

**RESTATED TRUST DEED  
OF  
HBL INVESTMENT FUND (HIF)**

*(Formerly PICIC INVESTMENT FUND)*

**(An Open-End Equity Scheme)**

**Between**

**HBL Asset Management Limited**

**And**

**Central Depository Company of Pakistan Limited**

**(TO MODIFY AND RESTATE THE TRUST DEED DATED APRIL 2, 2004 FOR  
CONVERSION OF CLOSED END FUND INTO AN OPEN END SCHEME)**

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THIS RESTATED TRUST DEED is made and entered into at Karachi, on this [REDACTED] day of [REDACTED], 2018

1. **Name of the Scheme**

**HBL Investment Fund ("HIF")**  
*(Formerly PICIC Investment Fund)*

2. **Category, Type and Benchmark of the Scheme**

The Fund is categorized as an Open End Equity Scheme. The Benchmark of the Fund is PSX-100 Index.

3. **Participating Parties and Continuity of the Trust**

- I. **HBL Asset Management Limited**, a public limited company incorporated under the former Companies Ordinance, 1984 (now repealed and substituted by Companies Act, 2017), having its registered office at 7<sup>th</sup> Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi the legal successor of PICIC Asset Management Company Limited (hereinafter called the "**Management Company**" which expression, where the context so permits, shall include its successors in interest and assigns), of the One Part;

**AND**

- II. **Central Depository Company of Pakistan Limited**, a public limited company incorporated in Pakistan under the former Companies Ordinance, 1984 (now repealed and substituted by Companies Act, 2017), having its registered office at

CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi (hereinafter called the "**Trustee**" which expression where the context so permits, shall include its successors in interest and assigns), of the Other Part.

**WITNESSETH:**

- A. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the "**SECP**") as an Asset Management Company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "**Rules**", which expression shall include any amendments thereto and substitutions thereof) for the purpose of undertaking asset management services under License No. AMCW/07/HBLAML/AMS/05/2017 dated April 12, 2017 attached hereto as **Annexure "A"**.
- B. The Management Company is the legal successor of the erstwhile PICIC Asset Management Company Limited ("**PICIC-AMC**"), which was merged with and into the Management Company vide SECP's Order dated August 31, 2016 passed under Section 282L of the Companies Ordinance, 1984 ("**Ordinance**"), sanctioning the Scheme of Merger of PICIC-AMC with and into the Management Company, attached hereto as **Annexure "B"**.
- C. The erstwhile PICIC-AMC was a wholly-owned subsidiary of Pakistan Industrial Credit & Investment Corporation Limited ("**PICIC**"), which had acquired Management Rights of ICP Mutual Funds Lot-B from the Government of Pakistan ("**GOP**") through Privatization Commission ("**PC**") under a Management Rights Transfer Agreement dated December 13, 2002 and subsequently transformed ICP Mutual Funds Lot-B into a single Closed End Fund under the name **PICIC Investment Fund (PIF)**.
- D. Under an Agreement to Transfer Management Rights dated June 25, 2004, the erstwhile PICIC transferred the Management Rights of PIF to PICIC-AMC, being its wholly-owned subsidiary.
- E. Pursuant to Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the "**Regulations**"), all Closed End Funds were required to be converted into Open End Schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. Closed End Funds whose portfolios were frozen as a result of Consent Agreements with GOP through PC were allowed to be converted into Open End Schemes within three months from the date of the removal of the freezing of the portfolios and since PIF has Frozen Portfolio, it was not converted into an Open End Scheme at that time.
- F. The erstwhile PICIC-AMC was merged with and into the Management Company vide the SECP's Sanction Order dated August 31, 2016, as mentioned in Recital B above and the Sanction Order contains certain conditions imposed by the SECP while sanctioning the Scheme of Merger of PICIC-AMC with and into the Management Company, including the condition contained in Clause 6.xiii of the Sanction Order requiring the Management Company to mandatorily convert PIF into an Open End Scheme, with bifurcation of two classes of Units i.e. Class-A

Units to be issued out of the Frozen Portfolio and Class-B Units to be issued out of the Unfrozen Portfolio.

- G. The Board of Directors of the Management Company in its meeting held for this purpose on November 23, 2017 decided to proceed with the conversion of PIF into an Open End Scheme with the approval of the Certificate Holders of PIF under the provisions of the NBFC Regulations. For this purpose, a Conversion Plan was prepared and placed before the Certificate Holders of PIF in a General Meeting held on January 10, 2018 ("**Meeting**"), whereat a resolution was proposed and passed by simple majority of the Certificate Holders present in the Meeting (in person or through post and proxies) who were entitled to vote thereat ("**Resolution**") approving the conversion of PIF from a Closed End Fund to an Open End Scheme, to be known as ***HBL Investment Fund ("HIF")*** so as to comply with the mandatory condition contained in Clause 6.xiii of the SECP's Sanction Order; the Conversion Plan and the Resolution are attached hereto as **Annexures "C" and "C/1"**, respectively.
- H. The SECP pursuant to an application of the Management Company submitted after the passing of the Resolution, sanctioned the Conversion of PIF into an Open End Scheme to be known as *HIF* in terms of the Conversion Plan and the Resolution vide its letter No. SCD/ AMCW/ HBL AML/ 266/2018 & SCD/ AMCW/ HBL AML/ 268/2018 dated February 16, 2018 attached hereto as **Annexure "D"**.
- I. The conversion of PIF from Closed End Fund into an Open End Scheme, including the change of name of the Trust from "*PICIC Investment Fund*" to "*HBL Investment Fund*", while maintaining the continuity of the Trust, necessitates modification and restating of the Trust Deed of PICIC Investment Fund dated April 2, 2004 registered with the Sub-Registrar T. Div. I-B Karachi under Registration No.239 dated April 21, 2004 ("**Initial Trust Deed**"), as amended vide First Supplemental dated June 28, 2004 registered with, the Sub-Registrar T. Div. I-B, Karachi under Registration No.3658 dated August 13, 2004.
- J. The SECP has authorized the Management Company vide its letter bearing reference No. SCD/AMCW/HIF/339/2018 dated April 18, 2018 the Scheme from a Closed End Fund to an Open End Scheme, as per the Certificate Holders' Resolution, the Management Company and the Trustee hereby alter and re-state the Initial Trust Deed dated April 2, 2004, as amended vide First Supplemental Trust Deed dated June 28, 2004, referred to in Recital I above in its entirety to incorporate the impact thereof by execution of this Restated Trust Deed ("**Restated Trust Deed**") so as to maintain the continuity of the Trust.

#### **4. Governing Law and Jurisdiction**

- 4.1** This Restated Trust Deed shall be subject to and be governed by the laws of Pakistan, including the Ordinance, the Act, the Rules and the Regulations, any directives or circulars issued by SECP and all applicable laws and regulations as amended or replaced from time to time. Where any Rules or Regulations are amended, any directives are issued or any relaxation or exemption is allowed by SECP it shall be deemed for all purposes whatsoever that all the provisions

required to be contained in a trust deed pursuant to such amendments, directives, relaxations or exemptions shall be deemed to have been incorporated in this Restated Trust Deed without requiring any modification unless specifically required by the SECP. In the event of any conflict between this Restated Trust Deed and the provisions of the Rules, the Regulations, directives, or circulars, the latter shall supersede and prevail over the provisions contained in this Restated Trust Deed.

- 4.2 The Scheme shall be subject to the rules and regulations of the State Bank of Pakistan and the SECP with regard to the foreign Investments made by the Scheme and also with regard to investments that may be made in the Scheme from outside Pakistan. The Investments made by the Scheme in offshore countries and bank accounts and custodial services accounts that may be opened by the Trustee for the Scheme in any offshore countries on the instructions of the Management Company may become subject to the laws of such countries.
- 4.3 Subject to the Clause 22 hereafter, applicable between the Management Company and the Trustee *inter se*, each party, including the Unit Holder(s), irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

## 5. **Declaration of Conversion of Closed End Fund into an Open End Scheme**

- 5.1 The Closed End Fund that was constituted by a registered Trust Deed dated April 2, 2004, as a Trust under the Trusts Act, 1882, under the name of "**PICIC Investment Fund**", shall stand converted into an Open End Scheme from the Effective Date mentioned in Clause 5.2 (d) hereafter.

For avoidance of any doubt, it is clarified that the continuity of the Trust and its operations shall remain unaffected by the amendments made to the Initial Trust Deed dated April 2, 2004. The purpose of Restating the Initial Trust Deed is to convert the Scheme from a Closed End Fund to an Open End Scheme in accordance with the provisions of the Regulations and pursuant to the SECP's Sanction Order, without affecting the basic rights and obligations of the Management Company, the Trustee or the Unit Holders (formerly known as *Certificate Holders*). The Trust shall continue to remain in full force and effect, except as varied from the Effective Date by the alteration of the Initial Trust Deed by this Restated Trust Deed.

- 5.2 It is hereby irrevocably and unconditionally declared as follows:-

- a) The Trustee shall hold and stand possessed of the Trust Property comprising Class-A Segment and Class-B Segment of the Undertaking of PICIC Investment Fund ("**PIF Undertaking**") as defined hereunder, already held by the Trustee and further properties and assets that may from time to time be vested in the Trustee upon trust as a single fund for the benefit of the Unit Holder(s) against which Units of Class-A, Class-B and Class-C shall be issued to the Unit Holders, as per the Conversion Plan.

- b) The Trust Property shall be invested or disinvested from time to time by the Trustee at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Restated Trust Deed, the Offering Document, the Rules, the Regulations and the conditions (if any) which may be imposed by the SECP from time to time.
- c) The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, the Regulations, any directives or circulars issued by the SECP, this Restated Trust Deed and the Offering Document, as may be issued and amended from time to time.
- d) From the Effective Date of the conversion of the Scheme's status from a Closed End Fund to an Open End Scheme, all the existing Certificates of the Closed End Fund shall stand changed and be substituted with the Units of Open End Scheme and the status of Certificate Holders shall stand changed to that of Initial Unit Holders who shall become entitled to be issued Conversion Units (To be known as Class A and Class B units) as initial units of the Open End Scheme in lieu of the Certificates of Closed End Fund held by the Certificate Holders of the Closed End Fund, for which purpose a book closure shall be announced by the Management Company in at least two widely circulated newspapers in Pakistan, one in English and one in Urdu and the next Business Day after the end of book closure shall be the Effective Date of the Conversion of the Closed End Fund into Open End Scheme.
- e) The conversion of PIF into an Open End Scheme shall be effectuated by issuance of Conversion Units i.e. Class-A Units and Class-B of the Open End Scheme to the Certificate Holders of PIF based on the following swap ratio:-
  - (i) For each Certificate of Closed End Fund, each Certificate Holder whose name is entered in the Register of PIF on Business Day before the Book Closure shall be issued one (1) Unit of Class-A of the Open End Scheme based on value of the shares of PSO and SNGPL held by the Fund in the Frozen Portfolio prevailing on last day of the Book Closure and any dividend receivable, less all liabilities of PIF, if any, relating to Frozen Portfolio and one (1) Unit of Class-B of Open End Scheme based on the NAV of Unfrozen Portfolio (remaining assets), less all liabilities of the Fund mentioned in the Conversion Plan on Effective Date with no Front End Load.
  - (ii) The Conversion Units shall be credited as fully paid up.
  - (iii) On the Effective Date, the Management Company shall calculate and announce separate NAVs of both Class-A and Class-B Units. From the effective date Class-B Units shall be redeemable as Units of Open End Scheme. Whereas Class-A Units shall not be redeemable until the unfreezing of the Portfolio by GoP. In order to grant an exit opportunity to the holders of Class-A Units, the existing certificates of PIF will continue to be listed on PSX and their status will be changed

from Closed End Certificates to Open End Units to be known as *HBL Investment Fund Class-A*.

- (iv) Class-A Units shall be tradable in the same manner as certificates of a Closed End Fund. The market value of these Certificates of Closed End Fund will be adjusted downward taking into consideration the weightage of Class-B Segment to the total net assets of PIF and other factors associated with Frozen Segment, and they would be sold or purchased through PSX as Class-A Units at the running market price on PSX.
- (v) Class-A Units would be considered as Certificates of a Closed End Fund for the purpose of existing regulatory framework of PSX as applicable to Certificates of Closed End Fund, to enable PSX, NCCPL and CDCPL to ensure the tradability of Units of Open End Scheme under same regulatory framework as applicable to Certificates of Closed End Funds.
- (vi) After issuance of the Conversion Units to the Certificate Holders of Closed End Fund, as an Open End Scheme, no further Class-A Units or Class-B Units will be issued, except where required and if permissible, for distribution of income by that Class. The Management Company may offer and issue new Units to investors for Open End Scheme from properties, assets and investments acquired by the Class-B Segment of the Open End Scheme after conversion. Such new Units shall be Class-C Units that may be subject to the Front End Load and Back End Load as per the terms and conditions of this Restated Trust Deed and the Offering Document of the Open End Scheme.
- (vii) Class-A Units shall be freely tradable at PSX and therefore be sold or purchased through PSX at running market prices. However, Class-A Units shall be redeemable after the Frozen Portfolio is unfrozen by GOP. In that case, redemption of Units shall be effectuated by the Management Company. However, Back End Load will be charged on such redemption at the following rates:-
  - (a) On Class-A Units redeemed within six months from the date of unfreezing of the Frozen Portfolio, Back End Load will be charged @10%.
  - (b) On Class-A Units redeemed after expiry of six months, but before the expiry of one year from the date of unfreezing of Frozen Portfolio, Back End Load will be charged @5%.
  - (c) On Class-A Units redeemed after the expiry of one year from the date of unfreezing of Frozen Portfolio, no Back End Load will be charged.



(viii) Class-B Units shall be redeemable at any time from the Effective Date. Provided however, Back End Load will be charged on redemption at the following rates:-

- (a) On Class-B Units redeemed within six (6) months from the Effective Date, Back End Load will be charged @ 10%.
- (b) On Class-B Units redeemed after expiry of 6 month but before the expiry of one year from the Effective Date, Back End Load will be charged @5%.
- (c) On Class-B Units redeemed after expiry of one year from the Effective date, no Back End Load will be charged.

The Back End Load mentioned in Clauses 5.2 (e) (vii) and 5.2 (e) (viii) shall form part of the Trust Property.

The Management Company shall have the right to advance (borrow) money **from** Class-B Segment and future properties, assets and investments acquired by the Open End Scheme **to** Class-A Segment to meet cash flows requirements of Class-A Units, including management fee payable to the Management Company and other expenses of Class-A Units till the unfreezing of the Frozen Portfolio. Mark-up will be charged to Class-A Segment @6 months KIBOR, which will be credited to Class-B Segment.

**5.3** A statement of Account shall be issued by the Registrar / Management Company to the Initial Unit Holders as to their entitlements of the Conversion Units of the Open End Scheme issued in lieu of certificate of Closed End.

**5.4** After the conversion of the Scheme the Management Company may offer Class-C Units and redeem Class-B and Class-C Units of the Scheme to the general public, including Banks and Financial Institutions based on Offer Prices and Redemption Prices as per the Offering Document. Full details and mechanism shall be mentioned in the Offering Document, which shall be in the form and substance as prescribed under the Regulations and shall be subject to the approval of the SECP.

## **6. Effect of this Restated Trust Deed and Status of Unit Holders**

### **6.1 Deed Binding on Each Unit Holder**

The terms and conditions of this Restated Trust Deed as may be amended in accordance with Clause 20 of this Restated Trust Deed, from time to time shall be binding on each Unit Holder, including Initial Unit Holders as if the Unit Holder had been party to it and shall be bound by its provisions and shall be deemed to have authorized and required the Trustee and the Management Company to do as required of them by the terms of this Restated Trust Deed and the Regulations.

### **6.2 Unit Holder(s) Not Liable to Make Further Payments**

Initial Unit Holders shall not be liable to make any further contributions to the Scheme since they had paid the purchase price of the Certificates of the Closed End Fund. No subsequent Unit Holders shall be liable to pay any further contributions to the Scheme after they have paid purchase price of the Units, as specified in the Offering Document and no further liability shall be imposed on any Unit Holder in respect of the Units held by him, except that early redemption of Conversion Units shall be subject to Back End Load as provided in Clauses 5.2 (e)(vii) and 5.2 (e)(viii) above.

### **6.3 Units to Rank Pari Passu**

All Units (including Conversion Units) and fractions thereof represent an undivided share in the segment of the Scheme. Units of a particular segment shall rank *pari passu* according to the number of Units held by each Unit Holder of the segment, including as to the rights of the Unit Holders in the Net Assets of the segment, earnings and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the Trust proportionate to the Units and fractions held by such Unit Holder of the segment and shall have such rights as are set out in this Restated Trust Deed and the Offering Document.

### **6.4 Trustee Report to Unit Holders**

The Trustee shall report to the Unit Holders in accordance with the Regulations.

## **7. Role of the Management Company**

- 7.1** The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, the Regulations directives, circulars and guidelines issued by SECP and this Restated Trust Deed and the Offering Document.
- 7.2** The Management Company may from time to time, with the consent of the Trustee, frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto except policies and standard operating procedures related to normal course of the business; provided that such procedures are not inconsistent with the provisions of the Rules and the Regulations any directives, circulars and guidelines issued by SECP and this Restated Trust Deed.
- 7.3** The Management Company shall be responsible to facilitate tradability of Class-A Units on PSX and investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications in this regard.
- 7.4** The Management Company, shall from time to time under intimation to the Trustee appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s). Provided that the Management Company may also itself act as a Distributor for carrying on Distribution Functions. The appointment of Distributor shall be in accordance with Regulation 66A of the Regulations, as amended or

substituted from time to time.

- 7.5** The Management Company may, at its own responsibility and costs (to be borne either from the Front End Load or management remuneration received), from time to time appoint Investment Facilitators to assist it in promoting sales of Units. An updated list of Distributors shall be made available at all times on the website of the Management Company and Investment Facilitators appointed by the Management Company shall be made available on the website of Mutual Funds Associations of Pakistan (MUFAP).
- 7.6** The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations, this Restated Trust Deed and the Offering Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty and the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of this Restated Trust Deed and the Offering Document, the Management Company shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 7.7** The Management Company may in consultation with the Trustee appoint legal and financial advisers, custodians/sub-custodians and other professionals in Pakistan or in offshore countries for determining and ensuring compliance with legal and regulatory requirements to be fulfilled by the Scheme, by the Management Company and by the Trustee and their respective obligations in relation thereto.
- 7.8** The Management Company shall nominate and notify to the Trustee one or more of its officer(s) to act as authorized persons for interacting with and giving instructions to the Trustee. Any instruction or notice given by such authorized persons shall be deemed to be the instruction or notice given by the Management Company. Any change in such authorized persons shall promptly be notified to the Trustee.
- 7.9** The Management Company shall, from time to time, advise the Trustee of any settlement instructions relating to any transactions entered into by it on behalf of the Trust. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement.
- 7.10** The Management Company shall provide the Trustee with regular reports indicating interest income and other forms of income or inflows, relating to the investments that are due to be received as and when required by the Trustee.
- 7.11** The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceeding, arbitration or inquiry or any corporate

or shareholders' action in respect of the Trust Property or any part thereof at the cost of the Scheme.

- 7.12 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 on its website.
- 7.13 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.
- 7.14 The Management Company shall announce the Net Asset Value (NAV) of the Segment of the Scheme within such time period and at such frequency as prescribed by SECP from time to time and shall disclose such time period and frequency in the Offering Document.
- 7.15 The Management Company shall always act in good faith and in the best interest of its Unit Holders without taking advantage for itself or any of its related parties, group companies or employees at the expense of its Unit Holders and shall place Unit Holder's interest before its own.
- 7.16 The Management Company shall ensure that the investment decisions and actions are in accordance with the Investment Policy, Objectives and Restrictions including risk parameters, as stated in this Restated Trust Deed, Offering Document and in accordance to the Rules and Regulations.
- 7.17 The Management Company shall not carry out any transaction on behalf of Unit Holder's with any of its connected person unless such transaction is carried out on arm's length terms and with appropriate disclosure as may be required by the Rules and the Regulations.
- 7.18 The Management Company shall not participate in any business relationship or accept any gift that could reasonably be expected to affect its independence, objectivity, or loyalty to Unit Holders.
- 7.19 The Management Company shall strictly abide by all the obligations as prescribed by the Regulations from time to time.

## **8. Change of Management Company**

- 8.1 The SECP may, either at its own or on the recommendation of the Trustee or Unit Holders representing such percentage of the total Units in issue for the time being as may be prescribed by the Regulations, remove the Management Company after providing an opportunity of being heard, in such manner and on the occurrence of such circumstances as are prescribed under the Regulations.

- 8.2 The SECP shall appoint another asset management company as the management company for the Scheme according to the provisions of this Restated Trust Deed and the Rules and Regulations.
- 8.3 The Management Company may voluntarily retire at any time with the prior written consent of the SECP and at least ninety (90) days prior notice to the Trustee and the Unit Holders.
- 8.4 Upon a new management company being appointed the Management Company will take immediate steps to hand over all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee. The Management Company shall have the right to receive its remuneration up to the effective date of removal or retirement.
- 8.5 Upon its appointment, the new management company shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the Management Company hereunder as fully as though such new management company had originally been a party hereto.
- 8.6 Furthermore, the Trustee may immediately in case of retirement, removal or cancellation of license of Management Company appoint auditors with the consent of the SECP from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of Financial Institutions. The Trustee shall ensure that accounts of the Scheme till the day of the appointment of the new management company are audited by such auditor.
- 8.7 The auditors so appointed shall be other than the existing Auditors of the Scheme, the Management Company and the Trustee.
- 8.8 The auditors shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or SECP.
- 8.9 The audit report for the audit shall be submitted by the auditors to the Trustee not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the SECP, Management Company and the new management company.
- 8.10 The costs of such audit shall be borne by the Scheme.

## **9. Role of the Trustee**

- 9.1 The Trustee shall perform its role as specified in the Rules, Regulations and Directives issued thereunder by the SECP, this Restated Trust Deed and the Offering Document.
- 9.2 The Trustee shall nominate one or more of its officers to act as authorized persons for performing the Trustee's functions and for interacting with the Management Company. Any change in such authorized persons shall be promptly notified to the Management Company.

- 9.3** The Trustee shall, under prior intimation to the Management Company appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be entered into between the Trustee and the Custodian(s), except where the Trustee itself is acting as a Custodian.
- 9.4** The Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Scheme for any loss in value of the Trust Property of the Scheme where such loss has been caused by gross negligence or any reckless act or omission of the Trustee or any of its directors, officers, nominees or agents.
- 9.5** The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Scheme, if the Trustee had acted in good faith in performance of its duties under this Restated Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of this Restated Trust Deed or the Rules and Regulations. Whenever pursuant to any provision of this Restated Trust Deed, any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:
- 9.5.1** Any document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Company to accept; and
- 9.5.2** Any instructions received Online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s)
- 9.6** The Trustee shall not be liable for any loss caused to the Scheme or to the value of the Trust Property of the Scheme due to any elements or circumstances of Force Majeure.
- 9.7** In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 9.8** The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may

reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.

- 9.9** The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property of the Scheme or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property of the Scheme or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized director(s) and officer(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Scheme under this Restated Trust Deed or the Rules and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Restated Trust Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided) all such losses, claims, damages and other liabilities shall be borne by the Trust.
- 9.10** The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and this Restated Trust Deed nor shall the Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or gross negligence or that of its agents in relation to any custody of the Trust Property forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of this Restated Trust Deed the Trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 9.11** The Trustee shall promptly forward to the Management Company within one Business Day any notices, reports or other documents issued by the issuers of securities, recipients of any of the Scheme (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, PSX or any other exchange.

## **10. Change of Trustee**

- 10.1** The Trustee may, subject to the prior approval of the SECP, retire from his office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed with the approval of the SECP or from the date of

assumption of Trust Property of the Scheme by the newly appointed trustee, whichever is later.

- 10.2** In circumstances where the SECP is of the opinion that Trustee has been in violation of the Regulations or this Restated Trust Deed or found guilty of misconduct or failed to discharge its obligations under the Regulations, it may remove the Trustee after giving an opportunity of being heard.
- 10.3** The Management Company may, giving cogent reasons, apply to the SECP for change of the Trustee by simultaneously proposing appointment of a new trustee. A new trustee shall be appointed when the SECP is satisfied with the circumstances and reasons for this change and accords approval for appointment of such a new trustee.
- 10.4** Upon the appointment of a new trustee, the Trustee shall immediately hand over all the documents and records to the new trustee and shall transfer all the Trust Property to the new trustee and make payments to the new trustee of all sums due from the Trustee. The Trustee shall have the right to receive its remuneration up to the effective date of its removal or retirement.
- 10.5** The new trustee shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 10.6** The Management Company may immediately in case of retirement or removal of Trustee appoint auditors with the consent of the SECP from amongst the panel of auditors designated as "A" Category by State Bank of Pakistan for the audit of Financial Institutions. The Management Company shall ensure that accounts of the Scheme till the day of the appointment of the new trustee are audited by such auditor.
- 10.7** The auditors so appointed shall be other than the existing Auditors of the Scheme, the Management Company and the Trustee.
- 10.8** The auditors shall have the scope as may be specified by the Management Company or SECP.
- 10.9** The audit report for the audit shall be submitted by the auditors of the Management Company not later than thirty (30) Business Days from their appointment. A copy of the report shall also be provided to the SECP, the Trustee and the new trustee.
- 10.10** The costs of such audit shall be borne by the Trust.

## **11. Trust Property**

- 11.1** On the Effective Date, the Trust Property of the Open End Scheme shall comprise the entire PIF Undertaking as defined hereafter consisting of Class-A Segment, Class-B Segment and Common Portion of PIF Undertaking relating to both Class-A Segment and Class-B Segment. Subsequent to the conversion of the



Closed End Fund into an Open End Scheme the Trust Property of Class-C Units shall also become part of Class-B Segment.

- 11.2** The aggregate proceeds of all Units issued from time to time (other than the Conversion Units which shall be issued to the Initial Unit Holders without any payments) after deducting Duties and Charges, Transactions Costs and any applicable Front End Load, shall constitute part of the Trust Property and shall include the Investment and all income, profit and other benefits arising therefrom 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 Unit Holder(s) pursuant to this Restated Trust Deed, but shall not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders as distribution shall become part of the Trust Property.

The Back End Load mentioned in Clauses 5.2 (e)(vii) and 5.2 (e)(viii) shall form part of the Trust Property.

- 11.3** Bank Accounts for the Scheme shall always be in the name of the Trustee.
- 11.4** All expenses incurred by the Trustee in effecting the registerable Investments in its name shall be payable out of the Trust Property.

Except as specifically provided in this Restated Trust Deed, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrance whatsoever to secure any loan, guarantee or any other obligation actual or contingent incurred assumed or undertaken by the Trustee or the Custodian or any other person.

## **12. Voting Rights on Trust Property**

- 12.1** All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be in the best interest of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.
- 12.2** The Trustee shall upon written request by the Management Company and on account of the Trust Property, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any investment in such form and in favor of such persons as the Management Company may require in writing.
- 12.3** The phrase "rights of voting" or the word "vote" used in this clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or

any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement. The Management Company shall keep record stating the reasons for casting the vote in favor or against any resolution for a period of six years.

### **13. Investment of Trust Property and Exposure Limits**

#### **13.1 Investment Objective**

The objective of the Scheme is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

#### **13.2 Investment Policy**

The Investment Policy of the Scheme shall be in accordance with the Rules, the Regulations and directives issued by SECP and shall be specified in the Offering Document.

#### **13.3 Investment and Exposure Limits**

The Trust Property shall be invested by the Trustee from time to time as directed by the Management Company subject to the provisions of the Rules, the Regulations and directives issued thereunder and the Offering Documents.

#### **13.4 Financing Arrangements/Borrowing Restrictions**

13.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing for account of the Scheme, with the approval of the Trustee, from Banks, Financial Institutions, non-banking finance companies or such other companies as specified by the Commission from time to time. The borrowing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days and such borrowing shall not exceed fifteen per cent of the Net Asset of the Scheme at the time of borrowing or such other limit as specified by the SECP.

13.4.2 The charges payable to any bank, non-banking finance company or Financial Institution against financings on account of the Scheme as permissible under Clause 13.4.1 above, shall not be higher than the normal prevailing bank charges or normal market rates.

13.4.3 Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing financings from Banks and Financial Institutions. The Trustee or the Management Company shall

not in any manner be liable in their personal capacities for repayment of financings.

- 13.4.4 For the purposes of securing any borrowing the Trustee may, subject to Clause 13.4.1 above, on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property.
- 13.4.5 Neither the Trustee, nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any financing arrangement made hereunder in good faith.
- 13.4.6 Provided that, in accordance with the relaxation granted by the SECP vide its letter SCD/AMCW/HBLAML/266/2018 dated February 16, 2018 the Management Company shall have the right to advance (borrow) money from Class-B Segment and future properties, assets and investments acquired by the Open End Scheme to Class-A Segment to meet cash flows requirements of Class-A Units, including management fee payable to the Management Company and other expenses of Class-A Units till the unfreezing of the Frozen Portfolio. Mark-up will be charged on such advances (borrowings) to Class-A Segment @6 months KIBOR, which will be credited to Class-B Segment.

### **13.5 Transactions with Connected Persons**

Transaction with connected persons shall be in accordance with the Rules, the Regulations and directives issued by SECP and shall be specified in the Offering Document.

## **14. Valuation of Property and Pricing**

### **14.1 Valuation of Assets & Liabilities and Net Asset Value of the Scheme**

The method for determining the value of the assets and liabilities and the Net Asset Value would be as specified in the Regulations and the directives issued thereunder by the SECP from time to time.

### **14.2 Determination of Purchase (Offer) Price**

- 14.2.1 From the Effective Date, the Offer Price of Class-C Units offered through Public Offering shall be calculated and announced by the Management Company for every Dealing Day through its website and to Mutual Funds Association of Pakistan (MUFAP).

For avoidance of doubt, Conversion Units shall be issued in the ratio and at a price as provided in Clause 5.2 (e) above for each Certificate of the Closed End Fund held by the Certificate Holders of PIF. After the issuance of Conversion Units no further issuance of Class A and Class B Units shall be made except as provided under clause 5.2(e) (vi), therefore Offer Price of Class-A and Class-B Units will

not be announced.

- 14.2.2 From the Effective Date and after issuance of the Conversion Units, the Offer Price for Class-C Units shall be determined from time to time as specified in the Regulations, directives issued thereunder and the Offering Document.
- 14.2.3 The Management Company may announce further different classes of Units with differing levels of Sales Load, as specified in the Offering Documents.

### **14.3 Determination of Redemption Price**

From the Effective Date and subject to the provisions of Clauses 5.2 (e)(vii) and 5.2 (e)(viii) above, the Redemption Price shall be calculated and announced by the Management Company for every Dealing Day as specified in the Regulations, directives issued there under and the Offering Documents. For avoidance of doubt, Class A units are redeemable only after Unfreezing of Portfolio by GoP, hence Redemption Price of Class-A Units shall not be announced till the unfreezing of Portfolio

## **15. Dealing in Units, Issuance of Certificates, Suspension and Deferral of Dealing**

### **15.1 Dealings in Units and Issuance of Certificates**

- 15.1.1 Issuance, redemption, transfer, pledge/lien of Units and issuance and replacement of certificates shall be carried out in accordance with the requirements of the Rules, the Regulations and directives issued there under and the procedures for these shall be specified in the Offering Document.
- 15.1.2 Notwithstanding anything to the contrary contained herein, where the Units are declared as CDS Eligible Securities, all matters concerning issuance, transfer, pledge and redemption of such Units issued in book entry form or deposited in to the CDS shall be dealt with in accordance with the provisions of the Central Depositories Act, 1997 (XIX of 1997), the Central Depository Company of Pakistan Limited Regulations as amended from time to time, and any notifications or directions given by the SECP.
- 15.1.3 The Management Company may make arrangements through branches of Banks to facilitate issuance and redemption of Units of the Scheme, other than Class-A Units until Frozen Portfolio is unfrozen. A request for purchase of Units may also be made through the use of electronic means such as Internet or ATM facilities or Credit Card facilities upon satisfaction of the Trustee and approval of the Commission. A request for redemption of Units may also be made through the ATM facility only when the relevant bank(s)/branch(s) have been instructed by the Management Company to accept Unit Holders' requests to redeem the Units.

Provided however, Class-A Units shall not be redeemable until the Frozen Portfolio is unfrozen and shall continue to be listed and tradable at PSX.

## **15.2 Temporary Change in the Method of Dealing**

Subject to compliance with the Regulations and the circumstances mentioned in the Offering Document, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units.

## **15.3 Suspension of Redemption of Units**

15.3.1 The Redemption of Units may be suspended during extraordinary circumstances including closure of the money market, capital market, capital market infrastructure institutions and scheduled banks, 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 Scheme or of the Unit Holder(s), or a break down in the means of communication normally employed in determining the price of any investment, or when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV). The Management Company may announce a suspension of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances.

15.3.2 Redemption requests received on the day of the suspension may be rejected or would be redeemed at the redemption price on the first Dealing Day after the removal of the suspension.

## **15.4 Queue System**

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue of the Segment, 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 (10%) of the Units of the Segment in issue. The Management Company shall proceed to sell adequate assets of the Scheme 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. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests. The redemption requests in excess of ten percent (10%) of the Units of the Segment in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (10%) of the Units of the Segment 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 (10%) of the Units of the Segment then in issue.

## **15.5 Suspension of Fresh Issue of Units**

15.5.1 The Management Company may, under certain circumstances, suspend issue of fresh Units. These circumstances may include

- a) The situation referred in Clause 15.3 or 18 of this Restated Trust Deed;
- b) A situation in which it is not possible to invest the amount received against issuance of fresh units or
- c) Any other situation in which issuance of fresh units is, in Management Company's opinion, against the interests of the existing/remaining unit holders.

15.5.2 Such suspension may however not affect existing subscribers for the issue of bonus Units as a result of profit distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the SECP and Trustee if issuance of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Scheme's prices are normally published and the Management Company's website.

15.5.3 In case of suspension of redemption of Units due to extraordinary circumstances the issuance of Units shall also be kept suspended until and unless redemption of Units is resumed.

15.5.4 Investment applications received on the day of suspension will not be processed and the amount received shall be returned to the investor.

## **16. Fees and Charges**

### **16.1 Remuneration of the Management Company and Its Agents**

16.1.1 The Management Company shall be entitled to prescribe and receive maximum remuneration up to the maximum rate of remuneration permitted under the Regulations and directives issued thereunder.

16.1.2 The remuneration shall begin to accrue from the Effective Date. However, prior to the Effective Date, the Management Company shall continue to receive its remuneration as prescribed in the Initial Trust Deed of the Closed End Fund.

16.1.3 Such remuneration shall be paid to the Management Company in arrears within thirty (30) Business Days after the end of each calendar month.

16.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property or against the Distribution

Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and directives issued there under and this Restated Trust Deed to be payable out of Trust Property.

- 16.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Restated Trust Deed, except such expenses which are expressly authorized under the provisions of the Regulations and directives issued there under shall be charged to and borne by the Trust.
- 16.1.6 Any increase in the remuneration of the Management Company agreed to by the Trustee and approved by the Commission shall require ninety days prior notice to the Unit Holders. However, any decrease in remuneration of the Management Company shall not require such notice. Change in the remuneration of the Management Company shall be notified through supplemental offering document.

## **16.2 Remuneration of Trustee and Its Agents**

- 16.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Annexure "F"**. The remuneration shall begin to accrue from the Effective Date. However, prior to the Effective Date, the Trustee shall continue to receive its remuneration as prescribed in the initial Trust Deed of the Closed End Fund.
- 16.2.2 Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.
- 16.2.3 In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.
- 16.2.4 Any increase in the remuneration of the Trustee agreed by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require such approval.

## **16.3 Conversion Cost and its Treatment**

- 16.3.1 All expenses related to conversion of the Closed End Fund into an Open End Scheme shall be charged to the Closed End Fund before the effective date of conversion.
- 16.3.2 Conversion Cost shall be reported by the Management Company to the SECP and the Trustee giving their break-up under separate heads.

#### **16.4 Other Costs and Expenses to be Charged to and Borne by the Trust**

All other costs and expenses specified in the Regulations and directives issued there under shall be charged to and borne by the Trust and shall be specified in the Offering Document.

#### **17. Determination of Distributable Profits**

- 17.1** The Management Company on behalf of the Scheme shall, for every Accounting Year, distribute by way of dividend to the Unit Holders not less than ninety per cent of the accounting income of the Scheme received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Scheme under these Regulations. Provided however, the profit earned on Class-A Segment shall be distributable to Class-A Unit Holders and profit earned on Class-B Segment shall be distributable to Class-B Unit Holders and Class-C Unit Holders.

Explanation.- For the purpose of this Clause the expression "accounting income" means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Act, the Regulations and the directives issued by the SECP. Wherever, the requirements of Regulations or the directives issued by SECP differs with the requirement of IAS the Regulations and the said directives shall prevail.

The Management Company may also announce interim dividend subject to requirements of the Regulations, circular and directives.

- 17.2** Out of the amount determined for the purpose of distributable income in respect of each Holder withholding tax, Zakat or other statutory levies, as may be applicable to the relevant Holder shall be deducted before distribution for the relevant Holder.
- 17.3** The Management Company may decide to distribute in the interest of the Holders, wholly or in part the distributable profits in the form of a stock dividend, which would comprise bonus Units of the segment of the Scheme. The bonus Units would rank pari passu as to their rights in the Net Assets of the segment, earnings, and receipt of dividend and distribution with the existing Units of that segment from the date of issue of these bonus Units.
- 17.4** Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Holder the certificate in respect of such deductions in the prescribed form or in a form approved or acquired by the concerned authorities.

#### **18. Termination, Winding Up, Revocation and Liquidation of the Scheme**



18.1 The Management Company subject to regulatory approval, may announce winding up of the Trust in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust be wound up.

18.2 The Trust may also be terminated/ revoked on the grounds given in the Rules and the Regulations.

## 19. **Base Currency**

19.1 The base currency of the Scheme shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee or (subject to applicable law) any other Foreign Currency.

19.2 The Management Company may appoint one or more Banks as the authorized dealers, subject to the approval of the SECP and the SBP, to manage offer and redemption of Units outside Pakistan in foreign currency under the provisions of the Foreign Exchange Regulation Act, 1947.

## 20. **Modification of the Restated Trust Deed**

20.1 In case the amendments are proposed in the fundamental attribute of the Constitutive Document of an open end scheme including category of scheme, investment objective and policy, increase in management fee and increase in Contingent Load, the Management Company must give at least ninety days prior notice to each Unit Holder about the proposed change and the Unit Holders shall be given an option to exit at the applicable Net Asset Value without charge of any Exit Load.

20.2 The Trustee and the Management Company acting together shall be entitled by a Supplemental Deed to modify, alter or add to the provisions of this Restated Trust Deed in such manner and to such extent as they may consider expedient for any purpose, subject to the prior approval of the SECP and prior written notice to the Unit Holders, if required subject to the condition that it does not prejudice the interests of Unit Holders.

20.3 If, at any time, any Clause of this Restated Trust Deed is, or becomes, in whole or in part, illegal, invalid or unenforceable neither the legality, validity and enforceability of the remaining Clauses of this Restated Trust Deed, nor the legality, validity or enforceability of such Clause shall in any way be affected or impaired thereby.

## 21. **Audit**

The Management Company shall appoint auditor in accordance with the requirements of the Regulations and directions issued thereunder.

**22. Arbitration**

In the event of any disputes arising out of or in connection with this Restated Trust Deed or the Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Restated Trust Deed and the Offering Document of the Unit Trust, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties hereto. The arbitrators and the umpire shall be selected from amongst retired judges, senior chartered accountants, or senior lawyers, or senior bankers or senior members of PSX. The venue of the arbitration shall be Karachi or any other city in Pakistan as may be mutually agreed. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

**23. Confidentiality**

The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose any information or document which may come to their knowledge or possession in the discharge of their duties except when required to do so in the ordinary course of performance of their duties or by law or if compelled by any court of law or a competent authority.

**24. Miscellaneous**

- 24.1** Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post, by courier, email or any other electronic medium or left at his address as appearing in the Register. Any notice so served by post/courier/email or other electronic means shall be deemed to have been served on the day following that on which the letter containing the same is posted/sent by courier, by email or other electronic means upon receiving confirmation of receipt of such email or other electronic means and in proving such service, it shall be sufficient to prove that such letter was properly addressed, stamped (if required) and posted/sent by courier. The Management Company may advertise any such notice in a newspaper widely published, if required.
- 24.2** Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- 24.3** Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt/insolvent and

whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

- 24.4 A copy of this Restated Trust Deed and of any Supplemental Deed shall be made available for inspection at the respective Head Offices of the Trustee and the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge of Rs.100/- (Rupees One Hundred) per copy or at such rate as determined from time to time by the Management Company.

## 25. **Definitions**

Unless the context requires otherwise the following words or expressions when used in this Restated Trust Deed shall have the meaning respectively assigned to them:

- 25.1 "**Accounting Date**" means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, under intimation to the Trustee after obtaining approval from the relevant competent authority may change such date to any other date and such change shall be intimated to the SECP.
- 25.2 "**Accounting Period**" means a period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding Accounting Period.
- 25.3 "**Accounting Year**" means the period commence on 1<sup>st</sup> July and shall end on 30<sup>th</sup> June of the succeeding calendar year.
- 25.4 "**Act**" means the Companies Act, 2017, including any amendments and substitutions thereof.
- 25.5 "**Asset Management Company**" means an asset management company as defined in the Rules and Regulations.
- 25.6 "**Auditor**" means the auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.
- 25.7 "**Authorized Branches**" means those branches of Distributors which are allowed by the Management Company to deal in Units of the Schemes managed by the Management Company.
- 25.8 "**Authorized Investments**" means any investment which may be authorized by the Commission, but does not include restricted investments as specified in the Offering Documents from time to time.

- 25.9 "Back End Load"** means charges deducted from the Net Asset Value in determining the Redemption Price. Back End Load deducted on Class-A Units shall form part of the assets of Class-A Segment and Back End Load deducted on Class-B Units and Class-C Units shall form part of the assets of Class-B Segment. Provided however that different levels of Back End Load may be applied to different classes of Units, but Unit Holders within a class shall be charged same level of Back End Load as disclosed in the Offering Document.
- 25.10 "Bank"** means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.
- 25.11 "Bank Accounts"** means accounts opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holders.
- 25.12 "Business Day"** means as specified in the Offering Document.
- 25.13 "Certificate"** means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of this Restated Trust Deed.
- 25.14 "Certificate of Closed End Fund"** means the definitive certificate acknowledging the number of certificates of the Closed End Fund registered in the name of the Certificate Holder issued pursuant to the provisions of the Initial Trust Deed.
- 25.15 "Certificate Holders"** mean the investors, whose name were entered in the register of Certificate Holders maintained by the Fund as a Closed End Fund.
- 25.16 "Class-A Segment"** means such portion of PIF Undertaking that is relatable to Frozen Portfolio as mentioned in the Conversion Plan.
- 25.17 "Class-B Segment"** means such portion of PIF Undertaking that is relatable to Unfrozen Portfolio as mentioned in the Conversion Plan. The Fund Property of Class-C Units, issued to the investors post conversion, shall also become part of Class-B Segment.
- 25.18 "Class-A Unit"** means one undivided share in Class-A Segment of the Open End Scheme, on *pari passu* basis, which shall not be redeemable until the Frozen Portfolio is unfrozen and shall continue to be listed and tradable at PSX.
- 25.19 "Class-B Unit"** means one undivided share in Class-B Segment of the Open End Scheme, on *pari passu* basis, which shall be redeemable from the Effective Date with Back End Load as mentioned in Clauses 5.2 (e)(viii) above.
- 25.20 "Class-C Unit"** means one undivided share in Class-B Segment of the Open End Scheme that may be issued to the investors post conversion and may be subject to Front End Load and Back End Load as per the terms and conditions contained in

the Restated Trust Deed and the Offering Document.

- 25.21 "Common Portion of PIF Undertaking"** means common portion of undertaking relating to both Frozen Portfolio as well as Unfrozen Portfolio as mentioned in the Conversion Plan
- 25.22 "Constitutive Documents"** means, this Restated Trust Deed, Offering Document or such other documents as defined in the Regulations.
- 25.23 "Contingent Load"** means amount payable by the Unit Holder on redemption of Units, as specified in the Offering Document. Any such amount would be treated as part of the Trust Property.
- 25.24 "Conversion Cost"** means all cost and expenses relating to the conversion of the Closed End Fund into an Open End Scheme, including but not limited to expenses for obtaining authorization for conversion of the Scheme, execution and registration of this Restated Trust Deed, issue, printing, publication and circulation of the Offering Document, announcements to the public, the Unit Holders, banks and other concerned parties, announcements describing the Scheme, cost and expenses (if any) for issuance of physical certificates to Unit Holders in lieu of existing physical certificates (if required) as well as central depository fee related to the issuance and cancellation of units in CDS including all stamp and other duties, taxes, Government charges, legal expenses and all other cost and expenses incurred up to the period of effectuating and implementing the conversion of Closed End Fund into an Open End Scheme.
- 25.25 "Conversion Plan"** means the Plan for Conversion of PIF from a Closed End Fund to an Open End Scheme, attached hereto as **Annexures "C"**.
- 25.26 "Conversion Units"** mean Class-A Units issued against the Frozen Portfolio of PIF and Class-B Units issued against the Unfrozen Portfolio of PIF after its conversion into an Open End Scheme, to be initially issued to the Certificate Holders of PIF without any payment and without any Front End Load
- 25.27 "Custodian"** means a Bank, a depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee with the consent of the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; and shall also include the Trustee itself if it provides custodial services for the Scheme.
- 25.28 "Cut-Off Timings"** means day time for dealing in Units of the Scheme. The Details of Cut-off Time will be prescribed in the Offering Document of the Scheme.
- 25.29 "Dealing Day"** means that Business Day on which Units will be available for dealing (purchase, redemption, transfer, switching etc.). The Cut-Off Timings for issuance, redemption, and conversion etc. of Units of the Scheme will be as defined in the Offering Document for all Dealing Days. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days' notice in a widely circulated newspaper in

Pakistan declare any particular Business Day(s) not to be Dealing Day(s).

- 25.30 "Distribution Account"** means the Bank Account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders may be transferred. Interest, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Scheme from time to time, as part of the Trust Property for the benefit of the Unit Holders.
- 25.31 "Distributor/Distribution Company"** means a company/firm appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and shall also include the Management Company itself, if it performs the Distribution Functions.
- 25.32 "Duties and Charges"** means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the Trust Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment 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 payable to agents on sales and redemption of Units or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 25.33 "Effective Date"** means the next Business Day after the book closure to be announced specifically for the purpose of conversion by the Management Company, which shall be the effective date of conversion, subject to the approval of the SECP and fulfillment of all legal and regulatory requirements.
- 25.34 "Financial Institution"** carries the same meaning as defined under the Companies Act, 2017.
- 25.35 "Force Majeure"** means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Restated Trust Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of this Restated Trust Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer

system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

- 25.36 "Front End Load"** means charges which may be included in the Offer Price of the Units, as defined in Offering Document.
- 25.37 "Frozen Portfolio"** means the frozen shares of PSO and SNGPL listed in Schedule to the Conversion Plan held under an initial Consent Agreement dated October 20, 2005 between GOP and erstwhile PICIC AMC as last extended by Consent Agreement dated August 8, 2016 and June 27, 2016, as may further be extended by consent Agreement that may executed from time to time between the Management Company and GOP, pursuant to GOP's privatization policy to sell the entire shareholding of PSO and SNGPL to strategic investors
- 25.38 "GOP"** means the Government of Pakistan acting through PC
- 25.39 "Holder" or "Unit Holder"** means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of this Restated Trust Deed.
- 25.40 "Initial Unit Holders"** mean the Certificate Holders, whose status shall change to that of Unit Holders pursuant to the issuance of the Conversion Units to them in lieu of their investments in the Closed End Fund.
- 25.41 "Investment"** means any Authorized Investment forming part of the Trust Property.
- 25.42 "Investment Facilitators"** mean an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Open End Scheme. The Management Company shall compensate the Investment Facilitators.
- 25.43 "Management Company"** means HBL Asset Management Limited
- 25.44 "Net Assets"**, in relation to the Trust, means the excess of assets over liabilities of the Scheme as calculated in accordance with the Regulations.
- 25.45 "Net Asset Value" or "NAV"** means per Unit value of the Trust arrived at by dividing the Net Assets of the segment by the number of Units outstanding of the segment.
- 25.46 "Offer Price" or "Purchase Price"** means the sum to be paid by investors for the purchase of one Unit of the Scheme. Such price is to be determined in accordance with Clause 14.2 of this Restated Trust Deed.
- 25.47 "Offering Document"** means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structures and all other information in respect of the Unit Trust, as required by the

Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme, and includes any Supplementary Offering Document.

- 25.48 "On-line"** means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 25.49 "Ordinance"** means the former Companies Ordinance, 1984.
- 25.50 "PC"** means Privatization Commission constituted by GOP.
- 25.51 "PICIC AMC"** means erstwhile PICIC Asset Management Company Limited, now merged into HBL AML vide the Commission's Sanction Order under Section 282L of the Ordinance.
- 25.52 "PIF"** means PICIC Investment Fund that was constituted as a Closed End Fund by a registered Initial Trust Deed dated April 2, 2004 and registered with the Commission as a notified entity under the Regulations now converted into an Open End Scheme by this Restated Trust Deed.
- 25.53 "PIF Undertaking"** means properties, assets, including cash liabilities, receivables and all other affairs of PIF comprising of Class A Segment, Class B Segment and Common Portion of PIF related to both Class A and Class B Segment as mentioned in the Conversion Plan.
- 25.54 "PSO"** means Pakistan State Oil Company Limited
- 25.55 "PSX"** means Pakistan Stock Exchange registered under the Securities Act, 2015.
- 25.56 "Par Value"** means the face value of a Unit i.e. Rs. 10 or such other amount determined by the Management Company from time to time and disclosed in the Offering Document of the Trust.
- 25.57 "Redemption Price"** means the amount to be paid to the relevant Unit Holder(s) upon redemption of that Unit, such amount to be determined pursuant to Clause 14.3 of this Restated Trust Deed.
- 25.58 "Register"** means the Register of the Unit Holder(s) kept pursuant to the Regulations and this Restated Trust Deed.
- 25.59 "Registrar Functions"** means the functions with regard to:
- a) maintaining the Register, including keeping a record of change of addresses/other particulars of the Unit Holders;
  - b) issuing account statements to the Unit Holders;
  - c) issuing certificates in respect of Units;



- d) canceling old certificates in respect of Units on redemption or replacement thereof;
- e) processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Unit Holders;
- f) issuing and dispatching of certificates in respect of Units;
- g) Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends; and
- h) Maintaining record of lien/pledge/charge on units, transfer/ switching of units, Zakat.

**25.60 "Regulations"** mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 as amended from time to time,

**25.61 "Restated Trust Deed"** means this restated trust deed executed between the Management Company and the Trustee along with all the exhibits appended hereto, and includes any Supplemental Deed.

**25.62 "Rules"** mean Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 or as amended from time to time.

**25.63 "Sales Load"** includes the Front End and Back End Loads and any processing charge or commission (excluding Duties and Charges) not exceeding three percent (except up to ten percent Back End Load applicable only for certain time period on redemption of Conversion Units i.e. Class A Units and Class B Units) of the Net Asset Value or as may be allowed under the Regulations, which may be included in the Offer Price of all or certain class of Units or deducted from the Net Asset Value in order to determine the Redemption Price of certain classes of units.

**25.64 "Sanction Order"** means the Commission's Order dated August 31, 2016 sanctioning the Scheme of Merger of erstwhile PICIC AMC with an into the Management Company.

**25.65 "SECP" or "Commission"** means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.

**25.66 "SNGPL"** means Sui Northern Gas Pipelines Limited

**25.67 "Supplemental Deed"** means a deed supplemental to this Restated Trust Deed, executed by the Management Company and the Trustee, after seeking approval of the SECP, to modify, add to, alter and amend or amend and restate the provisions of this Restated Trust Deed or any other Supplemental Deed in such manner and to such extent as may be considered expedient for all purposes, which shall be consolidated, read and construed together with this Restated Trust Deed.

- 25.68 "Supplementary Offering Document"** means a document issued to modify, add to, alter and amend, amend and restate or to make any other amendment to the Offering Document in such manner and to such extent as considered expedient for all purposes by the Management Company, with the consent of the Trustee, after seeking approval of the SECP, and the same shall be consolidated, read and construed together with the Offering Document."
- 25.69 "Transaction Costs"** means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust's portfolio, inter alia, necessitated by creation or cancellation of Units or issuance or redemption of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.
- 25.70 "Transfer Agent"** means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Functions.
- 25.71 "Trust" or "Scheme"** means the Open End Scheme created by conversion of the Closed End Fund constituted by the Initial Trust Deed for continuous offers for sale of Units of the Trust.
- 25.72 "Unit"** means one undivided share in the Open End Scheme; all Units of particular Class shall rank *pari passu inter se* as among the Units Holders of that Class.
- 25.73 "Unfrozen Portfolio"** means the all assets of PIF, other than the shares of PSO and SNGPL listed in Schedule to the Conversion Plan.
- 25.74 "Zakat"** has the same meaning as in Zakat and Ushr Ordinance, 1980 (XVIII of 1980) words and expressions used but not defined herein shall have the meanings assigned to them in the Rules and Regulations.

Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "**written**" or "**in writing**" include printing, engraving, lithography or other means of visible reproduction.

**IN WITNESS WHEREOF THIS TRUST DEED** has been executed at the date mentioned herein above.

The Common Seal of **HBL Asset Management Limited** was hereunto affixed in the presence of:

Signature: \_\_\_\_\_  
Name: Farid Ahmed Khan  
Title: Chief Executive Officer  
CNIC No.: **42201-8134436-5**

**WITNESSES:**

1. _____	2. _____
Name: _____	Name: _____
CNIC No: _____	CNIC No: _____

The Common Seal of **Central Depository Company of Pakistan Limited** was hereunto affixed in the presence of:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
CNIC No.: \_\_\_\_\_

**WITNESSES:**

1. _____	2. _____
Name: _____	Name: _____
CNIC No: _____	CNIC No: _____



Securities and Exchange Commission of Pakistan  
Specialized Companies Division  
Policy, Regulation and Development Department

Licence No. AMCW/07/HBLAML/AMS/05/2017

Islamabad, April 12, 2017

**LICENCE TO CARRY OUT  
ASSET MANAGEMENT SERVICES  
AS NON-BANKING FINANCE COMPANY**

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of license to carry out **Asset Management Services** submitted by **HBL Asset Management Limited** under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(1) 2007, S.R.O. 271(I)/2010, S.R.O 570(I)/2012 and S.R.O 1002(I)/2015 (the "Rules"), and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-rule (9) of rule 5 of the Rules, hereby renews the license of **HBL Asset Management Limited** to carry out **Asset Management Services** subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) **HBL Asset Management Limited** shall comply with the Companies Ordinance, 1984, the Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (as amended or replaced) and any directives, circulars, codes, notifications and guidelines issued by the Commission;
- (ii) **HBL Asset Management Limited** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws; and
- (iii) This license is valid for a period of three years **w.e.f. April 03, 2017** and shall be renewable every three years as specified in the Rules.

**"Say no to Corruption"**

(Zafar Abdullah)  
Commissioner



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALIZED COMPANIES DIVISION

ORDER

UNDER SECTION 282 (L) OF THE COMPANIES ORDINANCE, 1984 FOR SANCTION  
OF SCHEME OF MERGER OF PICIC ASSET MANAGEMENT COMPANY LIMITED  
WITH AND INTO HBL ASSET MANAGEMENT LIMITED

1. PICIC Asset Management Company Limited ("**PICICAMCL**"), a non-banking finance company limited by shares incorporated as unlisted under the Companies Ordinance, 1984 (the "**Ordinance**"), having its registered office at 3rd Floor, PNSC Building, M.T. Khan Road, Karachi, Pakistan, engaged in the business of providing asset management and investment advisory services pursuant to the Securities and Exchange Commission of Pakistan (the "**Commission**") licences to do so, and HBL Asset Management Limited ("**HBLAML**"), a non-banking finance company limited by shares incorporated as unlisted under the Ordinance, having its registered office at Plot # 22-C & 24-C, Shahbaz Lane #1, Main Khayaban-e-Hafiz, Phase VI, DHA, Karachi, Pakistan, engaged in the business of providing asset management services, investment advisory services and pension fund manager pursuant to the Commission licences and registration, have submitted applications to the Commission for sanction of a Scheme of Merger/Amalgamation (the "**Scheme**") of PICICAMCL with and into HBLAML in terms of Section 282L of the Ordinance.
2. The principal object of the Scheme is to effect the amalgamation by way of merger of PICICAMCL with and into HBLAML by transferring to and vesting in HBLAML the whole of PICICAMCL on the Effective Date without issue of any additional shares of HBLAML to the shareholders of HBLAML. Upon completion of the above mentioned merger, the existing shares of PICICAMCL shall stand cancelled and PICICAMCL shall stand dissolved without winding up after meeting the regulatory requirements. HBL Bank Limited will have 100% shareholding in the merged entity. Among other things, the rights of PICICAMCL to manage the Collective Investment Schemes currently managed by it and all discretionary and non-discretionary accounts managed by it shall stand transferred to HBLAML on and from the effective date. PICICAMCL shall be dissolved



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
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- without winding up, in accordance with and subject to the procedure for amalgamation provided under Section 282L of the Ordinance.
3. EOGMs of shareholders of HBLAML and PICICAMCL were held separately for approval of scheme of amalgamation for the amalgamation of PICICAMCL with and into HBLAML pursuant to section 282 L of the Companies Ordinance 1984 on May 27, 2016 and approval from 100% shareholders was obtained.
  4. No shareholder of PICICAMCL or HBLAML has either voted against the Scheme of Amalgamation at the EOGMs or given notice in writing at or prior to the said EOGMs to PICICAMCL or HBLAML regarding their dissent to the Scheme of Amalgamation. Hence the need does not arise to determine value of the shares to be paid to the dissenting shareholders of PICICAMCL and HBLAML in terms of sub-section (3) of section 282L of the Ordinance.
  5. In support of the applications, PICICAMCL and HBLAML have submitted the following information and documents:
    - a) Applications by PICICAMCL and HBLAML for approval of the Scheme;
    - b) Scheme of Merger/Amalgamation of PICICAMCL with and into HBLAML.
    - c) Master Agreement between HBLAML and PICICAMCL dated May 2, 2016.
    - d) Copies of the Business Recorder and Daily Express dated May 7, 2016, May 13, 2016 and May 20, 2016 wherein three Notices were published for holding of EOGM of HBLAML and PICICAMCL.
    - e) Extract of the Minutes of the EOGM of HBLAML's Shareholders and PICICAMCL's Shareholders held on May 27, 2016.
    - f) Legal Opinion from legal Consultants vide letters dated May 31, 2016, confirming compliance with all legal formalities for the purpose of merger.
    - g) Memorandum and Articles of Association of HBLAML and PICICAMCL.
    - h) Financial Statements of HBLAML and PICICAMCL for the period ended March 31, 2016.
    - i) Affidavit of Company Secretaries of HBLAML and PICICAMCL that no other provisions of the Ordinance has been violated during the merger process.



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- j) Copy of the approval from Competition Commission of Pakistan.
6. The Commission has considered the applications submitted by PICICAMCL and HBLAML for sanction of a Scheme of PICICAMCL with and into HBLAML. In view of the foregoing and compliance of the requisite legal formalities, the Scheme submitted by PICICAMCL and HBLAML is hereby sanctioned by the Commission in terms of section 282L of the Ordinance subject to following conditions:
- i. The effective date of merger of PICICAMCL with and into HBLAML shall be August 31, 2016 (effective date).
  - ii. The Directors and Chief Executive Officer of PICICAMCL as on the effective date of amalgamation/merger will cease to hold their respective offices in PICICAMCL as a result of amalgamation/merger and such respective offices shall stand relinquished. No compensation shall be payable to any of these directors and Chief Executive Officer on account of relinquishing their offices as directors and Chief Executive Officer of PICIC- AMCL consequent upon amalgamation/merger.
  - iii. At the effective date entire undertaking of PICICAMCL shall be amalgamated with, transferred to, vest in and belong to HBLAML.
  - iv. At the effective date, the rights of PICICAMCL to manage the Collective Investment Schemes currently managed by it and all discretionary and non-discretionary accounts managed by it shall stand transferred to HBLAML.
  - v. At the effective date, all the assets of PICICAMCL shall immediately, without any further act or deed, be vested in, transferred to, belong to and become the undertaking and assets of HBLAML and HBLAML shall have hold and enjoy the assets in its own right as fully as the same were possessed, held and enjoyed by PICICAMCL prior to the amalgamation but transfer of assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon, if any.



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- vi. At the effective date, all contracts, deeds, bonds, agreements, arrangements, constitutive documents and other instruments (including all tenancies, leases, licences and other assurances in favour of PICICAMCL or powers or authorities granted by or to it) of whatsoever nature to which PICICAMCL is a party or to the benefit of which the PICICAMCL may be eligible, and which are subsisting or having effect immediately before the effective date, shall, without any further act, instrument or deed, be in full force and effect in favour of or against HBLAML, as the case may be, and may be enforced as fully and effectually as if, in lieu of PICICAMCL, HBLAML had been a party or beneficiary or obligee thereto.
- vii. At the effective date, all the liabilities and obligations of PICICAMCL, shall immediately and without any further act or deed be assumed by and become the liabilities and obligations of HBLAML, which shall pay, undertake, satisfy, discharge and perform, when due, all of the liabilities and obligations in the respective terms thereof.
- viii. The terms of amalgamation as laid down in the Scheme and approved by the Commission shall be binding on PICICAMCL and HBLAML, on all the shareholders of PICICAMCL, shareholders of HBLAML, unit holders of the funds managed by PICICAMCL and HBLAML, and on any other person having any right or liability in relation to either of them.
- ix. Licences issued by the Commission in favour of PICICAMCL to carry out the business of Asset Management and Investment Advisory Services shall stand cancelled from the effective date of the merger.
- x. HBLAML shall send a copy of merger order to the registrar for striking off the name of PICICAMCL by reason of the amalgamation and PICICAMCL shall be dissolved, without winding up.
- xi. HBLAML shall immediately send notice to all unitholders of funds through publication in the newspapers having circulation across Pakistan, through

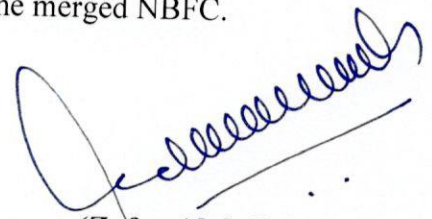




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SPECIALIZED COMPANIES DIVISION**

Pakistan Stock Exchange, through its website and at the registered addresses of unitholders for change of management company after the effective date of merger.

- xii. HBLAML shall make requisite amendments in the constitutive documents of all the funds under management of PICICAMCL within three (3) months from the effective date of merger.
  - xiii. HBLAML shall convert two closed end funds namely PICIC Investment Fund and PICIC Growth Fund into open end funds with bifurcation into two classes of units (i.e. Class A units with frozen portfolio and Class B units with unfrozen portfolio) till December 31, 2016. Furthermore, Class A units shall be eligible for redemption upon unfreezing of shares of PSO and SNGPL by the Privatization Commission and Class B units shall be allowed to be redeemed by the unit holders at any time after conversion of the aforementioned funds into open end.
7. In case, subsequent to sanctioning of the Scheme by the Commission, any fact is found to have been misrepresented to the Commission by the amalgamating entities, the Commission shall have the right to take any appropriate measures as it deems fit, which include but not be confined to the cancellation of license of the merged NBFC.

  
(Zafar Abdullah)  
Commissioner (SCD)

**Dated: August 31, 2016**

# CONVERSION PLAN

## FOR CONVERSION OF “PICIC INVESTMENT FUND” FROM A CLOSED-END FUND TO AN OPEN-END SCHEME

### I. PRELIMINARY

#### 1.1 Definitions

In this Conversion Plan, unless the subject or context requires otherwise, the following expressions shall have the meanings assigned to them, as below:

**"Board"** means the Board of Directors of HBL Asset Management Limited.

**"Back End Load"** means the charge deducted from the Net Asset Value in determining the Redemption Price. Back End Load deducted on Class-A Units shall form part of the assets of Frozen Portfolio and Back End Load deducted on Class-B Units shall form part of the assets of Class-B Segment.

**"Class-A Segment"** means such portion of PIF Undertaking that is relatable to Frozen Portfolio as mentioned in Article IV.2A hereafter

**"Class-B Segment"** means such portion of PIF Undertaking that is relatable to Unfrozen Portfolio as mentioned in Article IV.2B hereafter

**"Class-A Unit"** means one undivided share in the Open End Scheme from Class-A Segment, on *pari passu* basis, which shall not be redeemable until the Frozen Portfolio is unfrozen and shall continue to be listed and tradable at PSX.

**"Class-B Unit"** means one undivided share in the Open End Scheme from Class-B Segment, on *pari passu* basis, which shall be redeemable from the Effective Date with Back End Load as per Article V 1 (ix) of this Conversion Plan.

**"Class-C Unit"** means one undivided share in the Open End Scheme that may be issued to the investors post conversion and may be subject to Front End Load and Back End Load as per the terms and conditions contained in the Restated Trust Deed and the Offering Document. The Fund Property of Class-C Units shall become part of Class-B Segment.

**"Closed End Fund"** means a closed end scheme as defined in the NBFC Regulations.

**"Commission"** means the Securities and Exchange Commission of Pakistan and shall include any successor body thereof.

**"Common Portion of PIF Undertaking"** means common portion of undertaking relatable to both Frozen Portfolio as well as Unfrozen Portfolio as mentioned in Article IV.2C hereafter

**"Conversion Plan"** means this Plan for Conversion of PIF from a Closed End Fund to an Open End Scheme.

**"Conversion Units"** mean Class-A Units issued against the Frozen Portfolio of PIF and Class-B Units issued against the Unfrozen Portfolio of PIF after its conversion into an Open End Scheme, to be initially issued to the Certificate Holders of PIF without any payment and without any Front End Load.

**"Effective Date"** means the last day of the book closure announced specifically for the purpose of conversion by HBLAML, which shall be the effective date of conversion, subject to the approval of the Commission and fulfillment of all legal and regulatory requirements.

**"Front End Load"** means the charge which may be included in the Offer Price of the Units.

**"Frozen Portfolio"** means the frozen shares of PSO and SNGPL listed in Schedule to this Plan held under an initial Consent Agreement dated October 20, 2005 between GOP and erstwhile PICIC AMC as last extended by Consent Agreement dated August 8, 2016 and June 27, 2016 and as may further be extended by Consent Agreements that may be executed from time to time between HBLAML and GOP, pursuant to GOP's privatization policy to sell the entire shareholding of PSO and SNGPL to strategic investors.

**"GOP"** means the Government of Pakistan acting through PC.

**"HBL AML"** means HBL Asset Management Limited, the Management Company of PIF (being the legal successor of PICIC AMC), an unlisted public limited company licensed to provide asset management and investment advisory services under the NBFC Rules and NBFC Regulations.

**"HBL Investment Fund"** means PIF as re-named upon its conversion from a Closed End Fund into an Open End Scheme in accordance with this Conversion Plan.

**"NAV"** mean Net Asset Value.

**"NBFC Regulations"** mean the Non-Banking Finance Companies and Notified Entities Regulation, 2008 including any amendments and substitutions thereof.

**"NBFC Rules"** mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, including any amendments and substitutions thereof

**"Open End Scheme "** means a scheme for issuing Class-A and Class-B Units to the Certificate Holders of PIF after its conversion, in lieu of the Certificates of PIF as a Closed End Fund, held by them, at the swap ratio mentioned in this Plan and subsequently redeeming Class-B Units and offering and redeeming Class-C Units continuously to be specified in the Restated Trust Deed and Offering Document in accordance with the provisions of the NBFC Rules and the NBFC Regulations.

**"Ordinance"** means the Companies Ordinance, 1984, including any substitute legislation thereof.

**"PC"** means Privatization Commission constituted by GOP.

**"PICIC AMC"** means erstwhile PICIC Asset Management Company Limited, now merged into HBL AML vide the Commission's Sanction Order dated August 31, 2016 under Section 282L of the Ordinance.

**"PIF Undertaking"** means properties, assets, including cash liabilities, receivables and all other affairs of PIF as outlined in Article IV of this Plan.

**"PIF"** means PICIC Investment Fund constituted as a Closed End Fund by a registered Trust Deed dated April 2, 2004 and registered with the Commission as a notified entity under the NBFC Regulations to be converted into an Open End Scheme by a registered Restated Trust Deed.

**"PSO"** means Pakistan State Oil Company Limited.

**"PSX"** means Pakistan Stock Exchange Limited and shall include any successor body thereof

**"Sanction Order"** means the Commission's Order dated August 31, 2016 sanctioning the Scheme of Merger of erstwhile PICIC AMC with an into HBL AML.

**"SNGPL"** means Sui Northern Gas Pipelines Limited.

**"Trustee"** means Central Depository Company of Pakistan Limited, presently acting as trustee of PIF as a Closed End Fund, who has consented to continue as trustee of PIF after its conversion into Open End Scheme.

**"Unfrozen Portfolio"** means the all assets of PIF, other than the shares of PSO and SNGPL listed in Schedule to this Plan.

"Unit" means one undivided share in the Open End Scheme; all Units of particular Class shall rank *pari passu inter se* as among the Units Holders of that Class.

## 1.2 **Background:**

The erstwhile Pakistan Industrial Credit & Investment Corporation Limited ("**PICIC**"), the then holding company of the erstwhile PICIC AMC had acquired Management Rights of ICP Mutual Funds Lot-B from the GOP through PC under a Management Rights Transfer Agreement in the year 2004 and subsequently transformed ICP Mutual Funds Lot-B into a single Closed End Fund under the name **PICIC Investment Fund** (PIF).

Under an Agreement to Transfer Management Rights, the erstwhile PICIC transferred the Management Rights of PIF to its wholly-owned subsidiary, PICIC AMC.

Pursuant to compliance with Regulation 65 of the NBFC Regulations, all Closed End Funds were required to be converted into Open End Schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. Closed End Funds whose portfolios were frozen as a result of Consent Agreements with GOP through PC were allowed to be converted into Open End Schemes within three months from the date of the removal of the freezing of the portfolios. Since PIF has Frozen Portfolio, it was not converted into an Open End Scheme.

The erstwhile PICIC AMC was merged into HBL AML vide the Commission's Sanction Order dated August 31, 2016, which contain certain conditions imposed by the Commission while sanctioning the Scheme of Merger of PICIC AMC with and into HBL AML, including the condition contained in Clause 6.xiii of the Sanction Order requiring HBL AML to mandatorily convert PIF into an Open End Scheme, with bifurcation of the existing PIF Undertaking into two Segments i.e. Class-A Segment relating to Frozen Portfolio against which Class-A Units shall be issued and Class-B Segment relating to Unfrozen Portfolio against which Class-B Units shall be issued.

The Board of HBL AML in its meeting held on November 23, 2017 decided to proceed with the conversion of PIF into an Open End Scheme with the approval of the Certificate Holders of PIF under the provisions of the NBFC Regulations. For this purpose, this Plan has been prepared for placing the same before the Certificate Holders of PIF in a General Meeting ("**Meeting**"), whereat a resolution is proposed to be passed by a simple majority of the Certificate Holders present in the Meeting (in person or through post and proxies) who were entitled to vote thereat ("**Resolution**") for approving the conversion of the Fund from a Closed End Scheme to an Open End Scheme, so as to comply with the mandatory condition contained in Clause 6.xiii of the Commission's Sanction Order.

After the passing of the Resolution, a formal application will be made to the Commission for the sanction of the conversion in terms of this Plan and the Resolution.

The conversion will require revamping of the Trust Deed of PIF by a Restated Trust Deed to be approved by the Commission and got registered with the Sub-Registrar. The Restated Trust Deed shall contain all requisite terms and conditions applicable to an Open End Scheme with three Classes of Units i.e. Class-A Units, Class-B Units and Class-C Units, as defined above. An Offering Document of PIF will also be prepared so as to meet with the requirements of an Open End Scheme under the NBFC Regulations. The Offering Document shall also be got approved by the Commission.

Upon conversion, the Open End Scheme would be known as ***HBL Investment Fund***.

## II. **OBJECT OF THE CONVERSION PLAN**

This Conversion Plan is based on the directive given by the Commission. The object of this Plan is to convert PIF from a Closed End Fund to an Open End Scheme, as directed by the Commission vide the Sanction Order. The conversion would necessitate issuance of Conversion Units to the Certificate Holders i.e. Class-A Units of PIF to be issued to the Certificate Holders of PIF based on the market value of the Frozen Portfolio applicable on the Effective Date and Class-B Units of PIF to be issued to the Certificate Holders of PIF based on the NAV of the Unfrozen Portfolio on the Effective Date, in lieu of the Certificates held by them. The Conversion Units shall be issued on the basis of the swap ratio between the Certificates and the Units as mentioned in Article V.1 hereafter while maintaining the continuity of the Fund as a trust.

The existing Certificates of PIF will continue to be listed at PSX. However, their status will be changed from Certificates of a Closed End Fund to Units of an Open End Scheme.

Class-A Units would however be considered as Closed End Certificates for the purpose of existing regulatory framework of PSX applicable to Closed End Certificates. This consideration is required to enable the PSX to ensure the tradability of Units of Open End Scheme under same regulatory framework as applicable to Certificates of Closed Ended Funds.

The market value of the Certificate will be adjusted downwards by weight of Un-frozen Segment to total net assets of the Fund as at Effective Date and would continue to be listed on PSX as Class-A Units and shall be tradable in the same manner as Certificates of a Closed End Fund.

Class-B Units and Class-C Units shall be redeemable on the basis of their respective NAVs. Details of these matters are provided in Article V.

Class-A Units will remain listed and tradable at PSX till such time that their status changes to unfrozen Units upon which the same would be de-listed

### **III. CONVERSION**

1. HBL AML through its directors and officers as may be designated by HBL AML's Board for such purpose shall prepare necessary documentation, including the Restated Trust Deed of the Open End Scheme under the name of ***HBL Investment Fund***, to be categorized as an equity scheme containing such terms and conditions as HBL AML's Board may deem appropriate, including as to issuance of Conversion Units of the Open End Scheme initially to the Certificate Holders of PIF without any Front End Load and issuance of Class-C Units subsequent to conversion to investors out of properties and assets of the Open End Scheme other than Segment A and Segment B at the Offer Price based on NAV of the Open End Scheme, with or without any Front End Load and redemption of Units of all Classes (except Class- A) at the redemption price based on the NAV of the each Class of Units with or without Back End Load, as may be approved by the Commission, subject to Article V.1 hereafter. The initial Units i.e. Class-A Units and Class-B Units issued to the Certificate Holders of PIF upon its conversion into an Open End Scheme shall not be subject to any Front End Load. However, Back End Load will be charged on redemption of Class-A Units and redemption of Class-B Units as mentioned in Articles V.1(viii) and (ix) hereafter.
2. Subject to Articles V.1(iv), (v) and (vi), issuance of Class-C Units and redemption of Class-A Units (after unfreezing of the Frozen Portfolio), Class-B Units and Class-C Units shall be made on NAV basis by direct submissions of applications for purchase of Units and applications for redemption of Units to HBL AML and its distributors in accordance with the terms contained in the Offering Document to be prepared and published by HBL AML.
3. CDC will continue to act as the Trustee of the Open End Scheme.
4. HBL AML shall continue to be the Management Company of the Open End Scheme. HBL AML shall execute a Restated Trust Deed with the Trustee with the approval of the Commission and get the same registered with the Sub-Registrar. HBL AML shall get the Open End Scheme registered with the Commission as a Notified Entity under the NBFC Regulations and prepare and publish an Offering Document after seeking approval from the Commission. HBL AML shall also execute such other documents and deeds, as may be required for smooth conversion of PIF into an Open End Scheme, obtain and fulfill all regulatory compliances, including approval from the Commission and fulfill, effectuate and do all such other acts, things and deeds.

### **IV. PIF UNDERTAKING**

1. At the Effective Date, PIF Undertaking as generally defined in Article 1.1 (Definitions) shall become part of the Open End Scheme.
2. PIF Undertaking shall comprise of three segments i.e. Class-A Segment against which Class-A Units will be issued to the existing Certificate Holders and is relatable to Frozen Portfolio, Class-B Segment against which Class-B Units will be issued to the existing Certificate Holders and is relatable to Unfrozen Portfolio and Common Portion of PIF Undertaking, which shall include common undertaking relatable to both Frozen

Portfolio as well as Unfrozen Portfolio as mentioned in Para 2C hereafter. The existing bank accounts will be used for each Class separately. The bank accounts will be either marked for Class-A or Class-B, as the case may be. The Net Assets of each Class would be maintained separately, since Common Portion of PIF Undertaking is relatable to both Class-A Segment and Class-B Segment as mentioned in Clause 2C hereafter.

2A Class-A Segment of the undertaking shall comprise the following:-

- (a) All properties and assets of every kind and description, tangible and intangible possessed by in power of the Trustee relatable to the Frozen Portfolio and all securities, contracts, receivables, book debts, actionable claims, advances, prepayments, deposits, accrued income, dividends, profits, interest, mark-up, reserves, capital reserves, un-appropriated profits, etc. whether present or contingent or accrued or accruing of whatsoever nature and whatsoever situated and howsoever due or accruing and relatable to Frozen Portfolio.
- (b) All sanctions, consents, licences, privileges and authorizations, issued by GOP and permissions, NOCs, consents, sanctions, etc., to the extent the same can be obtained by or issued to an Open End Scheme under the provisions of the Ordinance, the NBFC Rules and the NBFC Regulations and relatable to Frozen Portfolio.
- (c) All refunds and adjustments of income tax and all other taxes, duties and assessments of owing or due to PIF, if any, relatable to the Frozen Portfolio.
- (d) All liabilities of PIF, if any, relatable to the Frozen Portfolio.

2B Class-B Segment of PIF Undertaking shall comprise the following:-

- (a) All properties and assets of every kind and description, tangible and intangible possessed by in power of the Trustee relatable to the Unfrozen Portfolio and all securities, contracts, receivables, book debts, actionable claims, advances, prepayments, deposits, accrued income, dividends, profits, interest, mark-up, cash and bank balances, reserves, capital reserves, un-appropriated profits, etc. whether present or contingent or accrued or accruing of whatsoever nature and whatsoever situated and howsoever due or accruing and relatable to Unfrozen Portfolio.  
  
All sanctions, consents, licences, privileges and authorizations, issued by GOP, permissions, NOCs, consents, sanctions, etc., to the extent the same can be obtained by or issued to an Open End Scheme under the provisions of the Ordinance, the NBFC Rules and the NBFC Regulations and relatable to Unfrozen Portfolio.
- (b) All refunds and adjustments of income tax and all other taxes, duties and assessments of owing or due to PIF, if any, relatable to the Unfrozen Portfolio.
- (c) All liabilities of PIF, if any, relatable to the Unfrozen Portfolio.
- (d) All liabilities relating to Sindh Workers Welfare Fund, Federal Excise Duty and Sales Tax on Federal Excise Duty accrued as at Effective Date.

2C Common Portion of PIF Undertaking relatable to both Class-A Segment and Class-B Segment shall comprise the following:-

- (a) All bank accounts maintained by the Trustee on account of PIF with banks and financial institutions
- (b) All custodial accounts, IPS accounts and other accounts maintained by the Trustee on account of PIF.
- (c) All contracts and agreements of PIF with any third parties whatsoever.
- (d) All legal and title deeds and documents and corporate, tax and other books, records, registers, instruments and papers of every kind maintained by or executed or issued in favour of or appertaining to or to which PIF may be a party thereto or may have any right, title, interest, obligation or liability thereunder.

- (e) All suits, appeals, petitions, applications, execution applications and other legal proceedings of whatsoever nature, pending (if any) in any court or tribunal of upto the highest jurisdiction by or against PIF shall be continued to be pursued, prosecuted, enforced or defended, as the case may be, by the Trustee of PIF as an Open End Scheme.
- (f) The custody of all securities, investments, documents, records, and other properties held by the Trustee on the Effective Date and the rights and obligations of PIF in relation thereto shall on that date become rights and obligations of PIF as an Open End Scheme to be managed by HBL AML.

## **V. ISSUANCE OF UNITS**

1. The conversion of PIF into an Open End Scheme shall be effectuated by issuance of Conversion Units i.e. Class-A Units and Class-B of the Open End Scheme to the Certificate Holders of PIF based on the following swap ratio:-
  - (i) For each Certificate of PIF, each Certificate Holder whose name is entered in the Register of PIF on the Effective Date shall be issued one (1) Unit of Class-A of the Open End Scheme based on value of the shares of PSO and SNGPL prevailing on the Effective Date and any dividend receivable, less all liabilities as stated in Para 2A(d) of Article IV above and one (1) Unit of Class-B of Open End Scheme based on the NAV of Unfrozen Portfolio (remaining assets), less all liabilities of the Fund on Effective Date with no Front End Load.
  - (ii) The Conversion Units shall be credited as fully paid up.
  - (iii) Upon the issuance of the Conversion Units of the Open End Scheme, with an aim to grant an exit opportunity to the holders of Class-A Units, PIF will continue to be listed at PSX, as an Open End Scheme to be known as *HBL Investment Fund*. On the Effective Date, HBLAML shall calculate and announce NAV of both Class A and Class B Units. The existing Certificates would continue to be listed on PSX as Class A Units and shall be tradable in the same manner as certificates of a Closed End Fund, and the market value of these Certificates will be adjusted downward taking into consideration the weightage of Class-B Segment to the total net assets of PIF and other factors associated with Frozen Segment.
  - (iv) Class-A Units would be considered as Certificates of a Closed End Fund for the purpose of existing regulatory framework of PSX as applicable to Certificates of Closed End Fund. This consideration is required to enable the PSX to ensure the tradability of Units of Open End Scheme under same regulatory framework as applicable to Certificates of Closed Ended Funds.
  - (v) Accordingly, the market value of the existing Certificate after downwards adjustment by weightage of Un-frozen Segment to total net assets of PIF as at Effective Date will represent and be transformed into Class-A Units which would be sold or purchased through PSX at the running market price.
  - (vi) The listed Certificates with adjusted Price representing Class-A Units would continue to be subject to same rules and regulations as applicable to Certificates of Closed End Funds. The Share Transfer Agent will also remain unchanged.
  - (vii) After issuance of the Conversion Units to the Certificate Holders of PIF, as an Open End Scheme, no further Class-A Units or Class-B Units will be issued, except where required and if permissible, for distribution of income by that Class. HBL AML may offer and issue new Units to investors for Open End Scheme from separate properties, assets and investments acquired by the Open End Scheme after conversion. Such new Units will be Class-C Units, that may be subject to the Front End Load and Back End Load as per the terms and conditions of the Restated Trust Deed and the Offering Document of the Open End Scheme, as may be approved by the Commission. HBL-AML will be self-transfer agent for Class-B and Class-C Units.
  - (viii) Class-A Units shall be freely tradable at PSX and therefore be sold or purchased through PSX at running market prices. However, Class-A Units shall be redeemable after the Frozen Portfolio is unfrozen by GOP. In that case, Class-A Units will be unlisted and the issuance and redemption of Units

shall be effectuated by HBLAML, the management company. However, Back End Load will be charged on such redemption at the following rates:-

- (a) On Class-A Units redeemed within six months from the date of unfreezing of the Frozen Portfolio, Back End Load will be charged @10%.
  - (b) On Class-A Units redeemed after expiry of six months, but before the expiry of one year from the date of unfreezing of Frozen Portfolio, Back End Load will be charged @5%.
  - (c) On Class-A Units redeemed after the expiry of one year from the date of unfreezing of Frozen Portfolio, no Back End Load will be charged.
- (ix) Class-B Units shall be redeemable at any time from the Effective Date. Provided however, Back End Load will be charged on redemption at the following rates:-
- (a) On Class-B Units redeemed within six (6) months from the Effective Date, Back End Load will be charged @ 10%.
  - (b) On Class-B Units redeemed after expiry of 6 month but before the expiry of one year from the Effective Date, Back End Load will be charged @5%.
2. HBL AML shall have the right to advance money from Class-B Segment and future properties, assets and investments acquired by the Open End Scheme to Class-A Segment to meet cash flows requirements of Class-A Units, including management fee payable to HBL-AML and other expenses of Class-A Units till the unfreezing of the Frozen Portfolio. Mark-up will be charged to Class-A Segment @6 months KIBOR, which will be credited to Class-B Segment.

#### **VI. NOTICE TO CERTIFICATE HOLDERS FOR ISSUANCE OF UNITS**

There shall be issued and published a twenty-one (21) days notice to each Certificate Holder of PIF of the date to be fixed by HBLAML by reference to which, the Certificate Holders of PIF are to be determined for entitlement to the Conversion Units of the Open End Scheme. Such notice shall also specify the time which may be sixty (60) days within which period the Certificate Holders holding physical Certificates of PIF shall deliver their respective Certificates held by them for issuance of Conversion Units. The Holders will be issued fresh physical certificates or scripless certificates, as the case may be, representing Class-A Units. For Class-B Units scripless, Units will be issued which will be held by HBL-AML and account statement will be issued to each Certificate Holder.

#### **VII. LIABILITIES**

All the liabilities owed by PIF pertaining to the current audit fee and expense, management fee, custodial charges, Commission fee, Trustee's fee, fees and charges of Pakistan Stock Exchange and National Clearing Company of Pakistan Limited, shall be cleared by the Trustee before the Effective Date on account of PIF pertaining to the period prior to the Effective Date of conversion.

All the remaining liabilities that cannot be paid before the Effective Date shall be made part of the Class-A and Class-B Segments of the PIF Undertaking as mentioned in Paras 2A(d) and 2B(d) of Article IV above.

#### **VIII. GENERAL OBLIGATIONS OF HBL AML AND THE TRUSTEE**

1. Upon conversion, HBL AML shall take all necessary and expedient steps to properly and efficiently manage the affairs of the Open End Scheme in accordance with the provisions of the NBFC Regulations.
2. Upon conversion, the Trustee shall continue to discharge its functions as trustee of PIF as an Open end Scheme in accordance with the provisions of the NBFC Regulations.

#### **IX. MISCELLANEOUS**



1. Pending the conversion, PIF shall not issue any rights Certificates or alter the capital of PIF in any manner.
  2. This Scheme is subject to the final sanction of the Commission after the approval of the Certificate Holders of PIF by a Resolution passed by a simple majority. This Scheme may be sanctioned in its present form or with any modifications thereof or additions thereto, which the Commission may impose, which shall be deemed to be part of this Plan.
- 3A The Board intends to seek the following relaxations/consents from the Commission:-
- (i) Permission for downwards adjustment of market value of certificate by weight of Un-frozen Segment to total net assets of the Fund so that the remaining value of Certificate is representative of Class-A Units and relaxation of listing regulations to effectuate this act will be claimed from the Commission under Regulation 67A of the NBFC Regulations. The Commission has the power to grant such relaxation under Regulation 67A, which will also be binding on PSX.
  - (ii) Permission for listing of Class-A Segment at PSX to be treated as a Closed End Fund for the purpose of continuous trading of Class-A Units, including payments, settlements and deliveries through NCCPL, in the same manner as certificates of a listed Closed End Fund and transfers of Class-A Units to the purchasers through PSX.
  - (iii) Permission for technical listing of Class-B and Class-C Units as per rules and regulations of PSX. Class-B Units issued against Class-B Segment of PIF, being an Open End Scheme, as well as new Units issued in form of Class C-Units would be technically listed at PSX.
  - (iv) Right to advance money from Class-B Segment and future properties, assets and investments acquired by the Open End Scheme to Class-A Units to meet cash flows requirements of Class-A, including the expenses of Class-A Units and payment of management fee to HBLAML on Class-A Segment till the unfreezing of the Frozen Portfolio with permission to charge mark-up to the Frozen Portfolio @6 months KIBOR to be credited to the Unfrozen Portfolio. Relaxation will be sought under NBFC Regulation 67A.
  - (v) Relaxation on Investment related compliances as mentioned in NBFC Regulations, 2008 and related circulars, in respect of Frozen Segment (Class-A Units) of the Open End Scheme.
- 3B The Board intends to seek the following regulatory relaxations/consents with the approval of the Commission:-
- (i) Class-A Units of PIF will be listed at PSX as *securities* and not as Closed End Fund, although for the purpose of tradability, PSX may treat the same as Closed End Fund so as to meet its own regulations.
  - (ii) Certain conditions applicable to shares of listed companies or certificates of Closed End Fund would not be applicable to Class-A Units of PIF and PSX would be requested to grant relaxations from such conditions contained in Chapter 5 of the Rule Book of PSX with the approval of the Commission. For avoidance of doubt, there will be only one Open End Scheme i.e. PIF with two separate Classes of Units and only Class-A Units will be tradable at PSX, as Certificates of a Closed End Fund. The modalities of trading of Class-A Units at PSX will be determined in consultation with PSX and the Commission. In this regard, following relaxations from the conditions of the Rule Book of PSX would be requested by HBL-AML:-
    - (a) **Clauses 5.2.1 and 5.2.2 of PSX's Rule Book:**

There are numerous requirements for listing of new securities/issuers, as enunciated in Clauses 5.2.1 and 5.2.2 of the Rule Book. Since PIF is already listed and the Fund is not being voluntary converted into Open End Scheme, but in compliance with the Order of the Commission, all documents listed in Appendix-1 of the Rule Book need not be obtained by PSX. Only selective documents i.e. Conversion Plan, Resolution passed by the Certificate Holders of PIF for conversion into Open End Scheme, the Commission's final Order sanctioning the Conversion, Auditors Certificate in relation to value of Class-A Segments representing the Frozen Portfolios and ratio of Class-A Units to be issued to the existing Certificate Holders thereagainst and such other information as PSX may reasonably require.

**(b) Listing Fee:**

The listing fee for listing of Class-A Segments as Closed End Fund should be waived.

**(c) Clause 5.4.1 of PSX's Rule Book**

Free-Float requirement under various Clauses of the Rule Book and criteria for Free-Float Methodology for computing Free-Float of Securities vide PSX's Notice No.PSX/N-4829 dated August 16, 2017 not to be made applicable to Class-A Segment representing the Frozen Portfolio.

**(d) Clauses 5.4.1 and 5.5 of PSX's Rule Book:**

Since there will be no Public Offer or issue of Prospectus, the requirements of Clauses 5.4.1 and 5.5 should not be applicable.

**(e) Clauses 5.6, 5.7, 5.8, 5.10, 5.11, 5.12, etc. of PSX's Rule Book:**

The conditions relating to Dividends and Entitlements, holding of Annual General Meetings, Increase in Capital, Quality of Audit, De-listing, Suspension and Defaulter Segment, etc. should not be applicable to Class-A Segment representing the Frozen Portfolio, which will be regulated by the NBFC Regulations.

**(f) Clause 5.15.8 of PSX's Rule Book:**

Buy-back provisions cannot be made applicable.

4. The Board may consent to any modifications of or additions to this Scheme or to any conditions, which the Commission may think fit to impose without the need of obtaining further approval from the Certificate Holders of PIF.
5. All costs of conversion of PIF into an Open End Scheme, including preparation, execution and registration of Restated Trust Deed, registration of the Open End Scheme as a Notified Entity, approval of the Commission for publication of the Offering Documents and other such matters shall be charged to PIF as the Closed End Fund, as conversion costs.
6. This Scheme shall become effective from the Effective Date, as may be approved by the Commission.
7. In case this Plan is not approved by the Certificate Holders of PIF, the matter will be decided by the Commission, whose decision shall be final and binding on all the Certificate Holders.

**SCHEDULE**

**As at November 30, 2017**

<b>Fund</b>	<b>Category</b>	<b>Shares</b>	<b>No. Of Shares</b>	<b>% Of Net Assets</b>
PIF	Frozen	PSO	7,106,578	41.84
		SNGP	2,488,024	4.87
	Other than Frozen			53.29
Total				100.00

Approved by the Board of Directors of HBL Asset Management Limited pursuant to the meeting held on November 23, 2017.

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**EXTRACTS FROM MINUTES OF THE CERTIFICATE HOLDERS' GENERAL MEETING  
HELD ON JANUARY 10, 2018 AT 12:00 PM**

Following Resolution along with Conversion Plan passed by the Certificate Holders of PICIC Investment Fund (PIF) in the meeting held on Wednesday January 10, 2018 at 12:00 pm at Jasmine Hall, Beach Luxury Hotel, Lalazar, MT Khan Road, Karachi for conversion of PIF from Closed-end Scheme to an Open-end Scheme subject to the approval of the Securities and Exchange Commission of Pakistan (SECP) and fulfillment of all legal and regulatory formalities.

*RESOLVED THAT the Certificate Holders of PICIC Investment Fund ("the Fund") hereby approve the conversion of the Fund into an Open End Scheme to be known as HBL Investment Fund, after fulfilling all regulatory and corporate formalities and subject to approval of the Securities and Exchange Commission of Pakistan ("the SECP") in accordance with the Conversion Plan attached with this notice placed before the Certificate Holders, which be and is hereby approved.*

*RESOLVED FURTHER THAT the Company through its designated officers be and is hereby authorized to make necessary amendments in the Constitutive Documents of the Fund, as may be approved by the Trustee and the SECP, including execution of a Re-stated Trust Deed with the Trustee so as to maintain continuity of the Fund as an Open End Scheme after conversion, to get the same registered with the Sub-Registrar, to prepare and publish Offering Document and such other documents or deeds, as may be required for conversion of the Fund into an Open End Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations") and to obtain and fulfill all regulatory compliances, including approvals from the SECP.*

*RESOLVED FURTHER THAT conversion of the Fund into an Open End Scheme to be known as HBL Investment Fund be effectuated by issuance of Conversion Units i.e. Class-A Units and Class-B Units of HBL Investment Fund to the Certificate Holders, based on the swap ratio and other conditions mentioned in Article V of the Conversion Plan.*

*RESOLVED FURTHER THAT the Company through its designated officers be and is hereby further authorized to prepare and effectuate an appropriate time plan for accomplishing the conversion and the timeline for completing the formalities, including public announcements and notices, intimations to the Pakistan Stock Exchange and the SECP, issuance of Conversion Units of HBL Investment Fund to the existing Certificate Holders of the Fund, to seek regulatory relaxations and consent from the SECP and PSX as stipulated in Paras 3A and 3B of Article IX of the Conversion Plan and to make necessary announcements from time to time in relation to conversion, without the need for any further approvals of the Certificate Holders.*

*RESOLVED FURTHER THAT a formal application be made by the Company to the SECP for its final approval for conversion of the Fund into an Open End Scheme (HBL Investment Fund).*

*RESOLVED FURTHER THAT the Company be and is hereby further empowered to agree upon modifications in this Resolution or changes in the Conversion Plan or timelines for conversion that may become necessary or that may be required by the SECP, without the need to convene any further general meeting of the Certificate Holders of the Fund.*

*RESOLVED FURTHER THAT that in case this resolution is not passed by a simple majority of the Certificate Holders present in the Meeting (in person or through post and proxies) who are entitled to vote, the matter be decided by the SECP whose decision shall be final and binding upon the Certificate Holders, the Management Company and the Trustee.*

**Noman Qurban**

**Company Secretary, HBL Asset Management Limited (the Management Company of PIF)**

HBL Asset Management Limited  
Head Office  
7th Floor  
Emerald Tower  
G-19 Block-5,  
Main Clifton Road,  
Clifton, Karachi

UAN (021) 111-425-262  
Fax (021) 35168455  
www.hblasset.com

**HBL Asset Management Limited**  
**ATTESTED**  
★ **Company Secretary** ★



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/AMCW/HBLAML/268/2018

February 16, 2018

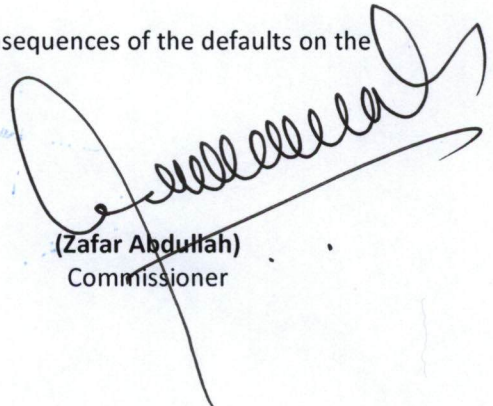
**Chief Executive Officer**  
Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi-74000

**SUBJECT: Direction Under Section 12 of the Securities Act, 2015**

The Securities and Exchange Commission of Pakistan (Commission) has approved the conversion of PICIC Investment Fund(PIF) and PICIC Growth Fund(PGF) into open end schemes in terms of sub-regulation (4) of Regulation 65 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008), subject to certain conditions(copy of the letter enclosed).

In order to execute the approved conversion plans and for the protection of certificate holders of PIF and PGF, the Commission in terms of Section 12 of the Securities Act, 2015 (III of 2015) (Act) hereby directs Pakistan Stock Exchange to relax the requirements of Clause 5.2.1, 5.2.2, 5.4.1, 5.5, 5.6, 5.7, 5.8, 5.10, 5.11, 5.12, 5.15 of PSX Rule Book and also waive the initial listing fees for Class A units of PICIC Investment Fund and PICIC Growth Fund.

This direction is without prejudice to the penal and civil consequences of the defaults on the part of the PSX in making compliance with the provisions of the Act.

  
(Zafar Abdullah)  
Commissioner

Encl: SECP's Letter No. SCD/AMCW/HBLAML/266/2018 dated February 16, 2018

Cc:

**Chief Executive Officer**  
HBL Asset Management Limited  
7th Floor, Emerald Tower  
G-19, Block 5, Main Clifton Road  
Clifton, Karachi

**Chief Executive Officer**  
Central Depository Company  
Trustee – PIF and PGF  
CDC House, 99-B, Main Shahra-e-Faisal  
Karachi.



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

No. SCD/AMCW/HBLAML/266/2018

February 16, 2018

**Mr. Farid Ahmed Khan**  
Chief Executive Officer  
HBL Asset Management Limited  
7th Floor, Emerald Tower  
G-19, Block 5, Main Clifton Road  
Clifton, Karachi

**SUBJECT: Approval for conversion of PICIC Investment Fund and PICIC Growth Fund into Open End Schemes**

Dear Sir,

Please refer to the letters dated January 26, 2018 and January 24, 2018 received from your office on the captioned subject.

In this regard, I am directed to convey that the Securities and Exchange Commission of Pakistan after considering your application in light of the notices of the General Meetings, resolutions passed by the certificate holders and minutes of the General Meetings of PICIC Investment Fund(PIF) and PICIC Growth Fund(PGF) has approved the conversion of PIF and PGF into open end schemes in terms of Regulation 65(4) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008), subject to the following conditions:

1. The Effective Date of conversion of PIF and PGF into open end schemes shall be not later than July 02, 2018.
2. The conversion costs shall be charged to PIF and PGF immediately on the Effective Date and shall not be amortized.
3. All the deposited property, assets and liabilities along with allied balances of PIF and PGF shall remain intact in their respective open end structures.
4. HBL Asset Management Limited(HBLAML) shall submit constitutive documents of PIF and PGF for the approval of the Commission and comply with all other relevant regulations before announcement of Book Closure dates for the purpose of Effective Date of conversion.
5. Back end load charged as approved by the certificate holders in the General Meetings shall form part of the respective trust property of PIF and PGF.

Furthermore, the conversion plans of PIF and PGF have been approved with the following details:

- i. Listing of Class-A Segments of PIF and PGF at Pakistan Stock Exchange(PSX) to be treated as a Closed End Funds for the purpose of continuous trading of Class-A Units, including payments, settlements and deliveries through NCCPL, in the same manner as certificates of a listed closed end fund and transfers of Class-A Units to the purchasers through PSX.
- ii. Technical listing of Class-B & Class-C Units of PIF and PGF as per rules and regulations of PSX.
- iii. Downward adjustment of market value of certificates by weight of Un-frozen Segments to total net assets of PIF and PGF so that the remaining value of certificate is representative of Class-A Units.



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The Commission has also acceded to HBLAML's request for relaxation of following sub-regulations of the NBFC Regulations, 2008 under Regulation 67A of the NBFC Regulations, 2008 in respect of Class A units of PICIC Investment Fund and PICIC Growth Fund:

- a. Relaxation of Regulation 58(1)(k) of the NBFC Regulations, 2008 by allowing HBL Asset Management Limited to advance money from respective Class-B Segment and future properties, assets and investments acquired by the open end scheme to respective Class-A Units of PIF and PGF to meet cash flows requirements of Class-A, including the expenses of Class-A Units and payment of management fee to HBLAML on Class-A Segment till the unfreezing of the frozen portfolio with permission to charge mark-up to the Frozen Portfolio @6 months KIBOR to be credited to the unfrozen portfolio.
- b. Relaxation of Regulation 55(5) and 55(9) of the NBFC Regulations, 2008.

The above said conditions and details shall be properly disclosed to the certificate holders, trustee and to Pakistan Stock Exchange immediately upon receipt of this approval letter. In case of any ambiguity, you are advised to consult this office in advance.

Yours truly,

(Zonish Inayat)  
Deputy Director

Cc: **Chief Executive Officer**  
Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi-74000

Cc: **Chief Executive Officer**  
Central Depository Company  
Trustee – PIF and PGF  
CDC House, 99-B, Main Shahra-e-Faisal  
Karachi.



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

No. SCD/AMCW/HIF/339/2018

April 18, 2018

**Mr. Farid Ahmed Khan**  
Chief Executive Officer  
HBL Asset Management Limited  
7th Floor, Emerald Tower  
G-19, Block 5, Main Clifton Road  
Clifton, Karachi

**Subject: Approval of Restated Trust Deed of HBL Investment Fund (Formerly PICIC Investment Fund) for Conversion from a Closed-end Fund to an Open-end Scheme**

Dear Sir,

Please refer to the letter dated April 13, 2018 received from your office concerning the subject matter.

In this regard, I am pleased to inform you that the restated trust deed of HBL Investment Fund (Formerly PICIC Investment Fund) enclosed with the above-referred letter has been approved by the Securities and Exchange Commission of Pakistan.

You are advised to inform/notify the certificate holders regarding the proposed amendments in the trust deed as per provisions of the constitutive documents of the Fund.

Yours truly,

**Zonish Inayat**  
(Deputy Director)

Cc:

**Chief Executive Officer**  
Central Depository Company  
Trustee – PIF  
CDC House, 99-B, Main Shahra-e-Faisal  
Karachi.

**"Say no to Corruption"**

**REMUNERATION OF TRUSTEE AND ITS AGENT**

**Tariff Structure of Trusteeship of Open-ended Mutual Funds (Unit Trust)**

Central Depository Company of Pakistan Limited (the Trustee) remuneration shall consist of reimbursement of actual custodial expenses / charges plus the following tariff:

<i>Net Assets</i> <i>(Rupees in millions)</i>	<i>Tariff</i>
From 1 to 1,000	Rs. 0.7 million or 0.20% p.a. of NAV whichever is higher
1,000 and above	Rs. 2.0 million plus 0.10% p.a. of NAV on amount exceeding Rs. 1,000 million

Trustee Fee may be review by either party; however any upward revision shall require prior approval of SECP.