

HBL GOVERNMENT SECURITIES FUND –THIRD SUPPLEMENTAL OFFERING DOCUMENT

Third Supplement Dated December 07, 2018 to the Offering Document of HBL Government Securities Fund (HBL GSF) Issued on January 27, 2017

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.

The HBL Government Securities Fund (Formerly PICIC Income Fund) (the Fund/the Scheme/the Trust/the Unit Trust) has been established through a Trust Deed (the Deed) dated March 17, 2010, under the Trust Act, 1882 entered into and between HBL Asset Management Limited, the Management Company, Central Depository Company of Pakistan Limited, the Trustee.

Effective from December 14, 2018 following changes in the offering document of HBL Government Securities Fund will be made and will be amended as follows:

1. Text under clause 2.1.1 “Investment Policy” shall be amended and read as follows:

HBL Government Securities Fund (HBL-GSF), in line with its Investment Objectives, will invest in Authorized Investments.

The Fund will be investing primarily in short to long term Government Securities issued and / or guaranteed by Government of Pakistan and remaining investments will be in bank deposits or cash balance, money market placements, reverse repo, spreads transactions, and similar authorized investments. During the year, at least 70% of the net assets shall remain invested in Government Securities and reverse repo against them based on monthly average investment calculated at the end of each month.

2. Text under the heading “Authorized Investments” in clause 2.1.1 against serial number 9 and 10 of the offering document of HBL Government Securities Fund is added and read as follows:

2.1.1 Authorized Investments

S. No.	Authorized Investment	Minimum Rating		Minimum Investment as a % to Net Assets	Maximum Investment as a % to Net Assets
		Entity	Instrument		
8	Commercial Papers	AA-	AA-**	0%	20%
9	Term Finance Certificates / Sukuk	AA-	AA-	0%	20%
10	Any instrument / securities which is an authorized investment under the trust deed or which is allowed by the SECP	AA- or above	AA- or above	As maybe allowed by the Commission	

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Notes:

At least 70% of net assets shall remain invested in Government Securities on monthly average basis calculated at the end of each month. In the event of any breach in the same due to increase or decrease in net assets due to issuance or redemption, the breach shall be regularized within one month of the breach.

The investment in Cash/Near Cash Instruments may temporarily deviate from the minimum and maximum requirements. However, minimum exposure limit shall be 10% of net assets calculated on the basis of the average for each calendar month.

**In case instrument rating is unavailable, the entity rating shall be applicable.

3. Clause 2.3, C) xxv will be read as:

xxv, Take exposure on a security in the portfolio with a rating lower than **AA-**

4. Existing Clause “Current Level of Front end back end Loads” in Annexure (A) is amended/ replaced and now read as follows:

CURRENT LEVEL OF FRONT-END AND BACK END LOADS

	Normal Sales	Online / Web based sales
Front End Load:	Up to 2%	Up to 1.5%
Back End Load:	0%	0%

Provided however the Management Company may waive the Front-end Load fully or partially at its own discretion to any investor.

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

5. Existing Clause 4.4.4 is amended and is now read as follows:

The investor can opt either one of the following options:

- a) Fixed Payment: The Unit Holder shall receive a fixed amount pre-determined by the Unit Holder at the time of investment. However, the amount fixed by the unit holder shall not be less than Rs. 2,500/- excluding taxes.
- b) Flexible Payment: The Unit Holder shall receive an amount equal to the actual growth in his/her/its investment value (net of Sales Load and other applicable taxes and charges.). However, if the calculated growth in the investment is less than Rs. 2,500/- the unit holder will not get

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monthly payment. In that case the unit holder will receive a payment in the following month including previous month's growth.

6. Existing Clause 4.6.5 is amended and is now read as follows:

4.6.5 Minimum Amount of Investment

The minimum amount of initial investment that is required to open an account is Rs. 1,000/- (Rupees One Thousand only) for Growth Units and Rs. 500,000/- (Rupees Five Hundred Thousand only) for Income Units. Thereafter the minimum amount for investment would be of Rs. 1,000/- (Rupees One Thousand only) per transaction, at applicable NAV or purchase price, other than reinvestment of Dividend and Bonus Units.

The Management Company reserves the right to alter the minimum amounts stated hereinabove after giving thirty days prior notice to the Unit Holders. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

The above mentioned minimum investment requirements will not be applicable to the administrative plans and schemes introduced by HBL AML.