

HBL EQUITY FUND – SECOND SUPPLEMENTAL OFFERING DOCUMENT

Second Supplement Dated January 22, 2020 to the Offering Document of HBL Equity Fund (HBL EQF) Issued on March 16, 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 Equity Fund (formerly PICIC Stock Fund) (the Fund/the Scheme/the Trust/the Unit Trust/HBL-EQF) has been established through a Trust Deed (the Deed) dated June 14, 2011 under the Trust Act, 1882 entered into and between HBL Asset Management Limited, the Management Company, and CDC, the Trustee..

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

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

2.1.1 Investment Policy

HBL Equity Fund (HBL- EQF) 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.

- 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. The cash and near cash instruments are cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days remaining maturity; and
- c) It 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 for “HBL Equity Fund (HBL- EQF)” will be KSE- 100 index.

Authorized Investments

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

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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	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.