

## **HBL ISLAMIC STOCK FUND – SECOND SUPPLEMENTAL OFFERING DOCUMENT**

### **Second Supplement Dated July 6, 2017 to the Offering Document of HBL Islamic Stock Fund (HBL ISF) Issued on May 02, 2011**

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

HBL Islamic Stock Fund (HBL ISF or Fund) was established in Pakistan by a Trust Deed dated November 23, 2010 registered under the Trust Act 1882 between HBL Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited as the Trustee and registered as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

**Effective from May 02, 2018 following changes will be made to offering document of HBL Islamic Stock Fund:**

- 1. The text under the heading “Shari’ah Advisor” in clause 4.7 of the offering document of HBL Islamic Stock Fund is amended and read as follows:**

#### **4.7 Shari’ah Advisor**

Management Company has appointed Al Hilal Shariah Advisors (Pvt.) Limited as the Shariah Advisor for the Fund, and its profile is given in Annexure “D” in this Offering Document.

The Shariah Advisor will be appointed under intimation to the Trustee for a period of five years, but may be reappointed on completion of the term. The Management Company may at any time, with prior notice to the Trustee and intimation to the Commission, terminate the Agreement with the Shariah Advisor by giving a notice as per the Agreement with the Shariah Advisor, before the completion of the term, and fill the vacancy under intimation to the Commission and the trustee. Furthermore, the agreement entered into for the appointment of the Shariah Advisor shall be furnished to the commission.

##### **4.7.1 Duties and Responsibilities of Shariah Advisor**

The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable to the Trustee, the Management Company, the Unit Holders and other parties.

The Shariah Adviser shall do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Advisory will then decide as to which screening criteria are relevant to be used in the context of Pakistan’s capital markets and the instruments available therein, and which need to be modified/added/deleted.

The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to mold the Fund into a Shariah Compliant Investment.

The Shariah Advisor has certified that Investment Policy of the Trust is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on

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future research for purposes of increasing the Shariah acceptability of the Investment Policy, permission for necessary amendments of the Deed may be sought from the Commission.

The Shariah Advisor shall determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and will recommend to the Management Company the criteria for selecting the Charities to whom such sums shall be donated, subject to the condition that such charity organization is not related to the Shariah Adviser, Management Company or any of their employees.

At the end of each Annual and Semi Annual Accounting Period or such other interval as the Commission may require, the Shariah Advisor shall issue a certificate to be included in the Annual reports or such other report in respect of the Shariah compliance of the preceding year's or past operations of the Fund.

2. **Annexure “D” is added to offering document of HBL Islamic Stock Fund. Annexure “D” is read as follows:**

### **“ANNEXURE D”**

#### **Profile of the Shari’ah Advisor / Council**

Al – Hilal Shariah Advisors (Pvt.) Limited, acts as the Shariah advisor to the Fund. Al Hilal is a corporate entity with a mandate to provide Islamic financial advisory services and is Pakistan's first and only advisory company. Shariah Supervisory Council of Al Hilal is composed of several renowned Shariah Scholars belonging to different schools of thought who are well versed in the field of Islamic Jurisprudence and Finance. Mufti Irshad Ahmad Aijaz sahib heads the Shariah supervisory council and would be acting as the lead Shariah advisor to this Fund.

#### **Mufti Irshad Ahmad Aijaz – Chairman**

Mufti Irshad Ahmad Aijaz is the chairman of the Shariah Supervisory Board of Al Hilal Shariah Advisors. Mufti Irshad has to his credit development of several Shariah Compliant financial structures and has been a pioneer in the Islamic banking industry. He is also on board of different committees formed by the State Bank of Pakistan for Islamization of the economy. Mufti Irshad completed his takhassus fil ifta from Jamia Dar ul uloom Korangi and has an MBA in finance from Iqra University.

#### **Other Affiliations:**

Bank Islami Pakistan – Chairman Shariah Board

Standard Chartered Bank – Member Shariah Board

Summit Bank – Member Shariah Board

Al – Baraka Properties , Australia – Shariah Advisor

AAOIFI – Member Shariah Standard Committee

SECP – Member Shariah Board

Wasil Micro Finance Group – Chairman Shariah Supervisory Board