

HBL ISLAMIC EQUITY FUND – SECOND SUPPLEMENTAL OFFERING DOCUMENT

Second Supplement Dated January 22, 2020 to the Offering Document of HBL Islamic Equity Fund (HBL IEQF) 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 Islamic Equity Fund (Formerly PICIC Islamic Stock Fund) (the Fund/the Scheme/the Trust/the Unit Trust/HBL-IEQF) has been established through a Trust Deed (the Deed) dated February 20, 2014 under the Trust Act, 1882 entered into and between HBL Asset Management Limited, the Management Company, and Central Depository Company of Pakistan (CDC), the Trustee.

Effective from January 23, 2020 - following changes in the offering document of HBL Islamic 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 Islamic Equity Fund will be a Shariah Complaint open end equity fund which will invest in listed Shariah compliant equities. The Fund shall be subject to exposure limits as specified in the Regulations and SECP's directives.

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 shall be KMI-30 Index

Authorized Investments

HBL Islamic Equity Fund in line with its Investment Objectives will invest in Authorized Investments.

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S.No	Description	Minimum Issuer/ Counterparty Rating	Minimum Instrument rating	Minimum Exposure	Maximum Exposure
1	Current and saving deposits with Shariah Compliant Banks and licensed Islamic Banking windows of conventional Banks (excluding TDR) and GoP Sukuk not exceeding 90 days maturity	Cash at Bank BBB+ GoP Sukuk N/A	N/A	0%	30%*
2	Shares/Stocks of listed companies permitted by the Shariah Advisor	N/A	N/A	70%*	100%*
3	Investment in any Shariah Compliant equity security not listed on the Stock Exchange, where application for listing has been accepted by the stock exchange	N/A	N/A	0%	15%
4	Shariah Compliant investments outside Pakistan, with prior approval of SECP and SBP and subject to such conditions as imposed by SECP and SBP.	At the time of seeking permission	At the time of seeking permission	0%	30% (subject to a cap of USD 15 mn)
5	Any other securities or instruments that may be permitted in writing by the Commission	N/A	N/A	0%	30%

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

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.