transfer Application Form, to be signed by the transferor and transferee; and paying any applicable Duties and Charges; and submitting the Transfer Application Form and relevant certificate(s), if issued at any of the designated points for receiving such applications..

**98. Existing Sub clause 4.7.1.2 is amended and now read as follows:**

Any person becoming entitled to hold the Units in consequence of the death, insolvency or winding up of any sole Unit Holder or the survivors of Joint Holder shall be registered as the Holder or Joint Holders as the case may be, upon paying any applicable Duties and Charges; and submitting the duly completed prescribed Transfer Application Form and relevant Certificate, if issued at any of the designated points for receiving such applications., with such evidence, which may prove his entitlement to the Units.

**99. Existing Sub clause 4.7.1.6 is amended and now read as follows:**

Application for transfer can be submitted on any Business Day during banking hours. Application for transfer can be submitted on any Dealing Day before Cut off Time as specified in Annexure 'C' and as announced by the management company from time to time on its website.

**100. Existing Sub clause 4.9.2 is amended and now read as follows:**

In the event of extraordinary circumstances as mentioned in Clause 4.9 and Clause 4.10 of this Offering Document, the Management Company may suspend or defer redemption of Units with the prior approval of its Board of Directors. The circumstances under which the Management Company may suspend redemption shall be the event of war (declared or other wise) natural disasters, a major breakdown in law and order, breakdown of the communications system, terrorist threats and/or activities, closure of the capital markets and /or the banking system or other events that render the Management Company, Transfer Agents, Trustees or the Distributors unable to function or any other conditions mentioned in the NBFC Regulations. The management Company shall immediately inform the commission if the redemption is suspended and the fact that redemption is suspended shall be published immediately in the newspaper in which the scheme's prices are usually published.

In all cases where redemption of units is suspended, the issuance of fresh units shall also be kept suspended until and unless redemption of units is resumed.

**101. Existing Sub clause 4.9.3 is amended and now read as follows:**

In the event redemption requests on any Dealing Day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such

action. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Dealing Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceed ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.

**102. Existing Sub clause 4.9.4 is amended and now read as follows:**

In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may apply to the Commission for cancellation of registration of the Trust in accordance with clause 11 of this Offering Document. In such an event, the queue system, if already invoked, shall cease to apply and the Fund will be wound up on receipt of order from the Commission for the revocation of the Trust; and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible. The announcement in this regard shall be communicated to the Commission and the Trustee and shall further be notified to the Holders by publishing a notice in two widely circulated newspapers in Pakistan.

**103. Existing Clause 4.10 is amended and now read as follows:**

The redemption of units may be suspended during extraordinary circumstances including any period when the Stock Exchange(s) on which any of the investment for the time being is listed or dealt in is closed or when dealings in such investment are restricted or suspended, the existence of any state of affairs, which in the opinion of the Management Company, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Trust or of the Holders, or any breakdown in the means of communication normally employed in determining the price of any investment, or the current price thereof on any stock exchange or when for any reason the price of any such investment cannot be promptly and accurately ascertained or any period when remittance of money which will or may be involved in the realisation of such investment or in the payment for such investment cannot in the opinion of the Management Company be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value. The Management Company may announce a suspension or deferral of redemption in such cases. Such a measure shall be taken to protect the interest of the Unit Holders in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten percent (10%) of the Units in issue. In the event of a large number of redemption requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Management Company may decide to wind up the Fund. (Details of the procedure in clause 4.9)

Such suspension or queue system shall end on the day following the first Dealing Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking a queue system and end of suspension and queue system the Management Company shall immediately notify the Commission and Trustee and publish the same in at least two daily newspapers, one in English and one in Urdu, widely circulating in Pakistan.

**104. Existing Sub clause 4.12.1 is amended and now read as follows:**

All the forms mentioned and/or included in this Offering Document will be available at the office of the Management Company, all designated points for dealing in units (as specified in Annexure A and as amended from time to time on its website by the Management Company) or on its web site at [www.hblasset.com](http://www.hblasset.com)

**105. Existing Part (a) of sub clause 4.12.2 is amended and now read as follows:**

A Register of Unit Holders shall be maintained by Transfer Agent Department of the Management Company presently having its office at Suite 403-404, The Forum, Khayaban-e-Jami, Clifton, Karachi. A Register of Unit Holders shall be maintained by Transfer Agent Department of the Management Company presently having its office at 8B, 8th Floor, Executive Tower, Dolmen City, Clifton Karachi.

**106. Existing Part (c) of sub clause 4.12.2 is amended and now read as follows:**

The Holder will be entitled to inspect his record in the Register and request copies thereof on any Dealing Day from 10.00 A.M. to 1.00 P.M., except during the days when the Register is closed in accordance with the provision of the Deed, with the prior arrangement with the Management Company or the Transfer Agent.

**107. Existing Part (D) of sub clause 4.12.3 is amended and now read as follows:**

The Unit Holders may notify in writing any change of name or address or any other particular to the at any designated points for dealing in units, or to the Transfer Agent. The designated points will forward such application to Transfer Agent, who on being satisfied there with and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate, if required, to such Holder.

**108. Existing Sub clause 4.12.5 is amended and now read as follows:**

The Register may be closed under intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Unit Holders, provided that it is not closed for more than six (6) working days at a time and whole forty- five days in a year.

**109. Existing Clause 5.1 is amended and now read as follows:**

The net amount available for distribution at the end of the financial year (or such interim period as may be decided by the Management Company), shall comprise of the revenues earned by the Fund including the net impact of the revenue collected and paid out in the NAV calculation through Offer (Purchase) and Redemption (Repurchase) of Units, less all expenses incurred or accrued attributable to the Fund. The Fund shall distribute 90% of its accounting income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to scheme under clause 6.2 of this Offering Document or under NBFC Regulations, as bonus Units, cash dividends or a combination of cash/bonus Units or in any other form acceptable to the Commission in order to avail tax exemption or any other benefits in the interest of the Unit Holder. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

**110. Existing Sub clause 5.3.1 is amended and now read as follows:**

The amount available for distribution in respect of any accounting period shall be accounting income received or derived by the scheme from sources other than unrealized capital gains as reduced by :

- a) the expenses as stated in clause 6.2 of this Offering Document.
- b) any taxes of the Fund.

**111. Insertion of Clause 5.3.4**



After sub clause 5.3.3, sub clause 5.3.4 is added as follows:

For the purpose of this Clause the expression “accounting income” means income calculated under the International Accounting Standards and verified by the auditors.

**112. Existing Clause 5.6 is amended and now read as follows:**

All payments for dividend shall be made by transfer of funds to the Unit Holder(s) designated bank account or through any other mode(s) of payment and such payment shall be subject to NBFC Regulations.

**113. Existing Clause 5.7 is amended and now read as follows:**

Dividend warrants/advice and or Account Statement as the case may be shall be dispatched to the Unit Holder’s or the charge-holder’s registered address as per the NBFC Regulations.

**114. Existing Sub clause 6.1.1 is amended and now read as follows:**

A Front end Load and/or Back end Load not exceeding five percent (5%) of the Net Asset Value may be included in the Offer Price or deducted from the Net Asset Value in order to determine the Redemption Price. (The current Front End Load and Back End Load is indicated in Annexure “B”). The issue price applicable to bonus Units issued by way of dividend distribution or issue of Units in lieu of cash distribution shall not include any Front-End Load. Transfer of Units from one owner to another may be subject to a processing charge of an amount not exceeding one percent (1%) of the Net Asset Value, at the discretion of the Management Company at the date the request is lodged within the hours on the Dealing Day to the Authorized Distributor, or Transfer Agent or Management Company, which shall be recovered from the transferee. The investors shall be liable to pay all stamp and other duties, taxes, government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the issue, sale, transfer, redemption or purchase of Units or in respect of the issue, transfer, cancellation or replacement of a certificate or otherwise which may have become payable in respect of or prior to or upon the occasion of transacting or dealing.

**115. Insertion of sub clause 6.1.4**

After sub clause 6.1.3, sub clause 6.1.4 is added as follows:

**116. Existing Sub clause 6.2.1 is amended and now read as follows:**

The Management Company shall be entitled to receive:

A remuneration of an amount not exceeding three percent (3.0%) per annum of the average annual Net Assets for the first five years of the scheme and there after of an amount equal to two percent (2.0%) per annum of the average annual Net Assets.

The remuneration shall begin to accrue from the close of the Initial Offer period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.

**117. Existing Sub clause 6.2.9 is amended and now read as follows:**

Taxes, if any, applicable to the Trust and its income and/or its properties.

**118. Existing Sub clause 6.2.10 is amended and now read as follows:****119. Existing Sub clause 6.2.11 is amended and now read as follows:**

Charges and levies of stock exchange(s), Commission charges, National Clearing and Settlement Company, CDC, FED, Laga, Fund Dividend/Redemption of units transfer charges as payable to bank at time of transfer of funds to Unit Holder and other levies and charges.

**120. Existing entire Clause 7 is amended and now read as follows:****7.1 TAXATION**

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of HBL-Stock Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation from investment in the Fund. This part does not cover tax liability of non-Pakistan resident investor with respect to taxes in their own jurisdiction.

**7.2 LIABILITY FOR INCOME TAX OF THE FUND**

Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. HBL-Stock Fund will be regarded as a public company liable to a tax rate applicable to a public company.

The income of HBL-Stock Fund will accordingly be taxed at the following rates:

1. Dividend income at 10%;
2. Capital Gains on sale of securities will be subject to capital gains tax at the applicable tax depending upon period since investment; and
3. Return from all other sources / instruments are taxable at the rate applicable to a public company which currently stands at 35%.

**7.3 LIABILITY FOR INCOME TAX IF 90% OF INCOME IS DISTRIBUTED**

Notwithstanding the tax rate given above, the income from HBL-Stock Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

HBL-Stock Fund will distribute not less than 90% of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

**7.4 WITHHOLDING TAX**

Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of HBL-Stock Fund will not be subject to any withholding tax.

### **7.5 CAPITAL VALUE TAX**

Under Finance Act, 1989 (V of 1989) as amended by Finance Act, 2004 (II of 2004), read with Circular No. 06 of 2004 dated July 01, 2004 a Capital Value Tax (CVT) at the rate of 0.01% of the purchase value of Modaraba certificates or any instrument of redeemable capital as defined in the Companies Ordinance, 1984 (XLVII of 1984) or shares of a public company listed on a registered stock exchange in Pakistan was levied on purchase of the same. Subsequently the rate of CVT was increased from 0.01% to 0.02% through Finance Bill, 2006. This tax will be collected by the stock exchange concerned.

### **7.6 ZAKAT**

HBL-IMMF is Sahab-e-Nisab under Zakat and Ushr Ordinance, 1980. The balance in the credit of Savings Bank Account or similar account with a Bank standing on 1st day of Ramazan-ul- Mubarak will be subject to deduction of 2.5% Zakat.

### **TAXATION OF UNIT HOLDER AND LIABILITY OF ZAKAT**

**The information set forth below is included for general information purposes only. In view of individual nature of tax consequences, each investor is advised to consult with his tax advisor with respect to the specific tax consequences to him of investing in HBL-Stock Fund.**

### **7.7 WITHHOLDING TAX ON DIVIDENDS**

Unless exempt from such taxation by applicable law or international agreement, the withholding tax on profit distribution by HBL-Stock Fund will be as under:

- Public Companies & insurance companies 10%
- Others 10%

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall deem to be full and final liability in respect of such distribution for individuals.

### **7.8 CAPITAL GAINS**

Capital Gains on disposition of Units in the HBL-Stock Fund will be subject to capital gains tax at the applicable tax depending upon period since investment.

### **7.9 TAX CREDIT**

Unit holders shall be entitled to a tax credit under section 62(1) and (2) of the Income Tax Ordinance 2001. The amount on which tax credit will be allowed shall be lower of (a) amount invested; (b) ten percent of the total income of the Unit Holder and (c) Rupees Three Hundred Thousand and will be calculated by applying the rate of tax of the Unit Holder for the tax year before allowance of any tax credit under Part X of Income Tax Ordinance 2001.. If the Units so acquired are disposed within twelve months, the amount of tax payable for the tax year shall be increased by the amount of credit allowed.

**121. Existing entire Clause 11 is amended and now read as follows:**

- 11.1 The Management Company, with prior written approval of the Commission, shall give atleast three months notice to unit holders and Trustee if it intends to have the registration of the HBL-Stock Fund cancelled.
- 11.2 The registration of the Scheme may also be cancelled by the Commission on the Grounds given in the Rules & Regulations.

**DISTRIBUTION ON REVOCATION OF TRUST**

- 11.3 Upon the Trust being revoked, the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid and the bank charges, if any.
- 11.4. The Trustee, on the instruction of the Management Company, shall from time to time, distribute to the Unit Holders pro rata to the number of Units held by them, respectively, all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in clause 11.3 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case of any surplus, the same shall be distributed proportionately among the Unit Holders, provided neither the Trustee nor the Management Company shall be liable for any shortfall.
- 11.5 In case the Trust is terminated by the Commission on the grounds given in the Regulations, the Commission may appoint a liquidator in consultation with the Trustee.
- 11.6 In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the Unit Holders in such manner and within such time as may be specified by the Commission.
- 11.7 Notwithstanding anything contained in any other provision, where in the opinion of the Commission or the Management Company any delay in the revocation of the Scheme is detrimental to the interest of the Unit Holders, or the market generally, the Commission may direct the immediate revocation of the Scheme without first cancelling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the Commission.”

**122. Existing definition 1.7 under the section “DEFINITIONS” is deleted:****123. Existing definition 1.8 under the section “DEFINITIONS” is amended and now reads as follows:**

"Authorized Investment" means Pakistan origin investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:-

- a. Listed Equity Securities;
- b. Cash and/or near cash instruments which include cash in bank accounts (excluding TDRs);
- c. Treasury bills not exceeding 90 days maturity
- d. Any other security and/or instruments that may be allowed by the SECP from time to time; and

- e. Authorized investments in overseas markets subject to prior separate written approval of the SECP and State Bank of Pakistan to the extent and subject to such cap as may prescribed by SECP/SBP, from time to time; and
- f. Derivative instruments for hedging purposes only and subject the prior approval of SECP

**124. Existing definition 1.9 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Back-end Load**” means the processing charge not exceeding 5% of the Net Asset Value, deducted by the Management Company from the Net Asset Value in determining the Redemption Price. The Back end load shall form part of the Fund Property.

**125. Existing definition 1.20 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Contingent Load/Deferred Sales Load**” means processing charges deductible from the Net Asset Value of the Unit to determine the Redemption Price in case of redemption of Units within a certain period of time or at a decreasing rate for every period the Units are held and shall be charged to unit holders in instances where no front-end load is charged. Such charges shall not exceed five percent (5%) of the Net Asset Value and shall be determined by the Management Company from time to time and disclosed in the Offering Document. Any such charges shall be payable to the Management Company and/or its Distributors, as the case may be”

**126. Insertion of new definition 1.23A:**

A new definition 1.23A is added after existing definition 1.23

“**Cut-Off Time**” means the latest time of acceptance of receiving applications of issuance, redemption, conversion, transfer and Pledge of Units

**127. Insertion of new definition 1.23B:**

A new definition 1.23B is added after a new definition 1.23A

“**Dealing Day**” means every Business Day on which the Management Company accepts applications for issuance, redemption, conversion etc. of units of the Trust provided that the Management Company with prior written consent of Trustee and upon giving not less than seven days notice in at least two newspapers widely circulated in Pakistan, declare any particular Business Day not to be a Dealing Day, however there shall not be less than four (4) dealing days per week.”

**128. Existing definition 1.24 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Deposited Property**” or “**Trust Property**” means the aggregate proceeds of the sale of all Units during the Initial Period at par and subsequently at the Offer Price after deducting there from or providing there against any applicable front-end load and duties and charges and transaction costs and any other expenses chargeable to the Fund and adding thereto any applicable back-end load recovered in the Redemption Price; and includes the investment and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon Trust by the Trustee for the benefit of the Holders pursuant to this Deed and any back-end load payable but does not include any amount available for distribution in the Distribution Account.”

**129. Existing definition 1.26 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Distributor/ Distribution Company**” means a person, company, firm or a Bank appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Function

and shall also include the Management Company itself, if it performs the Distribution Function. The Management Company shall compensate the Distributors out of the Front End load collected by it in the offer price and/or Management Fee.

**130. Existing definition 1.28 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Duties and Charges**” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and charges in connection with the issue or sale, transfer, redemption or purchase of Units or the sale or purchase of Investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any commission (including and Front End/Back End Load )charges or costs which may have been taken into account in ascertaining the Net Asset Value.

**131. Existing definition 1.30 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Front-end Load**” means the processing charge not exceeding 5% of Net Asset Value added by the Management Company in the Net Asset Value in determining the Offer Price.

**132. Existing definition 1.36 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Investment Facilitator/ Sales Agents**” means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitators/ Sales Agents out of the Front End Load collected by it in the Offer Price and/or Management Fee.

**133. Existing definition 1.52 under the section “DEFINITIONS” is amended and now reads as follows:**

“**Restricted Investments**” means the following:

- 1) All debt Securities;
- 2) Securities in a forward contract;
- 3) Exposure to Continuous Funding System;
- 4) Bearer Securities;
- 5) Securities on margin;
- 6) Securities which result in assumption of unlimited liability (actual or contingent);
- 7) Commodities and commodity contracts;
- 8) Real estate or interest in real estate save or in securities which are secured by real estate or interests therein except for equity securities which are issued by companies that invest in real estate or interest therein;
- 9) Securities of the Management Company;
- 10) Lend, assume, guarantee, endorse or otherwise become directly or Contingently Liable for or in connection with any obligation or indebtedness of any person. However Reverse repo transactions involving Government Securities or other debt securities stated as authorized investments in this Offering Document under an agreement and spread transaction through ready buy and future sale or CFS or replacement thereof which are protected by the clearing

company and stock exchanges is not subject to this restriction.;

- 11) Exposure in any other Fund, except for fund of funds or overseas investments.

Any investment, which is not an Authorised Investment as defined in Definition 1.7 of this deed, provided such investment has been approved by the Commission as Authorised Investment

**134. Insertion of new definition 1.50A**

A new definition 1.50A is added after existing definition 1.50

“**Regulations**” mean the Non Banking Finance Companies & Notified Entities Regulations, 2008, as amended from time to time by the Commission.”

**135. Existing definition 1.54 under the section “DEFINITIONS” is deleted in its entirety:**

**136. Existing definition 1.56 under the section “DEFINITIONS” is deleted in its entirety:**

**137. Existing Annexure ‘B’ is amended and now read as follows**

**ANNEXURE ‘B’**

**Current level of Load Structure and Management Fee**

Front End Load:	2.5%
Back End Load:	0%

The Management Company, at its discretion, may charge, across any particular Class of Units, Front-end Load and/or Back end Load of a maximum of five percent (5%) of the NAV.

*Any change in the load structure, provided it is within the maximum limit, shall be notified through an addendum to this annexure and/or by publication in a widely circulated newspaper, and as how the Commission may direct.*

**Management Fee:**

The current level of management remuneration is 3% per annum on average daily Net Assets.

**138. Insertion of new Annexure ‘C’**

A new Annexure ‘C’ is inserted after Annexure ‘B’ as follows

**ANNEXURE 'C'**

**CURRENT CUT-OFF TIME**

**During Subscription Days of the Fund**

Monday to Friday: 9:00 AM to 3:00PM

Cut-Off Time may vary from time to time as may be determined by the Management Company and communicated to the Unit Holders (through Management Company's website: [www.hblasset.com](http://www.hblasset.com)), Trustee of the Fund and SECP.



