

HBL ENERGY FUND – SECOND SUPPLEMENTAL OFFERING DOCUMENT

Second Supplement Dated January 22, 2020 to the Offering Document of HBL Energy Fund (HBL EF) Issued on March 10, 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 Energy Fund (the Fund/the Scheme/the Trust/the Unit Trust/HBL-EF) was initially constituted as a Closed-end Fund vide a registered Trust Deed dated March 16, 2005 which was amended vide First Supplemental Trust Deed dated March 16, 2006. PEF has been converted into an Open-end Scheme through a registered Second Supplemental Trust Deed (the Deed) dated June 04, 2013 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee.

Effective from January 23, 2020 following changes in the offering document of HBL Energy Fund will be made and read as follows:

1) Existing Clause 2.1.1 - “Investment Policy” is amended and now read as follows:

2.1.1 Investment Policy

HBL Energy Fund, in line with its Investment Objectives, will invest in Authorized Investments.

The Fund shall be subject to such exposure limits as are specified in the Regulations and SECP’s directives. Currently, the limits are as follows:

- a) At least 70% of its Net Assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis;
- b) The remaining Net Assets shall be invested in cash and / or near cash instruments. Cash and near cash instruments which include cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days remaining maturity; and
- c) The Fund shall not take exposure to Margin Trading System (MTS)

Any Investment may at any time be disinvested at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investments or to provide funds required for the purpose of any provision of Trust Deed or may retain the proceeds of sale in cash deposit as aforesaid or any combination of the aforesaid. Any Investment, which ceases to be an Authorized Investment, would be disinvested within the prescribed period in the best interest of the Unit Holders.

Benchmark

The Benchmark of the fund is KSE 30 index (Total Return Index).

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Authorized Investments

In line with Investment Objective, the Fund will seek to make investments in the Authorized Investments as list below:

S. No	Authorized Investment	Minimum Rating of		Exposure Limits (% of NAV) *	
		Entity	Instrument	Minimum Investment as % to Net Assets	Maximum Investment as % to Net Assets
1	Listed Equity Securities in Energy Sector	N/A	N/A	70%	100%
2	Cash in Bank Accounts (excluding TDRs) and Treasury Bills not exceeding 90 days maturity	Cash at Bank BBB T-Bills N/A	N/A	0%	30%

* Quarterly average calculated on daily basis in line with SECP circular on Categorization of Open-end Schemes

** Means remaining amount allowed under respective Circulars, Rules, and Regulations

The Investment in asset classes mentioned above will be subject to such Exposure limits and minimum ratings as specified herein and/or otherwise as specified in the Regulations/ directives/ circulars from time to time.