

First Supplement to the Offering Document of HBL Islamic Fixed Term Fund (HBL IFTF)

A WAKALATUL ISTITHMAR BASED
OPEN-END SHARIAH COMPLIANT FIXED TERM SCHEME

Risk Category: Very Low to Moderate (Coinciding with each Plan's Tenure)
Risk of Principal Erosion: Very Low to Moderate (Coinciding with each Plan's Tenure)

Category of CIS	Risk Profile	Risk of Principal Erosion
HBL Islamic Fixed Term Fund Plan (I)	Moderate	Moderate
HBL Islamic Fixed Term Fund Plan (II – VI)	Up to 3 Months is Very Low Up to 6 Months is Low Up to 12 Months is Moderate	Up to 3 Months is Very Low Up to 6 Months is Low Up to 12 Months is Moderate

MANAGED BY

HBL ASSET MANAGEMENT LIMITED

**First Supplement dated 9th December, 2024 to the
Offering Document of HBL Islamic Fixed Term Fund
(HBL IFTF)**

Issued on January 10, 2025

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 Fixed Term Fund, an Open-End Scheme (the Fund/the Scheme/the Trust/the Unit Trust/HBL IFTF) was constituted as an Open End Fund vide a registered Trust Deed dated 25th October, 2023 entered into and between HBL Asset Management Limited ("the Management Company") and the Central Depository Company of Pakistan Limited ("the Trustee").

Objective of the Supplementary Offering Document

HBL Asset Management intends to seek approval for launch of Five (6) Fixed Term Investment Plans offered under this scheme in line with the Offering Document of HBL Islamic Fixed Term Fund (HBL IFTF).

Effective from **17** January, 2025 following amendments have been made in the offering document of HBL Islamic Fixed Term Fund and now read as:

1. Clause 1.6 "Initial Offer and Initial Period" of the Offering Document of HBL Islamic Fixed Term Fund is amended and read as follows:

Clause 1.6 Initial Offer and Initial Period

The Management Company shall launch maximum six (6) Fixed Term Investment Plans in this scheme however, actual offering date of each investment plan shall be disclosed by the Management Company at the time of launch of respective investment plan. The potential investors are invited to participate in this Plan through Pre-IPO and Public Offering as the case may be.

The Investment Plans shall be closed for new subscriptions after the close of the Initial period however Management Company may reopen the subscription of units with the prior approval of the Commission. No redemption will be allowed during the initial period.

HBL Islamic Fixed Term Fund Plan I

This Plan has a maturity date of one (1) year from the date of closure of IPO. Initial Offer of this plan was made during the IPO Period which was one (1) Business Day on March 28, 2024. During the IPO Period, the Units were issued at the Initial Price of Rs. 100 per Unit to the unit-holders.

HBL Islamic Fixed Term Fund (Plan II to Plan VI)

(to be treated for each Plan separately)

This Plan will have a maturity date as per management discretion capped up to twelve (12) months from the date of closure of IPO. The Management Company shall announce the Initial Maturity of Plan at the time of launch of each plan. Initial Offer of each plan is made during the Pre-IPO & IPO Period which will be <Days> Business Day and begins at the start of the banking hours on <Date> and shall end at the close of the banking hours on <Date>. During Pre-IPO & IPO Period, the Units shall be issued at the Initial Price of Rs. 100 per Unit to the unit-holders.

2. Clause 2.2 “Investment Objective of Investment Plans” of the Offering Document of HBL Islamic Fixed Term Fund is amended and read as follows:

HBL Islamic Fixed Term Fund (Plan-I to Plan-VI): The objective of the Plan is to make investments in such a manner that the original amount of investment is protected whilst having the potential to yield positive return to the investors at maturity date.

3. Clause 2.3 “Investment Policy of Investment Plans” of the Offering Document of HBL Islamic Fixed Term Fund is amended and read as follows.

Investment Policy of HBL Islamic Fixed Term Fund (Plan-I to Plan-VI)

Each Investment Plan of HBL Islamic Fixed Term Fund in line with its investment objectives, will invest primarily in shariah compliant government securities, cash in bank accounts, money market placements, certificate of deposits and TDR with scheduled Islamic banks or Islamic window of Conventional Bank, as per their respective Authorized Investment Table of Investment Plans mentioned below, and as approved by SECP. The Investment Plans under this Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.

Authorized Investment Table of HBL Islamic Fixed Term Fund (Plan-I to Plan-VI)

S.No.	Description	Entity Rating	Maximum Exposure	Minimum Exposure	Time To Maturity
1	Cash in bank account (excluding TDRs) with Islamic Banks or Islamic windows of Conventional Banks, GoP Ijarah Sukuk not exceeding 90 days maturity.	AA (Except for Government Securities)	100%	0%	<u>Coinciding with the tenure of Plan</u>
2	Shariah compliant bank deposits and placements including TDR with scheduled Islamic banks or Islamic window of Conventional Bank Shariah Compliant Certificate of Deposit (COD) Certificate of Musharaka (COM) and other approved Placements, with Islamic banks or Islamic windows of conventional banks, islamic financial institutions & DFI's.	AA	100%	0%	
3	Shariah compliant GOP issued securities	N/A	100%	0%	

Rating of any bank and DFI with which funds are placed should not be lower than AA (Double A) from a rating agency registered with the Commission.

Investments shall be made as per the authorized investment limits given above and may be made according to the following mode of Shariah Transaction such as; principles of Bai'-Mu'ajjal, Bai'- Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.

The Fund, in light of its investment objective and investment policy, shall exclusively invest in Shariah Compliant investments transacted, traded or listed in Pakistan. Any investment made outside Pakistan shall be subject to prior approval of the State Bank of Pakistan and SECP.

Benchmark of HBL Islamic Fixed Term Fund (Plan-I to Plan-VI)

Plan Name	Benchmark
HBL Islamic Fixed Term Fund (Plan-II to Plan-VI)	PKISRV rates on the last date of IPO of the CIS with maturity period corresponding to the maturity of CIS.-

4. **Clause 2.4 “Basic Features of Investment Plans” of the Offering Document of HBL Islamic Fixed Term Fund is amended and read as follows.**

Basic Features of HBL Islamic Fixed Term Fund (Plan-I)

- Term/ Duration of the Investment Plan: Up to 1 Year from commencement of life of Plan
- Subscription Period: IPO (March 28, 2024)
- Contingent Load (Deferred Sales Load): Shall commensurate with net loss incurred due to early redemption.
- Management Fee: Up to 1.50% p.a. on net assets

Basic Features of HBL Islamic Fixed Term Fund (Plan-II to Plan-VI)

(to be treated for each Plan separately)

- Term/ Duration of the Investment Plan: Up to 1 Year from commencement of life of Plan
- Subscription Period: Pre-IPO: _____
IPO: _____
- Contingent Load (Deferred Sales Load): Shall commensurate with net loss incurred due to early redemption.
- Management Fee: Up to 1.50% p.a. on net assets

5. **Clause 2.5 till Clause 2.8 shall be deleted and remaining clauses shall be re-numbered accordingly.**

6. **Clause 3.12.1 (a) “Shariah Compliant Bank Accounts” of the Investment Plans mentioned in the Offering Document of HBL Islamic Fixed Term Fund is amended and read as follows:**

- (a) The Trustee, at the request of the Management Company, shall open shariah compliant Bank Account(s) titled;

**CDC Trustee HBL Islamic Fixed Term Fund and,
CDC Trustee HBL Islamic Fixed Term Fund Plan I,
CDC Trustee HBL Islamic Fixed Term Fund Plan II,
CDC Trustee HBL Islamic Fixed Term Fund Plan III,
CDC Trustee HBL Islamic Fixed Term Fund Plan IV,
CDC Trustee HBL Islamic Fixed Term Fund Plan V,
CDC Trustee HBL Islamic Fixed Term Fund Plan VI,**

for the Unit Trust at designated Bank(s) inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds.

7. Clause 4.4.4 (b) under "Purchase of Units" of the Offering Document of HBL Islamic Fixed Term Fund is amended and read as follows:

- (b) Application for Purchase of Units shall be made by completing the prescribed Investment Application Form and submitting it to the authorized branches of the Distributor or to the Management Company together with the payment by cheque, bank draft, pay order or online transfer as the case may be in favor of Trustee Bank Account and crossed "Account Payee only" as specified below;

For HBL Islamic Fixed Term Fund (Plan I to Plan VI):
(to be treated for each Plan separately)

- Demand draft or Pay order in favor of **CDC Trustee HBL Islamic Fixed Term Fund (Plan I to Plan VI)**
- Online transfer to Bank Account(s) of **CDC Trustee HBL Islamic Fixed Term Fund (Plan I to Plan VI)**
- Cheque (account payee only marked in favor of **CDC Trustee HBL Islamic Fixed Term Fund (Plan I to Plan VI)**)