

**FIRST SUPPLEMENTAL TRUST DEED  
OF  
HBL MULTI ASSET FUND**

THIS FIRST SUPPLEMENTAL TRUST DEED is made and entered into at Karachi, on this 23<sup>rd</sup> day November, 2010 by and between:

1. **HBL Asset Management Limited**, a company incorporated in Pakistan under the Companies Ordinance 1984 with its registered office at 8B, 8th Floor, Executive Tower, Dolmen City, Block-4 Clifton, Karachi (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**
2. **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**, a public limited company, incorporated in Pakistan under the Companies Ordinance, 1984, having its Registered Office at CDC House, 99-B, Block B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi - 74400 and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulation) Rules, 1996 (hereinafter called the “Trustee”, which expression where the context so permits, shall include its successors in interest and assigns) of the **Other Part**.

**WHEREAS:**

1. The Management Company and the Trustee executed a Trust Deed dated October 6, 2007 (hereinafter called the “Trust Deed”) to constitute **HBL Multi Asset Fund** (defined as the “Unit Trust”, “Trust” or “Scheme” or the “Fund” under the Trust Deed), which Trust Deed, was registered with the Sub-Registrar-II, Saddar Town, Karachi under Registered No. 1064 of Book IV dated October 8, 2007 and M.F.Roll No: U-80132 dated October 9, 2007 of the Photo Registrar, Karachi;
2. The Management Company and the Trustee have now mutually agreed to amend certain clauses of the Trust Deed in accordance with Clause 14 thereof regarding modifications; and
3. The Securities and Exchange Commission of Pakistan (hereinafter called the “SECP”) has approved the amendments to the Trust Deed effectuated between the Management Company and the Trustee vide its letter No. NBFC-II/JE-ZI/HBL/MAF/593/2010 dated July 29, 2010.

**NOW THEREFORE THIS FIRST SUPPLEMENTAL TRUST DEED FOR AMENDMENT OF THE TRUST DEED OF HBL MULTI ASSET FUND WITNESSETH AS FOLLOWS:**

**Amendments to the Trust Deed:**

1. Existing Clause 1 is amended and now reads as follows:
  - a) Name of the Fund is HBL-Multi Asset Fund (HBL-MAF). The Fund is a Balanced Scheme as per the criteria laid in the Circular 07 of 2009 issued by the Commission”
  - (b) Investment Objective of the fund is to provide long-term Capital growth and income by investing in multiple asset classes, such as equity, equity related instruments, fixed income securities, Continuous Funding System, Derivatives, money market instruments and other asset classes/securities/instruments as authorized in the offering document.

The investment policy of the fund shall be as authorized in the offering document.

2. Existing Clause 2(a) is amended and now reads as follows:

**“HBL Asset Management Limited**, a company incorporated in Pakistan under the Companies Ordinance 1984 with its registered office at 8B, 8th Floor, Executive Tower, Dolmen City, Block-4 Clifton, Karachi (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”

3. Insertion of a new Clause 2(A)

After the existing Clause 2 a new Clause 2(A) is inserted and read as follows:

**“Performance Benchmark**

The performance benchmark of the Fund is as specified in the Offering Document of the Fund”

4. Existing Clause 3 is amended and now reads as follows:

3.1 “This Deed shall be subject to and be governed by the Ordinance, the Rules, the Regulations and all applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules and the Regulations are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions of the Rules, the Regulations and any directive issued by the Commission the Rules, the Regulations and the directives shall supersede and prevail over the provisions contained in this Deed.”

3.2 Subject to the Arbitration Clause 38 hereafter, applicable between the Management Company and the Trustee inter se, each party, including the Unit Holders irrevocably submit to the exclusive jurisdiction of the Courts at Karachi

5. Existing Clause 5.1 is amended and now reads as follows:

“The Management Company shall comply with the provisions of the *Rules* the Regulations, the circulars, the notifications, and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.”

6. Existing Clause 5.2 is amended and now reads as follows:
- “The Management Company shall manage the Trust Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties including Connected Persons and Group Companies, and subject to the restrictions and limitations as provided in the Constitutive Documents the Rules and the Regulations. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control”
7. Existing Clause 5.10 is amended and now reads as follows:
- “The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit prices and for producing financial reports from time to time as provided in the Rules, the Regulations and this Deed.”
8. Existing Clause 5.12 is amended and now reads as follows:
- “The Management Company shall prepare and transmit physically the annual report, together with a copy of the balance sheet, income and expenditure account and the Auditors report of the trust within four months of the closing of the Accounting Period or such extended period permissible under the Rules and the Regulations, to the Unit Holders, the Commission, the Trustee and the Stock Exchange(s) on which units of the scheme are listed, and the balance sheet and income and expenditure accounts shall comply with the requirements set out in the Rules and the Regulations.”
9. Existing Clause 5.13 is amended and now reads as follows:
- “The Management Company shall within one month of the close of the first and third quarter and within two months of the close of the second quarter of Accounting period of the Trust or such extended period permissible under the Rules and the Regulations, prepare and transmit (physically or through electronic means or on the web subject to the Commission’s approval) to the Unit Holders, the Trustee, the Commission and the Stock Exchange (s), on which units of the scheme are listed, the balance sheet as at the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise”
10. Existing Clause 5.15 is amended and now reads as follows:
- “The Management Company shall furnish a copy of the annual report together with copies of the balance sheet, income and expenditure account and the Auditor’s report of the Scheme to the Commission within four (4) months of the close of the Accounting Period or such extended period permissible under the Rules and the Regulations, together with a statement containing the following information, namely:-
- (i) Total Number of Unit Holders; and
  - (ii) Particulars of the personnel (executive, research and other) of the Management Company.”
11. Existing Clause 5.15.1 is amended and now reads as follows:
- “The Management Company shall not on behalf of the Fund;
- a. affect a short sale in a security whether listed or unlisted;
  - b. purchase any security in a forward contract;
  - c. purchase any security on margin;
  - d. Invest in securities of the Management Company;
  - e. Invest in bearer securities;
  - f. issue at any time, without the prior approval of the Commission in writing, a senior security which is either stock or represents indebtedness;
  - g. apply for de-listing from Stock Exchange, unless it has obtained prior approval of the Commission in writing to the Scheme of de-listing;

- h. lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; provided that reverse repo transactions involving Government Securities shall not be attracted by this clause provided risk management parameters are disclosed in the Offering Document of the Scheme;
- i. Sell Units for consideration other than cash unless permitted by the Commission;
- j. merge with, acquire or take over any other asset management company or a Scheme, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or take over;
- k. securities which result in assumption of unlimited liability (actual or contingent);
- l. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- m. make a loan or advance money to any person from the assets of the scheme;
- n. participate in a joint account with others in any transaction on behalf of the Scheme, except for the collection account of the Scheme managed by it;
- o. accept deposits from the Scheme;
- p. apply any part of assets of the Scheme to real estate, commodities or commodity contracts (other than the securities issued by commodity companies and real estate companies);
- q. make any investment from the scheme which will vest with the Management Company or its group, the management or control of the affairs of the investee company;
- r. enter on behalf of the scheme into underwriting or sub-underwriting contracts; and
- s. Take exposure in any other Collective Investment Scheme, except for fund of funds.”

12. Insertion of New Clause 5.16:

After the existing Clause 5.15.1 a new Clause 5.16 is inserted and read as follows:

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

13. Insertion of New Clause 5.17:

After the new Clause 5.16 a new Clause 5.17 is inserted and read as follows:

“The Management Company shall with the consent of the Trustee appoint at the establishment of the Scheme and upon any vacancy, the Auditor, who shall be independent of the auditors of the Management Company and of the Trustee. The appointment of Auditor and contents of the Auditor’s report shall be in accordance with the provisions of the Rules and Regulations.”

14. Insertion of New Clause 5.18

After the new Clause 5.17 a new Clause 5.18 is inserted and read as follows:

“(a) The Management Company shall, under intimation to the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying out the Distribution Function(s) at one or more locations locally or internationally. Provided the Management Company and its affiliates may also perform Distribution Function(s)

and act as a Distribution Company (ies). The Management Company shall ensure, where it delegates the Distribution Function, that the Distributors to whom it delegates, have acquired and are maintaining the associate membership of the association(s) constituted in consultation with the commission and are abiding by the code of conduct prescribed by the association(s) and the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

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

15. Insertion of New Clause 5.19

After the new Clause 5.18 a new Clause 5.19 is inserted and read as follows:

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

16. Insertion of New Clause 5.20

After the new Clause 5.19 a new Clause 5.20 is inserted and read as follows:

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

17. Insertion of New Clause 5.21

After the new Clause 5.20 a new Clause 5.21 is inserted and read as follows:

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

18. Insertion of New Clause 5.22

After the new Clause 5.21 a new Clause 5.22 is inserted and read as follows:

“The Management Company shall clearly specify cut-off timings (for acceptance of application forms of issuance, redemption, conversion etc of units of the Scheme) in the Offering Document, on its web site and at designated points. Such cut-off timing shall uniformly apply on all Unit Holders.”

19. Insertion of New Clause 5.23

After the new Clause 5.22 a new Clause 5.23 is inserted and read as follows:

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

20. Insertion of New Clause 5.24

After the new Clause 5.23 a new Clause 5.24 is inserted and read as follows:

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

21. Insertion of New Clause 5.25

After the new Clause 5.24 a new Clause 5.25 is inserted and read as follows:

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

22. Insertion of New Clause 5.26

After the new Clause 5.25 a new Clause 5.26 is inserted and read as follows:

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

23. Insertion of New Clause 5.27

After the new Clause 5.26 a new Clause 5.27 is inserted and read as follows:

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

24. Insertion of New Clause 5.28

After the new Clause 5.27 a new Clause 5.28 is inserted and read as follows:

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

25. Insertion of New Clause 5.29

After the new Clause 5.28 a new Clause 5.29 is inserted and read as follows:

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

26. Insertion of New Clause 5.30

After the new Clause 5.29 a new Clause 5.30 is inserted and read as follows:

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

27. Insertion of New Clause 5.31

After the new Clause 5.30 a new Clause 5.31 is inserted and read as follows:

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

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

28. Insertion of New Clause 5.32

After the new Clause 5.31 a new Clause 5.32 is inserted and read as follows:

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

29. Existing Clause 6.1.3 is amended and now reads as follows:

“The purchase or sale of any Investment in listed securities for the account of the Trust will be made on the Stock Exchange through a Broker who must be a member of the stock exchange, unless the Management Company is satisfied that it is possible and permissible under the Rules and the Regulations to make such purchase or sale more advantageously in some other manner or reported on the stock exchange. The Broker shall be appointed, from time to time, by the Management Company under intimation to the Trustee.”

30. Existing Clause 6.1.4 is amended and now reads as follows:

“The Trust Property shall be subject to such exposure limits as are provided in the Rules, the Regulations, circulars and notification issued by SECP; Provided that where the Exposure of the Scheme exceeds the limits specified in Regulation 55(5) and (6) of the NBFC Regulations because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets the excess Exposure shall be regularized within three months of the breach of limits or such extended period as may be allowed by the Commission on an application by the Asset Management Company.”

31. Existing Clause 6.1.5 is amended and now reads as follows

“If and so long as the value of the Investment in a particular company or sector exceeded the exposure limit imposed in a particular company and sector by the Rules, the Regulations, circulars and notifications issued by SECP, the Trust/Fund shall not purchase any further investments in such company or sector, however this restriction on purchase shall not apply to any offer or right shares or any other offering if the Management Company is satisfied that accepting such offer is in the best interest of the Fund (Scheme).”

32. Existing Clause 6.1.6 is amended and now reads as follows

“The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company owns more than five percent (5%) of the total nominal amount of the securities issued of such a company, or collectively the directors and officers of the Management Company owns more than ten percent (10%) of the securities issued of the said company”

33. Existing Clause 6.1.7 be and hereby deleted in it entirety.

34. Existing Clause 6.1.6 is amended and now reads as follows:

“Following parameters of the Balanced Fund Scheme Category, as amended from time to time by the SECP, shall apply to the Fund:

- i. Investment Avenues- listed equity securities, government securities, cash in bank accounts, money market placements, deposits, certificate of deposits (CODs), certificate of Musharakas (COMs), TDRs, Commercial Papers, reverse repo, TFCs/SUKUKs, CFS, Spread Transactions, preference shares;
- ii. Net Assets ranging between 30% to 70% shall remain invested in listed equity securities at all times. The scheme may sell in cash settled futures against the position held in the underlying security, however, the minimum 30% non hedged exposure in listed equity securities shall be maintained at all times;
- iii. The remaining net assets shall be invested in the authorized investments as specified in the offering document of the scheme;
- iv. Rating of any debt security in the portfolio shall not be lower than A – (A Minus);
- v. Rating of any NBFC and Modaraba with which Funds are placed should not be lower than AA (Double AA);

- vi. Rating of any bank and DFI with which Funds are placed should not be lower than AA (Double AA);
  - vii. Weighted Average time to maturity of non equity assets shall not exceed 2 years; and
  - viii. Exposure to CFS and spreads shall not exceed 25% of the net assets.”
35. Existing Clause 6.1.9 is amended and now reads as follows:
- “The Scheme/Fund shall not invest more than twenty-five percent (25%) of its net assets in securities of any one sector as per classification of Stock Exchange or such limits as may be prescribed under the Rules and Regulations. Further, the investment of a scheme in any single investee company shall not, at any time exceed an amount equal to ten percent (10%) of the total net assets of the Scheme or such limits as may be prescribed by the Regulations or by the Commission, subject to the conditions that exposure to any equity securities of a investee company shall not exceed ten percent (10%) of the issued capital of that investee company and exposure to any debt issue of investee company shall not exceed ten percent (10%) of that issue or such other limits as may be prescribed by the Regulations or by the Commission from time to time.
36. Existing Clause 6.1.10 is amended and now reads as follows
- “Subject to the Rules, the Regulations and prior written approval of the Commission, the Management Company may, on behalf of the Scheme, write call options on any of the securities held in the portfolio, if there is a market based exit mechanism from options so written. The Management Company may also, on behalf of the Scheme, buy put options equivalent to any securities held in the portfolio. Under no circumstances shall the Management Company buy or sell options on behalf of the Scheme that results in an exposure beyond the number of underlying securities held in the portfolio of the Scheme. The Management Company may, however, buy or sell call or put options on one or more item (financial or otherwise) that in its opinion would act as a hedge against risk. However, the cost of maintaining a defensive hedge shall not exceed one percent (1%) per annum of Net Assets of the Fund (for the preceding twelve months) at the time such transactions are entered into.”
37. Existing Clause 6.2.1 is amended and now reads as follows
- “Subject to any statutory requirements for the time being in force and the terms and conditions herein contained the Trustee may, at any time at the written request of the Management Company, concur with the Management Company in making and varying arrangements with Banks or other financial institutions for borrowing by the Trustee for the account of the Trust for meeting redemption requests. Provided, that the charges payable to such Bank or financial institution are not higher than the normal bank charges. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Rules, the Regulations or such other limit as specified by SECP at any time and shall be repayable within a period of ninety (90) days but if subsequent to such borrowing, the Net Assets have reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.”
38. Existing Clause 6.2.2 is amended and now reads as follows
- “For the purpose of securing any such borrowing the Trustee may on the instruction of the Management Company; mortgage, charge or pledge in any manner all or any part of the Trust Property, provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules and the Regulations.”
39. Insertion of new Clause 6.2.5
- After existing Clause 6.2.4 a new Clause 6.2.5 is inserted and reads as follows
- “The Management Company and the Trustee shall ensure that no investments are rolled over in case the borrowing limits have already been exhausted and redemptions are pending for more than six Business Days.”



40. Insertion of a new Clause 6(A)

After the existing Clause 6 a new Clause 6(A) is inserted and read as follows:

#### **VALUATION OF PROPERTY**

“The valuation and pricing of the Trust Property will be in accordance with the Rules, the Regulations and SECP Directives as amended or substituted from time to time.”

41. Existing Clause 7.1.1 is amended and now reads as follows

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

42. Existing Clause 7.1. 2 (a) is amended and now reads as follows

The Net Asset Value as of the close of the Dealing day on which completely and correctly filled prescribed application form is received along with realized payment and within the cut off time for receiving such applications as announced by the Management Company from time to time on its website and at the designated points.

43. Existing Clause 7.1. 2 (b) is amended and now reads as follows

“Any Front-end Load as per the Offering Document as announced in the Offering Document, but not exceeding five per cent (5%) of the Net Asset Value;”

44. Amendments in the second last para of Clause 7.1.2

The second last para “*Such sum shall be adjusted upwards to such decimal places as may be prescribed by the Management Company with prior approval of the Trustee and properly disclosed to the unit holders or investors.*” is amended and now reads as follows:

“Such sum shall be rounded off to nearest four decimal places or such decimal places as may be decided by the Management Company with consent of the Trustee and properly disclosed to the unit holders or investors.”

45. Amendments in the last Para of Clause 7.1.2

The Management Company may offer different types of Units and different plans under different administrative arrangements with differing levels of Front End Load, which may also vary as provided in the Offering Document or the Supplementary Offering Document. Consequently, the Offer/Redemption Price may differ for Units issued under differing administrative arrangements.

46. Existing Clause 7.1.5 is amended and now reads as follows:

“The Offer Price determined by the Management Company shall be made available to the public through the website of the Management Company and at the official points for acceptance of applications for issuance, redemption, conversion etc as designated by the Management Company and as amended from time to time by the Management Company on its website ([www.hblasset.com](http://www.hblasset.com));

47. Insertion of a new Clause 7.1.7

After the existing Clause 7.1.6 a new Clause 7.1.7 is inserted and read as follows:

“NAV of the Scheme will be announced on each Dealing Day at Management Company’s as well as on MUFAP’s website latest by 6.30 pm or any other time announced by SECP.”

48. Existing Clause 7.2.2 is amended and now reads as follows

After the Initial Period the Redemption Price shall be equal to the Net Asset Value as of the close of the Dealing Day on which completely and correctly filled prescribed application form is received within the cut-off time for receiving such application as

announced by the Management Company from time to time on its website, and at the designated points less:

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

Such sum shall be rounded off to nearest four decimal places or such decimal places as may be decided by the Management Company with consent of the Trustee and properly disclosed to the unit holders or investors.”

The Management Company may offer different types of Units and different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the redemption Price may differ for Units issued under differing administrative arrangements.

The Redemption Price shall be calculated on each Dealing Day.

49. Existing Clause 7.2.5 is amended and now reads as follows:

“The redemption Price determined by the Management Company shall be made available to the public through website of the Management Company and at the official points for acceptance of applications for issuance, redemption, conversion etc as designated by the Management Company and as amended from time to time by the Management Company on its website ([www.hblasset.com](http://www.hblasset.com));

50. Insertion of new Clause 7.2.7

After the new Clause 7.2.6 a new Clause 7.2.7 is added and reads as follows:

“The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.”

51. Existing Clause 8.1.1 is amended and now reads as follows

The first para of Clause 8.1.1 *“The Management Company under intimation to the Trustee may suspend the issue or redemption of Units subject to the Rules at any time, during”* is amended and now reads as follows:

“The Management Company may suspend the issuance or/and redemption of units in exceptional circumstances, having regard to interest of Holders, with the prior approval of its Board of Directors. Issuance or/and redemption of units can be suspended at any time during:”

52. Insertion of Clause 8.1.1(g)

After existing Clause 8.1.1 (f) a new Clause 8.1.1 (g) is added and reads as follows:

“If the management Company is of the view that on account of sizeable redemption, disposal of investments to generate cash would be detrimental to the remaining unit holders.”

53. Existing Clause 8.1.1 is amended and a last para is added as follows:

“Provided that in case of suspension of redemption of Units, the Management Company shall also suspend issuance of fresh Units of the Scheme until the redemption of Units is resumed.”

54. Insertion of Clause 8.1.3

After existing Clause 8.1.2 a new Clause 8.1.3 is added and reads as follows:

“The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.”

55. Existing Clause 8.2 is amended and now reads as follows

“The maximum interval between the receipt of a properly documented request for redemption of Units and issue of payment instrument for the redemption money to the Holder shall not exceed 6 (six) working days unless redemption has been suspended.”

56. Insertion of new Clause 8.3

After the existing Clause 8.2 a new Clause 8.3 is added and reads as follows:

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

57. Insertion of new Clause 8.4

After the new Clause 8.3 a new Clause 8.4 is added and reads as follows:

“A temporary change in the method of dealing shall only be made -

- (a) in exceptional circumstances, having regard to the interests of Holders;
- (b) if the possibility of a change and the circumstances in which it can be made have been fully disclosed in the Offering Documents; and
- (c) with the approval of the Trustee.”

58. Existing Clause 9 is amended and now reads as follows

The maximum initial charges payable to the Management Company out of the issue price of a Unit shall be fixed in a manner so that a Front end Load does not exceed five percent (5%) of the NAV.

59. Existing Clause 9.2.1 is amended and now reads as follows

“The Management Company shall be entitled to prescribe and receive remuneration up to the maximum remuneration permitted under the Rules and the Regulations.”

60. Existing Clause 9.2.4 is amended and now reads as follows

“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 their responsibilities as Management Company to the Trust. The Management Company shall not make any charge against the Holders 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 Rules, the Regulations and this Deed to be payable out of the Trust Property.”

61. Insertion of new Clause 9.2.6

After the existing Clause 9.2.5 a new Clause 9.2.6 is added and reads as follows:

“Any cost associated with sales, marketing and advertisement of the Fund shall not be charged to the Fund”

62. Existing Clause 9.3.3 is amended and now reads as follows

“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 its service or for its expenses, except as are expressly authorized to be payable out of the Trust Property under the provisions of the Rules, the Regulations and the Deed.”

63. Existing Clause 9.4.2 is amended and now reads as follows
- “All expenses incurred in connection with the incorporation, establishment and registration of collective investment schemes (formation cost) in terms of Regulation 60 (1) & 60 (2) of the Regulations, shall be reimbursable by the Fund to Management Company subject to the audit of expenses. The said formation cost shall be amortized by the Fund over a period of not less than five years.”
64. Existing Clause 9.5(f) is amended and now reads as follows
- “Annual fee payable to the Commission under the Regulations;”
65. Insertion of new Clause 9.5 (k)
- After the existing Clause 9.5(j) a new Clause 9.5(k) is added and now reads as follows:
- “Printing costs and related expenses for issuing the quarterly, half-yearly and annual reports, etcetera of the Scheme”
66. Existing Clause 10.4 is amended and now reads as follows
- “Subject to the Rules and Regulations, the Management Company, on behalf of a scheme shall not without the approval of its Board of Directors and consent of Trustee in writing, purchase from, or sell any securities to any connected person or employee of the Management Company.”
67. Existing Clause 11.1.4 is amended and now reads as follows
- The income qualifying for distribution in respect of the relevant Accounting Period shall be ascertained by deducting admissible expenses of the Trust as stated in clause 16.7 of this Deed and as specified in the Regulations.”
68. Insertion of new Clause 11.2.7
- After the existing Clause 11.2.6 a new Clause 11.2.7 is added and reads as follows:
- “The Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains, as reduced by such expenses as are chargeable to the Scheme under the Regulations.”
69. Existing Clause 14.3 is amended and now reads as follows
- “If the Commission modifies the Rules and the Regulations or issues any notification or circular these will deem to have been included in this Trust Deed without requiring any modification as such.”
70. Existing Clause 15 is amended and now reads as follows
- “15. CANCELLATION OF REGISTRATION AND REVOCATION OF THE TRUST**
- 15.1 The Management Company, with prior written approval of the Commission, shall give at least three months notice to unit holders and Trustee if it intends to have the registration of the HBL-Income Fund cancelled.
- 15.2 The registration of the Scheme may also be cancelled by the Commission on the Grounds given in the Rules & Regulations.
- DISTRIBUTION ON REVOCATION OF TRUST**
- 15.3 Upon the Trust being revoked, the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing effected by the Trust together with any mark-up remaining unpaid and the bank charges, if any.

- 15.4. The Trustee, on the instruction of the Management Company, shall from time to time, distribute to the Unit Holders pro rata to the number of Units held by them, respectively, all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in clause 15.3 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case of any surplus, the same shall be distributed proportionately among the Unit Holders, provided neither the Trustee nor the Management Company shall be liable for any shortfall.
- 15.5 In case the Trust is terminated by the Commission on the grounds given in the Regulations, the Commission may appoint a liquidator in consultation with the Trustee.
- 15.6 In case of cancellation of registration, the Management Company shall revoke the Scheme and refund the proceeds to the Unit Holders in such manner and within such time as may be specified by the Commission.
- 15.7 Notwithstanding anything contained in any other provision, where in the opinion of the Commission or the Management Company any delay in the revocation of the Scheme is detrimental to the interest of the Unit Holders, or the market generally, the Commission may direct the immediate revocation of the Scheme without first cancelling the registration or providing an opportunity of being heard to the Management Company in such manner and within such time as may be specified by the Commission.”
71. Existing Clause 16.1 is amended and now reads as follows
- The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there out any applicable Front end Load shall constitute part of the Trust Property and the Distribution Company shall remit such proceeds, the Front End Load and the Duties and Charges to the Trustee in accordance with the instructions given by the Management Company from time to time.
72. Existing Clause 16.3 is amended and now reads as follows
- “The Trustee shall take the Trust Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Holders of units ranking *pari passu inter se*, according to the number of units held by each holder and in accordance with the provisions of the Rules, the Regulations and this Deed. The Trust Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust as permissible under the Rules and the Regulations. All register-able Investments shall be registered in the name of the Trustee and shall remain so registered until disposed off or transferred to new trustee pursuant to the provisions of this Deed. All expenses incurred by Trustee in effecting such registration shall be payable out of the Trust Property.”
73. Existing Clause 16.4 is amended and now reads as follows
- “Save, as herein expressly provided, 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 create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person except for securing loans and finances for redemption of Units within the limits and conditions prescribed under the Rules and the Regulations”.
74. Existing Clause 18.1 is amended and now reads as follows
- “The Trustee shall comply with the provisions of the Rules, the Regulations and the Constitutive Documents for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company:
- Provided that 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 Trust for any loss in value of the Trust Property where such loss has

been caused by negligence or any reckless or wilful act and/ or omission of the Trustee or any of its directors, officers, nominees or agents.”

75. Existing Clause 18.3 is amended and now reads as follows

“The Trustee shall have all the obligations entrusted to it under the Rules, the Regulations, this Trust Deed and the offering document.”

76. Existing Clause 18.4 is amended and now reads as follows

“The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trust if the Trustee has acted in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Constitutive Documents, the Rules and the Regulations. Whenever pursuant to any provisions of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:

- i. A document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the time being authorised in writing by the Management Company to accept.
- ii. Any instruction received online through the software solution adopted by the Management Company or the Trustee for managing and keeping record of the Fund managed by the Management Company and to the satisfaction of the Trustee or the Management Company as the case may be.

77. Existing Clause 18.5 is amended and now reads as follows

“The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Trust Property, if such instructions are not in conflict with the provisions of the Constitutive Documents , the Rules and the Regulations or any applicable law and regulations.”

78. Existing Clause 18.9 is amended and now reads as follows

“The Trustee shall report on all matters provided in the Rules and shall issue to the Holders a report on all the matters in which it is required to issue a report under the Constitutive Documents, the Rules and the Regulations to the Holders including a report to be included in the annual and second quarter reports whether in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of the Rules, the Regulations and the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.”

79. Existing Clause 18.11 is amended and now reads as follows

“The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations, Trust Act 1882 and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own negligence or wilful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee shall not be under any liability therefore 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.

Notwithstanding removal / resignation of Trustee, the Trustee shall remain entitled to the benefit of this clause.”

80. Existing Clause 18.14 be and hereby deleted in its entirety

81. Existing Clause 18.15 is amended and now reads as follows

“The Trustee shall be entitled to require the auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certificate required under the Rules and

the Regulations. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible.”

82. Existing Clause 18.16 is amended and now reads as follows

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

83. Insertion of new Clause 18.17

After the existing Clause 18.16 a new Clause 18.17 is added and reads as follows:

“The Trustee shall ensure that the investment and borrowing limitations set out in the Regulations and the Constitutive Documents are complied by the Management Company”

84. Insertion of new Clause 18.18

After the new Clause 18.17 a new Clause 18.18 is added and reads as follows:

“The Trustee shall ensure that units of the Trust have been issued after realisation of subscription money”

85. Insertion of new Clause 18.19

After the new Clause 18.18 a new Clause 18.19 is added and reads as follows:

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

86. Insertion of new Clause 18.20

After the new Clause 18.19 a new Clause 18.20 is added and reads as follows:

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

87. Insertion of new Clause 18.21

After the new Clause 18.20 a new Clause 18.21 is added and reads as follows:

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

88. Insertion of new Clause 18.22

After the new Clause 18.21 a new Clause 18.22 is added and reads as follows:

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

89. Existing Clause 19.1 is amended and now reads as follows:

“The Management Company shall not open or close or arrange to open or close any account with a bank for the Trust without the approval of its Board of Directors. The Trustee, at the request of the Management Company, shall open Bank Accounts titled **CDC-Trustee HBL-Multi Asset Fund** for the Unit Trust at such branches of Banks and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining necessary written prior approvals from the relevant regulatory authority in Pakistan) as may be requested by the Management Company from time to time. Such

accounts may be used for collection, investment, redemption or any other use of the Trust”.

90. Insertion of new Clause 19.6

After the existing Clause 19.5 a new Clause 19.8 is added and reads as follows:

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

91. Existing Clause 20.1 is amended and now reads as follows

“The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee with the prior approval of the Commission. In the event of the Trustee desiring to retire, the Management Company within a period of three (3) months with the prior written approval of the Commission may by a deed supplemental hereto under the seal of the Management Company to appoint a new trustee under the provisions of the Rules and the Regulations in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee.”

92. Existing Clause 20.2 is amended and now reads as follows

“If the Trustee goes into liquidation (other than for the purpose of amalgamation or reconstruction on terms previously agreed with the Management Company) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Rules, the Management Company shall forthwith by instrument in writing and with the prior written approval of the Commission remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules, the Regulations and the Constitutive Documents as the new trustee.”

93. Insertion of new Clause 20.11

After the new Clause 20.10 a new Clause 20.11 is added and reads as follows:

“In case of change in trustee, the old Trustee shall continue to be liable for any default in or non-performance of its duties as trustee or for any negligence on its part or on part of its officers or officials, nominees or agents and for any acts or omissions effectuated prior to and up to the Effective Time in accordance with the provisions of the Trust Deed, the Offering Document, the Rules and the Regulations, whereafter the new trustee shall be responsible for the same. Further the old trustee shall indemnify the Management Company and new trustee in respect of any default, non performance or violations of the terms and conditions of the Trust Deed, the Offering Document, the Rules and/or the Regulations that may have taken place, advertently or inadvertently prior to and upto Effective Time and which may come to the notice of the Management Company or the new trustee or the SECP at any time after the Effective Time”

94. Existing Clause 21.3 is amended and now reads as follows

“If the Commission has cancelled the registration (license) of the Management Company under the provisions of the Rules and the Regulations, the Trustee shall appoint another asset management company as the management company for the Scheme according to the provisions of the Constitutive Documents, the Rules and the Regulations and with the approval of Commission.”



95. Existing Clause 23.2 is amended and now reads as follows

Units shall be offered through the official points for accepting applications for acceptance of applications for issuance, redemption, conversion etc as designated by the Management Company and as amended from time to time by the Management Company on its website (www.hblasst.com) on every dealing day;

96. Existing Clause 23.3 is amended and now reads as follows

“Application for issuance of Units shall be made by completing the prescribed application form and submitting it with the payment by cheque or pay order or bank draft (crossedA/C payee only), or any other electronic means, or in such form as is prescribed by the Management Company, in favour of the Trustee at official points for accepting applications for purchase/sale of units as designated by the Management Company. The Distribution Company shall verify the particulars given in the application for issue of Units and the documents submitted therewith and ensure that signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for issue of Units is verified to their reasonable satisfaction.

97. Existing Clause 23.4 is amended and now reads as follows

“Each Holder shall only be liable to pay the Offer Price (Purchase Price) of the Units subscribed by him in the manner provided in clause 23.3 and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against the realisation of full payment.”

98. Existing Clause 24 is amended and now reads as follows

“The Management Company may announce different plans under different administrative arrangements with different Front End load, which may also vary in different administrative plans but shall not greater than as provided in the Offering Document or the supplementary Offering Document. Consequently the Offer/Redemption price(s) may differ for Units issued under differing administrative arrangements.”

99. Existing Clause 26.1 is amended and now reads as follows

**ALLOCATION OF FRONT END/BACK END LOAD**

The remuneration of Distribution Companies and Investment Facilitators / Sales Agents or any person authorized by the Management Company shall be paid exclusively from any Front End Load received by the Trustee and no charges shall be made against the Trust Property or the Distribution Account in this respect. The remainder of any Front End Load, after such disbursement, shall be paid by the Trustee to the Management Company as additional remuneration for their management services for the Trust. If the Front End Load received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Investment Facilitators, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration. The Back-end Load shall form part of Trust Property.

100. Existing Clause 27.2 is amended and now reads as follows

“Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at at official points for accepting applications for purchase/sale of units as designated by the Management Company on Dealing Day, The Management Company may make arrangement to accept redemption requests through electronic or other means under intimation of the Trustee and after notification to the unit holders, as authorized by the Management Company. No person shall be entitled to redeem only part of the Units comprised in a Certificate, however a certificate shall be surrendered for this purpose and reissue for revised number of Units, in the case where Certificate is not issued any number of Units may be redeemed by the Holder thereof.”

101. Existing Clause 27.4 is amended and now reads as follows

“The Management Company shall announce the Redemption Price every Dealing Day. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of this Deed and as specified by the Rules and the Regulations. However, in the event in clause 8.1 or clause 28 hereunder comes into

application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.”

102. Existing Clause 27.8 is amended and now reads as follows

“Application for redemption of Units shall be received at official points for accepting applications for purchase/sale of units as designated by the Management Company on a dealing day. Where redemption requests on any one Dealing Day exceed ten percent (10%) of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in clause 28 thereof.”

103. Existing Clause 28 is amended and now reads as follows

“In the event redemption requests on one Dealing Day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and/or arrange borrowing as it deems fit in the best interest of the Holders and shall determine the Redemption Price to be applied to the redemption requests based on such action. The redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Dealing Day. However, if the carried over requests and the fresh requests received on the next Dealing Day still exceed ten percent (10%) of the Units in issue, these shall once again be treated on first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Units then in issue.”

104. Existing Clause 29 is amended and now reads as follows

**CANCELLATION OF REGISTRATION AND REVOCATION IN VIEW OF MAJOR REDEMPTION**

“In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Trust Property being run down to an unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may apply to the Commission for cancellation of registration of the Trust in accordance with clause 15 of this deed. In such an event, the queue system, if already invoked, shall cease to apply and the Fund will be wound up on receipt of the order from the Commission for revocation of the Trust; and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible. The announcement in this regard shall be communicated to the Commission and the Trustee and shall further be notified to the Holders by publishing a notice in two widely circulated newspapers in Pakistan.”

105. Existing Clause 32.1 is amended and now reads as follows

“The Register shall be maintained by the Management Company or if appointed, by the Transfer Agent at such a place as is agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of the Constitutive Documents, the Rules and the Regulations.”

106. Existing Clause 32.2 is amended and now reads as follows

“The Management Company shall ensure that the Transfer Agent shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and except when the Register is closed in accordance with the provisions of this Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Document and for a period of at least two hours in each Dealing Day) be open in legible form to the inspection of any Holder of his record without charge.”

107. Existing Clause 32.8 is amended and now reads as follows
- “The Register may be closed under intimation to the Trustee for such period as the Management Company may from time to time determine and after giving at least seven days notice to Holders, provided that it is not closed for more than six working days at a time and whole forty-five days in a calendar year.”
108. Existing Clause 33.3 is amended and now reads as follows
- “The Transfer Agent will send directly to each Unit Holder a non transferable Account Statement each time there is a transaction in the folio, i.e., Units are:
- (a) issued / subscribed;
  - (b) redeemed;
  - (c) transferred in favor of third person;
  - (d) transferred from third person;
  - (e) consolidated / split; and
  - (f) additional Units are issued against bonus or re-investment of dividend.
- Any Account Statement will be posted within fifteen Dealing Days after each relevant transaction.”
109. Existing Clause 34.3 is amended and now reads as follows
- “Certificates where requested shall be issued as herein provided not later than forty five Dealing Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Unit Holder from the Distribution Company.”
110. Existing Clause 36.1 is amended and now reads as follows
- “The Management Company shall at the establishment of the Scheme and with the consent of the Trustee appoint an Auditor who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time with the concurrence of the Trustee remove the Auditor and appoint another Auditor in its place. Auditors shall not be appointed for more than five consecutive years, or such period as prescribed by the Commission from time to time ”
111. Existing Clause 36.2 is amended and now reads as follows
- “The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed as per the Rules and the Regulations. The first Auditors shall be A. F. Ferguson and Co. Chartered Accountants, State Life Building, I. I. Chundrigar Road, Karachi.”
112. Existing Clause 36.7 is amended and now reads as follows
- “The contents of the Auditors report shall be as required in the Rules and the Regulations.”
113. Existing Clause 1.6 under the heading Definition be and hereby deleted in its entirety.
114. Existing Clause 1.7 under the heading Definition is amended and now reads as follows:
- "Authorized Investment"** means Pakistan origin investments transacted, issued, traded or listed inside or outside Pakistan and includes any of the following:-
- a. Listed Equity Securities;
  - b. Unlisted Equity Securities, if application for listing of such securities has been accepted by the stock exchange;
  - c. Listed and Unlisted Debt Securities

- d. Money Market Instruments including Certificates of Deposit, Certificate of Investments, Commercial papers, , Letter of Placements, , and any other type of placement or money market transaction
- e. Global Depository Receipts and American Depository Receipts
- f. Islamic / interest free instruments such as SUKUK, musharika certificates, modaraba based securities, Ijara certificates Government of Pakistan Investment Bonds, Federal Investment Bonds, Treasury Bills and other Federal Government Securities;
- g. Long, medium and short term deposits with Commercial banks;
- h. Long, medium and short term deposits in foreign Currencies with Commercial banks after prior approval of the applicable regulatory authorities;
- i. Secured, unsecured, listed and unlisted debt securities having minimum A- rating, issued by local governments, government agencies, public sector entities, private sector entities and financial institutions;
- j. Asset-backed or mortgage-backed debt securities and all other securities traded in the Over the Counter markets
- k. Spread transaction, aimed at earning a spread in the prices of securities resulting from timing and pricing difference between ready and future settlement of locally listed securities and also between GDR's issued by local entities and its local shares equivalent. The fund may buy in a security in the ready settlement market and sell in future settlement market and reverse thereof (including unwinding of transactions). Such transactions to be carried out simultaneously to the extent possible so as to avoid any risk emanating from the movements in the prices of underlying securities ;
- l. Reverse Repurchase transaction against Authorized Investments;
- m. CFS (Continuous Funding System); or any such replacements by whatever name called with necessary SECP approval subject to restrictions as imposed in the offering documents or such restriction imposed by the commission from time to time through directions
- n. Any other security and/or instruments that may be allowed by the SECP.
- o. Authorized investments in overseas markets subject to prior separate written approval of the SECP and State Bank of Pakistan to the extent and subject to such cap as may prescribed by SECP/SBP, from time to time; and.
- p. Derivative instruments such as warrants, options, synthetics derivative, financial options, other contracts for ready, future and forward settlement, equity derivatives, fixed income and currency derivatives, interest rate swaps, forwards rate agreements, and such investment shall include those for ready settlement as well as those for future settlement and credit linked notes. The investment in this asset class will be for hedging purposes only and subject to such other terms and conditions as may be notified by the SECP from time to time.

**The investment in asset classes mentioned aforesaid will be subject to such exposure limits and minimum ratings as specified in the Offering Document.**

115. Existing Clause 1.8 under the heading Definition is amended and now reads as follows:

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

116. Existing Clause 1.19 under the heading Definition is amended and now reads as follows:

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

117. Insertion of New Clause 1.22(a) under the heading Definition

After the existing Clause 1.22 under the heading Definition an new Clause 1.22(a) is added and reads as follows:

**“Cut-Off Time”** means the latest time of acceptance of receiving applications of issuance, redemption, conversion, transfer and Pledge of Units as specified in the Offering Document of the Scheme.

118. Insertion of New Clause 1.22(b) under the heading Definition

After the new Clause 1.22 (a) under the heading Definition an new Clause 1.22(b) is added and reads as follows:

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

119. Existing Clause 1.23 under the heading Definition is amended and now reads as follows:

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

120. Existing Clause 1.25 under the heading Definition is amended and now reads as follows:

**“Distributor/ Distribution Company”** means a person, company, firm or a Bank appointed by the Management Company and after intimation to the Trustee for performing any or all of the Distribution Function and shall also include the Management Company itself, if it performs the Distribution Function. The Management Company shall compensate the Distributors out of the Front End load collected by it in the offer price and/or Management Fee.

121. Existing Clause 1.27 under the heading Definition is amended and now reads as follows:

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

122. Insertion of New Clause 1.27(a) under the heading Definition

After the existing Clause 1.27 under the heading Definition an new Clause 1.27(a) is added and reads as follows

**“Effective Time”** in relation to retirement of existing Trustee means the same time as the new trustee is appointed with the approval of the Commission or from the date of assumption of assets of the Scheme by the newly appointed trustee, whichever is later.

123. Existing Clause 1.29 under the heading Definition is amended and now reads as follows:

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

124. Existing Clause 1.34 under the heading Definition is amended and now reads as follows:

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

125. Existing Clause 1.47 under the heading Definition is amended and now reads as follows:

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

- a) Securities in a forward contract;
- b) Bearer Securities
- c) Securities on margin;
- d) Securities which result in assumption of unlimited liability (actual or contingent);
- e) Commodities and commodity contracts;
- f) Real estate or interest in real estate save or in securities which are secured by real estate or interests therein except for equity securities which are issued by companies that invest in real estate or interest therein;
- g) Securities of the Management Company;
- h) Lend, assume, guarantee, endorse or otherwise become directly or Contingently Liable for or in connection with any obligation or indebtedness of any person. However Reverse repo transactions involving Government Securities or other debt securities stated as authorized investments in this Offering Document under an agreement and spread transaction through ready buy and future sale or CFS or replacement thereof which are protected by the clearing company and stock exchanges is not subject to this restriction.;
- i) Exposure in any other Fund, except for fund of funds or overseas investments.

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

126. Insertion of New Clause 1.47(a) under the heading Definition

After the existing Clause 1.47 under the heading Definition an new Clause 1.47(a) is added and reads as follows

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

127. Existing Clause 1.49 under the heading Definition be and hereby deleted in its entirety

128. Existing Clause 1.51 under the heading Definition be and hereby deleted in its entirety

All other contents of the Trust Deed remain unchanged and the Trust Deed shall continue to remain in full force and effect, amended as above.

The Management Company and the Trustee hereby certify that in their opinion, the above modifications, alterations and additions to the Trust Deed are required to record the change of

name of the Management Company and to enable the provisions of the Trust Deed to be more conveniently and economically managed and that the same shall not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee of the Management Company from any responsibility to the Unit Holders.

IN WITNESS WHEREOF, this First Supplemental Trust Deed has been executed on the day and year first written above.

The Common Seal of HBL Asset Management Limited has hereunto been fixed in the presence of:

Seal

(1) \_\_\_\_\_  
Shahid Ghaffar  
Chief Executive Officer  
CNIC: 61101-3273400-1

(2) \_\_\_\_\_  
Rehan Nabi Shaikh  
Chief Operating Officer  
CNIC: 42301-1836466-5

The Common Seal of Central Depository Company of Pakistan Limited has hereunto been fixed in the presence of:

Seal

(1) \_\_\_\_\_  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
CNIC: \_\_\_\_\_

(2) \_\_\_\_\_  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
CNIC: \_\_\_\_\_

**Witnesses:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC: \_\_\_\_\_

CNIC: \_\_\_\_\_

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