

HBL ISLAMIC MONEY MARKET FUND – FIFTH SUPPLEMENTAL OFFERING DOCUMENT

Fifth Supplement Dated December 7, 2018 to the Offering Document of HBL Islamic Money Market Fund (HBL IMMF) 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 Money Market Fund (the Fund/the Scheme/the Trust/HBL-IMMF) was established in Pakistan by a Trust Deed dated November 23, 2010 registered under the Trust Act 1882 through a Trust Deed entered into between HBL Asset Management Limited (“Management Company”), the Asset Management Company and Central Depository Company of Pakistan Limited (“CDC”), the Trustee and is registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (the Regulations)

Effective from December 14, 2018 existing following changes in the offering document of HBL Islamic Money Market Fund will be made and will be amended and read as follows:

1) Existing Clause 5.2.7 is amended and now read as follows:

5.2.7 Types of Units

An investor shall, at the time of opening an account, select the types(s) of Unit(s) in which the investor wishes to invest, i.e. Growth Unit and/or Income Unit.

- a) **Growth Units:** The Unit value grows in line with the growth in NAV, and the Unit Holders shall receive additional units at prevailing price, after adjusting for taxes against Cash Dividend (if any) at the time of distribution unless specified otherwise by the investor on the form. The Management Company may also decide to distribute income in the form of bonus units which shall be growth units of the Fund.
- b) **Income Units:** The Unit value grows in line with the growth in NAV, and the Unit Holders shall receive distribution income in the form of cash which will be reinvested after deduction of applicable taxes, duties, and charges etc, unless specified otherwise by the investor on the form, if any distribution announced by the Fund. The Management Company may also decide to distribute income in the form of bonus units which shall be income units of the Fund.

5.2.7.1 Administrative Plan (Income Units)

Investors of the Fund may opt for an Administrative Plan over the Fund at any time to attain a regular periodic income to support their liquidity requirements.

5.2.7.2 Minimum amount of investment for Administrative Plan described above would be Rs.500,000/-.The Management Company may alter the minimum amount at its discretion by

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giving a prior notice of at least 30 days. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

5.2.7.3 If investment amount falls below Rs.500,000/- at any time during the life of investment, features of Administrative Plan will seize for the investor and Units allocated to him will be considered Growth Units of the Fund.

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

Actual Growth on Investment: The Unit Holders shall receive income in cash (through redemption of units) to the extent of investment appreciation at the end of every Regular Interval (i.e. monthly, quarterly, semi-annually or annually). However, the principal amount shall remain intact at year end until and unless the unit holder redeems the principal amount.

Note: Investment Appreciation means the increase in investment value during a given interval over the principal amount of investments.

Principal amount is the amount of investments as increased / reduced by investments / redemptions net off any Load and taxes thereon (if any).

5.2.7.5 All Units issued under the Administrative Plan shall rank pari passu with units of the Fund.

5.2.7.6 All units issued under this Administrative Arrangement shall be income units.

5.2.7.7 The period for periodic payment as decided by the investor shall be monthly, quarterly, half yearly or annually.

5.2.7.8 The periodic payment shall be made by redeeming the required number of Units.

5.2.7.9 The payment shall be processed by the Management Company on the 25th of each month. Provided that if 25th of the last month of a certain regular interval is not a Dealing Day the redemption arrangement of Income Units would be transferred to the next Dealing Day.

5.2.7.10 In case the Management Company announces a suspension of further issue of Units of the Fund, it may allow existing Unit Holders to continue acquiring Units out of any dividend declared under above options.

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- 5.2.7.11 The Unit Holder may switch over any of the options or withdraw funds from the option at any stage by submitting the prescribed form to the Distributor/ Management Company.
- 5.2.7.12 This Administrative Plan may be discontinued by the Management Company at any time after seeking approval of the Commission by giving a prior notice of 30 days to the Unit Holders. All units in issue shall be treated as Units of the Fund from there on.
- 5.2.7.13 The Management Company may introduce more Administrative Plans over the Fund in the future with a prior notice of minimum 7 days to Unit Holders after seeking prior approval of the Commission.

Risks Associated with Administrative Plans:

The amount of disbursement in case of Income Units with Flexible Income Option may go down or up in line with the diminution or appreciation in the NAV during the Regular Interval.

As a result of operation of Fixed Regular Payments, the principal capital invested by unit holders may deplete in case appreciation of the principal investment (net off Front-end Load and any applicable duties, charges and taxes) during the regular interval is not sufficient to cover the fixed cash amount specified by the Unit Holder.

Price of units and their subsequent income may go up or down as market conditions so warrant. If income generated from the growth in investment value outweighs the fixed cash amount, as specified by an investor then the capital of the investor shall not deplete. On the contrary, if income generated from the growth in investment value becomes lower than the fixed cash amount being paid to an investor then this will lead to a reduction in the actual invested amount. If such a scenario emanates and growth factors dampen with respect to the fixed cash amount then the investor is susceptible to capital depletion. If such conditions persist. The investor may opt to convert their plan from fixed income to flexible income units.

2) Existing Clause 5.12 is amended and now read as follows:

5.13 PROCEDURE FOR REQUESTING CHANGE IN UNIT HOLDER PARTICULARS

5.13.1 Who Can Request Change?

All Unit Holders are eligible to change their Unit Holder details if they so desire. For such change in particulars, a request shall be made via the Special Instructions Form (Form 07). These Forms may be obtained from Distributors or Investment Facilitators or from the Management Company or through its website. However, if Units are held in CDS account then request should be made through CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

5.13.2 Application Procedure for Change in Particulars

- (a) Some of the key information which the Unit Holder can change is as follows:
- i. Change in address
 - ii. Nominee detail
 - iii. Change in Bank Account details
 - iv. Account Operating instructions
 - v. Frequency of profit payments

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vi. Systemic Conversion Option

Change will not be allowed in Title of account, CNIC number and joint holder details

- (b) Fully completed Special Instructions Form has to be submitted by both Individuals and/or Institutional Investor(s). This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company through an Investment Facilitator within Business Hours on a Dealing Day.
- (c) The applicant must obtain a copy of the Special Instructions Form signed and duly verified by an Authorized Officer of the Distributor or Management Company.
- (d) The Distribution Company and /or Management Company will be entitled to verify the particulars given in the Special Instructions Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.
- (e) The Unit Holder will be liable for any taxes, charges or duties that may be levied on any of the above changes. These taxes, charges or duties may either be recovered by redemption of Unit Holder equivalent Units at the time of the service request or the Management Company may require separate payment for such services.
- (f) Unless the Joint Unit Holder(s) of Units have specified otherwise, all the Joint Unit Holder(s) shall sign the Special Instructions Form for such Units.

3) Existing Clause 5.10 is amended and now read as follows:

5.11 Transfer, Nomination, Transmission and Systemic Conversion Procedure

- 5.11.1 Unit Holder may, subject to the law, transfer any Units held by them to any other person. The transfer shall be carried out after the Management Company/Transfer Agent has been satisfied that all the requisite formalities including the payment of any taxes and duties have been complied with.
 - 5.11.1.1 Both the transferor and the transferee must sign every instrument of transfer and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the register. Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value.
 - 5.11.1.2 Where Certificates have been issued, the Management Company / Transfer Agent with the consent of the Trustee may dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Offering Document. The Management Company or the Transfer Agent shall retain all instruments of transfer.
 - 5.11.1.3 The Transfer Agent shall, with the prior approval of the Management Company or the Management Company itself be entitled to destroy all instruments of transfer or the copies thereof, as the case may be, which have been registered at any time after the expiration of twelve years from the date of registration thereof and all the Certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years from transmission to the Trust. The Trustee or the Management Company or the Transfer Agent shall be under no liability, whatsoever, in consequence thereof and it shall conclusively be presumed in favor of the Trustee or the Management Company or the Transfer Agent that every Unit of Transfer so destroyed was a valid and effective instrument

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duly and properly registered by the Trustee or the Management Company or the Transfer Agent and that every Certificate so destroyed was a valid Certificate duly and properly cancelled, provided that (i) this provision shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant; (ii) nothing in this sub-clause shall impose upon the Trustee or the Management Company or the Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision (i) above are not fulfilled. Reference herein to the destruction of any document includes reference to the disposal thereof in any manner. Complete list of unclaimed dividends will be maintained by AMCs and shall not be destroyed. Unit Holder may nominate any successor/ nominee for transmission, subject to all legal requirements, in case of the decease of Unit Holder.

- 5.11.1.4 Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the Transfer Agent or the Management Company itself as Registrar after satisfying as to all legal requirements such as intimation of death of deceased Unit Holder along-with certified copy of death certificate, indemnity from nominee along-with copy of CNIC of nominee and deceased Unit Holder, original unit certificate (in case of physical certificate) etc. The legal costs and taxes, if any, shall be borne and paid by the transferees. However, the processing fee shall not be payable by successors or the beneficiaries of the estate in the case of transmission. The Management Company shall pay the relevant processing fee to the Transfer Agent.
- 5.11.1.5 A Unit Holder may convert the Units in a Unit Trust Scheme managed by the Management Company into Units of another Unit Trust Scheme managed by the Management Company by redeeming the Units of first Scheme and issuance of Units of later Scheme(s) at the relevant price applicable for the day. The Transfer Agent or Management Company itself shall carry out the conversion after satisfying that all the requisite formalities have been fulfilled and payment of the applicable taxes, fees and/or load, if any, has been received. The Management Company may impose a time limit before which conversion may not be allowed.
- 5.11.1.6 A Unit Holder may merge the Units which he/she has invested with two folio/registration numbers into one folio/ registration number. The Transfer Agent shall carry out the merger after satisfying that all the requisite formalities have been completed and payment of applicable taxes and fee, if any, has been received.

5.11.2 Partial Transfer

Partial transfer of Units covered by a single Certificate is permitted provided that in case of physical certificates issued, the Unit Holder must apply for splitting of the unit certificate representing the partial amount and then the new certificate shall be applied for transfer.

- 4) Existing Clause of current level of front-end and back-end loads in Annexure (A) is amended and now read as follows:

CURRENT LEVEL OF FRONT-END AND BACK END LOADS

	Normal Sales	Online / Web based sales
Front End Load:	0%	0%
Back End Load:	0%	0%

Provided however the Management Company may waive the Front-end Load fully or partially at its own

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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 5.1 is amended and now read as follows:

5.1 MINIMUM AMOUNT OF INVESTMENT

The minimum initial amount of investment that is required for opening an account with the registrar in the Fund is Rs. 1,000/ and the minimum amount of any subsequent investment will be Rs. 1,000/-. The Management Company may from time to time amend the minimum amount of initial investment, after giving Thirty (30) days prior notice to the Unit Holders. In the event, the investment in any investor's account falls below the minimum level as a result of revised limits, changes in valuation, redemption, transfer or transmission, the Management Company may instruct the Registrar to close such account by redeeming the Units in such accounts at the close of any accounting period at the price applicable to redemptions on such date.