

Risk Disclaimer: All Investments in Mutual Fund are subject to market risks. The NAV of Units may go down or up based on the market conditions. The investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned as per clause 2.1.1, Risk Factors mentioned in clause 2.18, Taxation Policies mentioned in Clause 7.4 and Warnings in Clause 9 before making any investment decision.

OFFERING DOCUMENT
OF
HBL ISLAMIC FIXED TERM FUND (HBL IFTF)
A WAKALATUL ISTITHMAR BASED OPEN-END SHARIAH COMPLIANT
FIXED RATE/RETURN SCHEME
CONSOILIDATED TILL July 11, 2024

being a Specialized Trust as defined under Section 2(u-i) of the Sindh Trusts Act, 2020,
as amended vide Sindh Trusts (Amendment) Act, 2021

Duly Vetted by Shariah Advisor, Mufti Irshad Ahmed Aijaz,

for and on behalf of

Al-Hilal Shariah Advisors

(Formerly Fortune Islamic Services Private Limited)

Category of CIS	Risk Profile	Risk of Principal Erosion
Shariah Compliant Fixed Rate/Return Scheme HBL Islamic Fixed Term Fund	Very Low to Moderate	Principal at very low to moderate risk
HBL Islamic Fixed Term Fund Plan I & II	Moderate	Principal at moderate risk
HBL Islamic Fixed Term Fund Plan III & IV	Low	Principal at low risk
HBL Islamic Fixed Term Fund Plan V	Very Low	Principal at very low risk

Between

HBL ASSET MANAGEMENT LIMITED (HBL AMC)

(The Management Company)

And

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC)

(The Trustee)

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Key fact statement of
HBL Islamic Fixed Term Fund – Plan I
Managed by HBL Asset Management Limited

Type	Open End
Category	Shariah Compliant Fixed Term Scheme
Risk Profile	Moderate
Issuance Date	28th March 2024
1-DISCLAIMER:	

Before you invest, you are encouraged to review the detailed features of the fund and its investment plans in the offering documents and or/Monthly Fund Manager Report.

2-KEY ATTRIBUTES:		
Investment objective of CIS/Investment plan	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	
Authorized Investment Avenue/s	Bank deposits, Term deposits Receipts, Certificate of Deposit (COD) and Certificate of Musharaka (COM) placements Government securities further details regarding exposure limits and rating requirements please refer clause 2.3.	
Launch date of CIS/Investment plan	28 th March 2024	
Minimum investment amount	1000	
Duration (Perpetual/Fixed Maturity: in case of fixed maturity, date of maturity must also be disclosed)	12 Months	
Performance benchmark (for conventional fixed return schemes, disclose the promised return, for Shariah compliant fix return.	PKISRV rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.	
IPO/Subscription period	28 th March 2024	
Subscription/Redemption Days and Timing	9:00 AM-4:00 PM	
Types /Classes of Units	Growth	
Management Fee (% per Annum)	Up to 1.00%	
3-BRIEF INFORMATION OF THE PRODUCT CHARGES		
1-FRONT END LOAD (FEL)	Distribution channel	NA
	Direct investment through AMC	NA
	Digital Platform of AMC /third party	NA
2-REDEMPTION CHARGE	Type of Charge	NA
	Back End Load	NA
	Contingent Load	If investment is not held till maturity, a contingent load, commensurate to the loss incurred, will be applied based on holding period and redemption proceeds net of this will be paid out to the unit holder.

Total Expense Ratio (TER)

Investors are advised to consult the Fund Manager Report (FMR) of the respective CIS /Investment Plan for the latest information pertaining to the updated TER.

Applicable Taxes

Disclaimer -

Income earned in the form of dividend or capital gain shall be charged at a rate as specified in income Tax Ordinance 2001.

KEY STAKEHOLDERS:

- a. HBL Asset Management Limited
- b. CDC Trustee

Offering Document of
HBL Islamic Fixed Term Fund (HBL IFTF)
A Wakalatul Istithmar based Open-End Shariah Compliant
Fixed Rate/Return Scheme
Managed by
HBL Asset Management Limited
An Asset Management Company Registered under the Non-Banking Finance
Companies (Establishment and Regulation) Rules, 2003.

Date of Publication of Offering Document Dated December 4, 2023

IPO Date: March 27, 2024

The **HBL Islamic Fixed Term Fund** (the Fund/the Scheme/the Trust/the Unit Trust/HBL IFTF) has been established through a Trust Deed (the Deed) dated October 25, 2023, under the Sindh Trust Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021) entered into and between **HBL Asset Management Limited**, the Management Company, and **Central Depository Company of Pakistan Limited**, the Trustee.

REGULATORY APPROVAL AND CONSENT

Approval of the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of **HBL Islamic Fixed Term Fund** and registered **HBL IFTF** as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") vide letter No. SCD/AMCW/HBL/FTF/2023/198/MF-NE-150 dated November 15, 2023. SECP has approved this Offering Document, under the Regulations vide No. SCD/AMCW/HBLIFTF/2023/376 dated December 4, 2023 and further as per SECP approval of extension in validity of the Offering Document vide reference no. SCD/AMCW/HBLIFTF/2023/541 dated July 11, 2024.

It must be clearly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Fund nor for the accuracy of any statement made or any opinion expressed in this Offering Document.

Offering Document

This Offering Document sets out the arrangements covering the basic structure of the **HBL Islamic Fixed Term Fund** (the "Fund", the "Scheme"). It sets forth information about the Fund that a prospective investor should know before investing in any class of Unit of the Fund. The provisions of the Trust Deed, the Rules, the Regulations, circulars and directives etc. as specified

hereafter, that may be issued from time to time govern this Offering Document.

Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors, Warning and Disclaimer. If prospective investor has any doubt about the contents of this Offering Document, he/she should consult one or more from amongst their investment advisers, legal advisers, bank managers, stockbrokers, or financial advisers to seek independent professional advice.

Investors must recognize that the investments involve varying levels of risk. The portfolio of the Investment Plans under the Fund consists of investments that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units of the Investment Plans in the Fund nor the dividend declared by the Investment Plans under the Fund is, or can be, assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.18 and Clause 9 respectively in this Offering Document.

(All Investments of the Fund shall be in adherence to the Principles of Shariah. It is possible that adherence to the Principles of Shariah will cause the Fund to perform differently from Funds with similar objectives, but that are not subject to the requirements of Islamic Shariah.)

Filing of the Offering Document

The Management Company has filed a copy of the Offering Document signed by the Chief Executive along with the Trust Deed with SECP. Copies of the following documents can be inspected at the registered office of the Management Company or the place of business of the Trustee:

- (1) License No. **SECP/LRD/LD/15/AMCW/HBLAML/2022/78** dated **February 22, 2023** granted by SECP to **HBL Asset Management Limited** to carry out Asset Management Services and Investment Advisor;
- (2) Trust Deed (the Deed) of the Fund;
- (3) SECP's Letter No. SCD/AMCW/HBL/FTF/2023/198/MF-NE-150 dated November 15, 2023, registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;
- (4) Letters from BDO Ebrahim & Co. Chartered Accountants, as Auditors of the Fund, consenting to the issue of statements and reports;
- (5) Letters from M/s. Bawaney & Partners as Legal Advisers of the Fund, consenting to act as adviser;
- (6) The Management Company as per letter dated Oct 18, 2023 has appointed **Al Hilal Shariah Advisors (Pvt) Limited** as Shariah Advisor and the Shariah Advisor has duly reviewed this Offering Document

- (7) SECP's letter No. SCD/AMCW/HBLIFTF/2023/376 dated December 4, 2023 approving this Offering Document.
- (8) SECP approval of extension in validity of the Offering Document vide reference no. SCD/AMCW/HBLIFTF/2023/541 dated July 11, 2024.
- (9) Assistant Director of Industries and Commerce Directorate of the Department has issued a certificate of registration bearing reference no KAR/ST/061/2023 dated October 25, 2023 upon registration of the Trust under Sindh Trust Act 2020.

1. CONSTITUTION OF THE SCHEME

1.1 Constitution

The Fund is an open-end shariah compliant fixed rate/return scheme and has been constituted by a Trust Deed entered into at Karachi on October 25, 2023 between:

HBL Asset Management Limited (HBL AMC) a Non-Banking Finance Company incorporated under the Companies Act 2017, Companies Ordinance 1984 and licensed by SECP to undertake asset management services, with its principal place of business at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi, Pakistan, as the Management Company; and

Central Depository Company of Pakistan Limited (CDC), incorporated in Pakistan under the Companies Ordinance, 1984, and registered by SECP to act as a Trustee of the Collective Investment Scheme, having its registered office at CDC House, 99-B Block 'B' S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, which expression where the context so permits shall include its successors in interest and assigns) of the other Part.

1.2 Trust Deed (the "Deed")

The Deed is subject to and governed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008, Securities Act 2015, Companies Act, 2017 and all other applicable laws and regulations. The terms and conditions in the Deed and any supplemental deed(s) shall be binding on each Unit Holder. In the event of any conflict between the Offering Document and the Deed, the latter shall supersede and prevail over the provisions contained in this Offering Document. In the event of any conflict between the Deed and the Rules or Regulations and Circulars issued by SECP, the latter shall supersede and prevail over the provisions contained in the Deed.

(Furthermore, all Investments of the Fund Property shall be in accordance with the Principles of Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and the regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency.)

1.3 Modification of Trust Deed

The Trustee and the Management Company, acting together and with the approval of SECP, shall be entitled by supplemental deed(s) to modify, alter or add to the provisions of the Deed to such extent as may be required to ensure compliance with any applicable laws, Rules and Regulations and Shariah guidelines.

Where the Deed has been altered or supplemented, the Management Company shall duly notify to the Unit Holders and posted on their official website.

1.4 Duration

The duration of the Fund is perpetual. However, Investment Plans in this Fund will have a limited life. The actual duration of the Investment Plans(s) will be as per clause 1.6 below communicated to the investors, Trustee and Commission. However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause 10.4 of this document.

1.5 Trust property

The aggregate proceeds of all Units issued from time to time by each of the Investment Plans after deducting Duties and Charges and Transactions Costs, shall constitute part of the Trust Property and includes the Investment and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holder(s) pursuant to the Deed but does not include any amount payable to the Unit Holders as distribution. However any profit earned on the amount payable to the Unit Holders of an Investment Plan as distribution shall become part of the Trust Property of the pertinent Investment Plan.

1.6 Initial Offer and Initial Period

The Management Company shall launch maximum ten (10) Fixed Term Plans in this scheme however, actual offering date of each plan shall be disclosed by the Management Company at the time of launch of respective 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

The Plan will have a maturity date of one (1) year from the date of closure of IPO. The Management Company shall announce the Initial Maturity of Plans at the time of launch of each plan. Initial Offer of each plan is made during the Pre-IPO & IPO Period which will be One Business Day and begins at the start of the banking hours on March 27, 2024 and shall end at the close of the banking hours on March 27, 2024. During Pre-

IPO & IPO Period, the Units shall be issued at the Initial Price of Rs. 100 per Unit to the unit-holders.

HBL Islamic Fixed Term Fund Plan II

The Plan will have a maturity date of one (1) year from the date of closure of IPO. The Management Company shall announce the Initial Maturity of Plans 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.

HBL Islamic Fixed Term Fund Plan III

The Plan will have a maturity date of six (6) months from the date of closure of IPO. The Management Company shall announce the Initial Maturity of Plans 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.

HBL Islamic Fixed Term Fund Plan IV

The Plan will have a maturity date of six (6) months from the date of closure of IPO. The Management Company shall announce the Initial Maturity of Plans 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.

HBL Islamic Fixed Term Fund Plan V

The Plan will have a maturity date of three (3) months from the date of closure of IPO. The Management Company shall announce the Initial Maturity of Plans 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.

1.7 Transaction in Units after Initial Offering Period

- a) Subsequent to the Initial Public Offering, the Issuance of units shall discontinue till the date of maturity of the Plan.
- b) Further, the Units of the Investment Plan(s) can be redeemed at the Redemption Price, which shall be calculated on the basis of the Net Asset Value (NAV) of each Investment

Plan. The Units will be available for redemption on each Dealing Day however any redemption during the term of the plan shall be subject to Contingent Load.

1.8 Offering Document

The provisions of the Trust Deed, the Rules, the Regulations, circulars and the Directive issued by the Commission govern this Offering Document. It sets forth information about the Fund and its Investment Plan(s) that a prospective investor should know before investing in any Unit. Prospective investors in their own interest are advised to carefully read this Offering Document to understand the Investment Policy, Risk Factors and Warning and Disclaimer and should also consult their legal, financial and/or other professional adviser before investing.

1.9 Modification of Offering Document

This Offering Document will be updated to take account of any relevant material changes relating to the Fund and its Investment Plan(s). Such changes shall be subject to prior consent of the Trustee and approval from the Securities and Exchange Commission of Pakistan (SECP) and shall be circulated to all Unit Holders and/ or publicly notified by advertisements in the newspapers subject to the provisions of the Rules and the Regulations and duly posted on official website of the Management Company.

1.10 Structure of the Scheme

- a. The Fund shall offer various Fixed Term Investment Plans based on their structure of fixed maturity and the number of such plans at any point in time shall not exceed 10 or such other limit specified by the Commission.
- b. The Management Company may, with the prior approval of the Commission, introduce new Investment Plans through supplement to this Offering Document.
- c. Each Investment Plan shall make investments in such a manner that the original amount of investment is protected at maturity whilst having the potential to yield positive return. The Investment Plan(s) will not provide a positive return if investment is not held to maturity. A contingent load will be applied based on holding period and redemption proceeds net of this will be paid out to the unit holder.
- d. Each Investment Plan may have different investment avenues and / or different maturity dates which will be disclosed in Offering Document of the Fund.
- e. Management company may at its own discretion decide the launching date of each Investment Plan and disclose the same at the time of Public Offering.

- f. The Total Expense Ratio of each Investment Plan(s) launched under this scheme shall be as specified in the NBFC Rules & Regulations 2008 and it shall not charge any sales load to investor except contingent load which shall be made part of the Trust property of pertinent Investment Plan; **Provided that contingent load shall commensurate with the net loss incurred due to early redemption.**
- g. The minimum size of the Investment Plans under the Scheme shall be of such amount as specified in the Regulations.
- h. Investors of the Fund may hold different types of Units of Investment Plans and may invest in any one or more of the available Investment Plans.
- i. At the time of investment, Unit Holder will be required to provide maturity instructions in the form of either getting amount redeemed at maturity or transfer entire portfolio to following Fund/Plan (without any sales load) as per availability;
 - i. Next upcoming HBL Islamic Fixed Term Fund Plan
 - ii. Any Islamic Money Market structured Scheme/Plan managed by HBL AMC.
- j. In case, maturity instructions are not provided by Unit Holder; the amount will be automatically transferred to the registered bank account of Unit Holder at the time of maturity.
- k. The Management Company with the prior approval of the Commission may re-launch a pertinent Investment Plan after its maturity through a Supplemental Offering Document subject to a condition that at all times the maximum number of Investment Plans under this scheme shall not exceed ten (10) plans.
- l. The management company shall publish separate Fund Manager Report for each Plan.

1.11 Responsibility of the Management Company for information given in this Document

Management Company accepts the responsibility for the information contained in this Offering Document as being accurate at the date of its publication.

2. Investment Objectives, Investment Policy, Restrictions, Risk Disclosure and Disclaimer

2.1 Investment Objective of HBL Islamic Fixed Term Fund

The objective of the Fund is to offer multiple Investment Plans and each Investment Plan shall make investments in such a manner that the original amount of investment is protected whilst having the potential to yield positive return at the maturity date.

2.1.1 Investment Policy of HBL Islamic Fixed Term Fund

Since the Fund is not directly offering its units to the investor rather offering shall only be made through Investment Plans launched from time to time under this Fund. Therefore, investment policy of the fund is not applicable, however investment policy of each Investment Plan are disclosed below and shall be in accordance with the Rules, Regulations and directives issued by SECP from time to time.

2.2 Investment Objective of Investment Plans

HBL Islamic Fixed Term Fund (Plan-I to Plan-V): 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.

2.3 Investment Policy of Investment Plans

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 underline Investment Plans

Authorized Investment Table of HBL Islamic Fixed Term Fund Plan-I

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%	Up to the maturity of the Plan

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%	
<p>Note: Time to Maturity of Placements and Government Securities shall not exceed One (1) Year.</p> <p>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.</p> <p>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.</p> <p>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.</p>					

Authorized Investment Table of HBL Islamic Fixed Term Fund Plan-II

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%	Up to the maturity of the Plan

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%

Note: Time to Maturity of Placements and Government Securities shall not exceed One (1) Year.

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.

Authorized Investment Table of HBL Islamic Fixed Term Fund Plan-III

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%	Up to the maturity of the Plan

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%

Note: Time to Maturity of Placements and Government Securities shall not exceed Six (6) Months.

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.

Authorized Investment Table of HBL Islamic Fixed Term Fund Plan-IV

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%	Up to the maturity of the Plan

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%	
<p>Note: Time to Maturity of Placements and Government Securities shall not exceed Six (6) Months.</p> <p>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.</p> <p>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.</p> <p>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.</p>					

Authorized Investment Table of HBL Islamic Fixed Term Fund Plan-V

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%	Up to the maturity of the Plan

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%

Note: Time to Maturity of Placements and Government Securities shall not exceed Three (3) Months.

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 Investment Plans

Plan Name	Benchmark
HBL Islamic Fixed Term Fund (Plan-I to Plan-V)	PKISRV Rates (for comparable period of the plan) at the time of plan launch.

2.4 Basic Features of HBL Islamic Fixed Term Fund Plan-I

- Term/ Duration of the Investment Plan: 1 Year from commencement of life of Plan
- Subscription Period: Pre-IPO: None
IPO: March 27, 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

2.5 Basic Features of HBL Islamic Fixed Term Fund Plan-II

- Term/ Duration of the Investment Plan: 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

2.6 Basic Features of HBL Islamic Fixed Term Fund Plan-III

- Term/ Duration of the Investment Plan: 6 Months 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

2.7 Basic Features of HBL Islamic Fixed Term Fund Plan-IV

- Term/ Duration of the Investment Plan: 6 Months 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

2.8 Basic Features of HBL Islamic Fixed Term Fund Plan-V

- Term/ Duration of the Investment Plan: 3 Months 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

2.9 Risk Control in the Investment Process

- (a) The Management Company shall ensure that effective risk control measures are in place for the protection of the Unit Holders' interests.
- (b) The objective of the risk control process is endeavor to monitor and manage the various types of risks, including market risks, credit risks and operational risks, with a view to achieving the investment objective of the Scheme.

Exposure to the Authorized Investments shall be determined based on the fund manager's outlook on the economy, the Capital / Money market and any other factor considered important by the Management Company towards effective discharge of its duties under the Regulations, the Deed and this Offering Document.

2.15 Management Company Can Alter Investment Mix

The Management Company can from time to time alter the weightings, subject to the specified limits as per Clause 2.3 above, between the various types of investments if it is of the view that market conditions so warrant. The funds not invested in the foregoing avenues shall be placed as deposits with Islamic Banks, Islamic Banking windows of commercial banks, Islamic Financial institutions under Islamic Shariah based financial contracts.

2.16 Changes in Investment Policy

The investment policy will be governed by the Regulations and/or SECP directives. Any Fundamental change in the Investment Policy will be implemented only after obtaining prior approval from SECP and giving 30 days prior notice to the Unit Holders as specified in the regulation.

2.17 Investment Restrictions

- (a) The Trust Property shall be subject to such exposure limits or other prohibitions as are provided in the Regulations, Trust Deed, this Offering Document of the Fund, Shariah Advisor, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP and are explicitly mentioned under the heading "Exceptions to Investment Restriction" in this offering document or subsequently in writing. If and so long as the value of the holding in a particular company or sector shall exceed the limit imposed by the Regulations, the Management Company shall not purchase any further Investments in such company or sector. In the event Exposure limits are exceeded due to corporate actions including taking up rights or bonus issue and/or owing to appreciation or depreciation in value of any Investment, disposal of any Investment or Redemption of Units, the excess exposure shall be regularized in such manner and within such time as specified in the Regulations, circular or notification issued by SECP from time to time.
- (b) The Management Company on behalf of the Scheme and the plans under it shall not:
 - i. Make Investments in Non-Shariah Compliant Instruments and against the guidelines of Shariah Advisor of the Fund.
 - ii. Purchase or sell –
 - a. Bearer securities;
 - b. Securities on margin;
 - c. Real estate, commodities or commodity contracts;
 - d. Securities which result in assumption of unlimited liability;

- e. Anything other than Authorized Investments as defined herein;
- iii. Participate in a joint account with others in any transaction;
- iv. Take exposure to equities;
- v. Affect a short sale in a security whether listed or unlisted;
- vi. Purchase any security in a forward contract;
- vii. Take Exposure in any other Collective Investment Scheme;
- viii. Take exposure in any security on margin;
- ix. Securities which result in assumption of unlimited liability (actual or contingent)
- x. Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person as specified in the Regulations;
- xi. Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company;
- xii. Invest in securities of the Management Company;
- xiii. Issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission;
- xiv. Apply for de-listing from the stock exchange, unless it has obtained prior written approval of the Commission;
- xv. Sell or issue Units for consideration other than cash unless permitted by the Commission on the basis of structure and investment policy of the Scheme;
- xvi. Merge with, acquire or take over any scheme, unless it has obtained the prior approval of the SECP in writing to the scheme of such merger, acquisition or take over;
- xvii. Invest the subscription money until the closure of the initial offering period;
- xviii. Enter on behalf of the Scheme, into underwriting or sub-underwriting contracts;
- xix. Subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company;
- xx. Pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations;
- xxi. Accept deposits;
- xxii. Invest in Margin Trading System

- xxiii. Make a loan or advance money to any person from the assets of the Scheme;
 - xxiv. Invest in instruments other than government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) and TDR with scheduled Islamic banks or Islamic window of Conventional Bank.
- (c) In case of redemption requests that are pending due to constraint of liquidity in any Investment Plan, for more than the period as stipulated in the Regulations, the Management Company shall not make any fresh investment or rollover of any investment.

Exemption to Investment Restrictions

In order to protect the rights of the Unit Holders, the Management Company may take an Exposure in any unauthorized investment due to recovery of any default proceeding of any counter party of any Authorized Investment with the prior approval of the Commission.

2.17.1 Shariah Compliant Financing Arrangements

- (a) Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange shariah compliant financing for account of the Scheme, with the approval of the Trustee, from Banks, Financial Institutions, or such other companies as specified by the Commission from time to time. The shariah compliant financing, however, shall not be resorted to, except for meeting redemption requests and shall be repayable within a period of ninety days and such shariah compliant financing shall not exceed fifteen percent (15%) of the Net Assets of pertinent Investment Plan or such other limit as specified by the Commission of the scheme at the time of shariah compliant financing.

If subsequent to such shariah compliant financing, the Net Assets of the Investment Plan are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such shariah compliant financing.

The charges payable to any Bank or institution against shariah compliant financing on account of the Investment Plan as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.

- (b) Neither the Trustee, nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such shariah compliant financing from banks, financial institutions and non-banking finance companies. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such shariah compliant financing.

- (c) For the purposes of securing any such shariah compliant financing, the Trustee may on the instruction of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property of the pertinent Investment Plan provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Regulations and/or any law for the time being in force.
- (d) Neither the Trustee nor the Management Company shall incur any liability by reason of any loss to the Trust or any loss that a Unit Holder(s) may suffer by reason of any depletion in the Net Asset Value that may result from any shariah compliant financing arrangement made hereunder in good faith.
- (e) The charges payable to any Bank or institution against shariah compliant financing on account of the Scheme as permissible above shall be allocated to the Investment Plan(s) for which the shariah compliant financing has been made.
- (f) Any liability or loss incurred due to negligence of AMC or the Trustee shall be borne by the party responsible.
- (g) All shariah compliant financing shall be done only through Islamic Banks, Islamic Banking windows of commercial banks, Islamic Financial institutions under Islamic Shariah based financial contracts.

2.17.2 Restriction of Transactions with Connected Persons

- (a) The Management Company in relation to the Scheme shall not invest in any security of a company if any director or officer of the Management Company owns more than five per cent of the total amount of securities issued, or, the directors and officers of the Management Company own more than ten percent (10%) of those securities collectively subject to exemption provided in the Regulations.
- (b) The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of the Trustee, purchase or sell any security from or to any Connected Person or employee of the Management Company. Provided that above shall not be applicable on sale or redemption of Units.
- (c) For the purpose of sub-paragraphs (a) and (b) above the term director, officer and employee shall include spouse, lineal ascendants and descendants, brothers and sisters.
- (d) All transactions carried out by or on behalf of the Scheme with connected person(s) shall be made as provided in the Constitutive Documents, and shall be disclosed in the Scheme's annual reports.

2.18 Risk Disclosure

Investors must realize that all investments in mutual funds and securities are subject to market risks. A target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolios of the Investment Plans are subject to market price fluctuations and other risks inherent in all such investments. The risks emanate from various factors that include, but are not limited to:

Government Regulation Risk: Government policies or regulations are more prevalent in some securities and financial instruments than in others. Funds that invest in such securities may be affected due to changes in these regulations or policies, which directly or indirectly affect the structure of the security and/or in extreme cases a governmental or court order could restrain payment of capital, principal or income.

Mark up Rate Risk – A rise or decline in markup rates during the investment term may result in a change in return provided to investors.

Credit Risk: Credit Risk comprises of Default Risk, Credit and Spread Risk. Each can have negative impact on the value of the income and money market instruments including Commercial Papers & Sukuks etc.

Liquidity Risk: Liquidity risk is the possibility of deterioration in the price of a security in the Fund when it is offered for sale in the secondary market.

Settlement Risk: At times, the Fund may encounter settlement risk in purchasing / investing and maturing / selling its investments which may affect the Investment Plan's performance etc.

Events Risk: There may be adjustments to the performance of the Fund due to events including but not limited to, natural calamities, market disruptions, mergers, nationalization, insolvency and changes in tax law.

Redemption Risk: There may be special circumstances in which the redemption of Units may be suspended or the redemption payment may not occur within six working days of receiving a request for redemption from the investor.

Distribution Taxation Risk: Dividend distribution may also be liable to tax because the distributions are made out of the profits earned by the Fund, and not out of the profits earned by each Unit holder. Unit holders who invest in a fund before distribution of dividends may be liable to pay tax even though they may not have earned any gain on their investment as return of capital to investors upon distribution is also taxable.

There may be times when a portion of the investment portfolio of the Scheme is not compliant either with the investment policy or the minimum investment criteria of the assigned 'category'. This non-compliance may be due to various reasons including, adverse market conditions, liquidity constraints or investment – specific issues. Investors are advised to study the latest Fund Manager Report, especially portfolio composition and Financial Statements of the Scheme, to determine what percentage of the assets of the Scheme, if any, is not in compliance with the minimum investment criteria of the assigned category. The latest monthly Fund Manager Report as per the format prescribed by Mutual Funds Association of Pakistan

(MUFAP) and financial statements of the Scheme are available on the website of the Management Company and can be obtained by calling / writing to the Management Company.

2.5 Disclaimer The Units of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Trustee (except to the extent specifically stated in this document and the Deed) or any of the shareholders of the Management Company or any other bank or financial institution.

2.19 Disclaimer

The Units of Investment Plans of the Trust are not bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by SECP, any Government agency, the Trustee (except to the extent specifically stated in this document and the Deed) or any of the shareholders of the Management Company or any other bank or financial institution.

3. OPERATORS AND PRINCIPALS

3.1 Management Company

HBL Asset Management Limited was incorporated on 17 February, 2006 as a public limited company under the Companies Ordinance 1984. It was licensed for Investment Advisory and Asset Management Services by the Securities and Exchange Commission of Pakistan on 3rd April, 2006. The assets under management (AUM) of HBL Asset Management were Rs. 143.69 Billion as of November 30, 2022, making it one of the largest AMCs with respect to AUM. The company is managing 21 different types of mutual funds and plans along with 2 pension funds; conventional and Islamic.

HBL Asset Management Limited has been awarded a Management Quality Rating of “AM1” from VIS Credit Company Limited.

Following Funds are currently managed by the Management Company:

1. HBL Cash Fund	13. HBL Growth Fund (Class - A & Class – B)
2. HBL Money Market Fund	14. HBL Investment Fund (Class - A & Class – B)
3. HBL Income Fund	15. HBL Islamic Equity Fund
4. HBL Government Securities Fund	16. HBL Islamic Stock Fund
5. HBL Islamic Money Market Fund	17. HBL Financial Planning Fund – Conservative Allocation Plan
6. HBL Islamic Income Fund	18. HBL Financial Planning Fund – Active Allocation Plan
7. HBL Islamic Asset Allocation Fund	19. HBL Financial Planning Fund – Special Income Plan
8. HBL Islamic Asset Allocation Fund Plan 1	20. HBL Islamic Financial Planning Fund – Conservative Allocation Plan

9. HBL Equity Fund	21. HBL Islamic Financial Planning Fund – Active Allocation Plan
10. HBL Stock Fund	22. HBL Pension Fund
11. HBL Energy Fund	23. HBL Islamic Pension Fund
12. HBL Multi Asset Fund	24. HBL Islamic Dedicated Equity Fund
25. HBL Total Treasury Exchange Traded Fund	26. HBL Mehfooz Munafa Fund

3.1.1 Organization - Principal Shareholders

HBL Asset Management Limited is a wholly owned subsidiary of HBL. HBL was the first commercial bank to be established in Pakistan in 1947. Over the years, HBL has grown its branch network and become the largest private sector bank with over 1,520 branches and 1000 ATMs across the country and a customer base exceeding five million relationships. With a presence in 25 countries, HBL is also the largest domestic multinational.

Key areas of operations encompass product offerings and services in Retail and Consumer Banking. HBL has the largest Corporate Banking portfolio in the country with an active Investment Banking arm. SME and Agriculture lending programs and banking services are offered in urban and rural centers.

3.2 Board of Directors of the Management Company

The board of directors of HBL Asset Management Limited are stated below:

Name, Occupation & Address*	Position	Other Directorship
Mr. Shahid Ghaffar Investment Management Karachi.	Chairman/Director	1. Habib Insurance Company Ltd. 2. Archroma Pakistan Ltd. 3. Jubilee Life Insurance Company Ltd. 4. Audit Oversight Board Pakistan – Member 5. AWWAL Modaraba 6. Karandaaz Pakistan
Mr. Mir Adil Rashid	Chief Executive / Director	1. Mutual Funds Association of Pakistan
Mr. Abrar Ahmed Mir	Director	1. 1 Link Private Limited 2. HBL Microfinance Bank Limited (Formerly- First Microfinance Bank Limited) 3. Jubilee General Insurance

		Company Limited
Mr. Rayomond Kotwal Banker Karachi	Director	1. HBL Microfinance Bank Limited (Formerly- First Microfinance Bank Limited) 2. Habib Allied Holding Limited, UK 3. HBL Employee Funds- Trustee 4. HBL Bank UK 5. HBL Foundation- Trustee
Ms. Ava Ardeshir Cowasjee Business Karachi	Director	1. Cowasjee & Sons- Partner 2. Orbiter- Partner 3. General Shipping Agencies (Pvt.) Ltd. 4. Cowasjee Foundation- Trustee 5. SOS Technical Training Institute, Karachi-Board Member 6. Syndicate & Senate of NED University of Science and Technology- Member 7. Shahtaj Sugar Mills Limited 8. Indus Valley School of Art and Architecture-MemberBoard of Governors
Mr. Tariq Masaud	Director	1. Kyrgyz Investment and Credit Bank, Kyrgyz Republic
Mr. Abid Sattar	Director	1. Pakistan Petroleum Limited 2. Aequitas Information Services Limited
Mr. Khalid Malik	Director	1. UDL Pharmaceuticals Pakistan (Pvt) Limited 2. UDL Modaraba Management (Pvt)Limited 3. SASL Trading (Pvt) Limited

3.2.1 Profile of Directors;

Mr. Shahid Ghaffar, Chairman

Mr. Shahid Ghaffar has extensive experience of fund management in Pakistan. He has served as Managing Director of NIT, one of the biggest Asset Management Company in the Country. Previously He has been associated with Habib Bank Limited as Head of Investor Relations & Corporate Representation. He has also served as Chief Executive Officer of HBL Asset Management Limited for over six year 2005-2012. He has vast experience of working in capital markets including monitoring of projects, the debt/fixed income portfolio, the equity portfolio and trading desk. Mr. Ghaffar served as the first non-member Managing Director of Karachi Stock Exchange (KSE) for over 2 years during the period 1998-2000 and was instrumental in introducing effective risk management systems at KSE. He has also served as Executive Director / Commissioner (Aug.2000-Nov.2005) at the Securities and Exchange Commission of Pakistan and actively participated in the successful implementation of wide ranging reforms in the capital market. Mr. Ghaffar holds an MBA Degree from Gomal University, D.I.Khan, Khyber Pakhtunkhwa (formerly NWFP), Pakistan.

Mr. Mir Adil Rashid, Chief Executive Officer

Mr. Mir Adil Rashid possesses rich and diversified experience of approximately 20 years of portfolio management, brokerage along with managing retail & institutional client relationships and investment portfolios. He has previously served as Chief Executive Officer of erstwhile PICIC Asset Management Company Limited for 6 years which has since been merged with and into HBL Asset Management Limited in 2016.

Mr. Abrar Ahmed Mir, Director

Mr. Abrar Ahmed Mir is an engineer and MBA from Illinois Institute of Technology, Chicago, IL, USA. He has extensive experience in ecommerce, fintech and innovative financial products.

He is currently working as Chief Innovation & Financial Inclusion Officer at Habib Bank Limited. Prior to that Mr. Mir has been associated with UBL from 2003 to 2015 with his last assignment being SEVP – Group Executive, Banking Products Group. During his long association with UBL he has led

Mobile Payments, Branchless & e-Banking including the launch of UBL-Omini.

Mr. Rayomond Kotwal, Director

Mr. Rayomond Kotwal is an experienced professional with over 31 years of experience and the last 25 years in financial services. He has worked as Chief Financial Officer with United Bank Limited, NIB Bank Limited, Citibank NA and Citi Cards Canada Inc., and with ICI Pakistan Limited and Standard Microsystems Corporation, NY in a variety of roles. Currently, Mr. Kotwal is the Chief Financial Officer of Habib Bank Limited. Mr. Kotwal holds a Masters in Business Administration (Finance) from the Institute of Business Administration, Karachi, Pakistan, and a BS and MS in Electrical Engineering from the Massachusetts Institute of Technology, Cambridge Massachusetts (USA). At present Mr. Kotwal is also on the board of HBL MicroFinance Bank (Formerly- First MicroFinance Bank) as its Chairman and a member of the Board at Habib Allied Holdings Limited – UK and Pakistan Parkinson's Society.

Ms. Ava Ardeshir Cowasjee, Director

Ms. Ava Ardeshir Cowasjee is a prominent person in the shipping industry of Pakistan. She did her schooling at Convent of Jesus and Mary, Karachi, and higher education at Roedean School, England. Thereafter she pursued Management training at Hyde Park Hotel, London, Intercontinental Hotel, Karachi, and got her diploma in Hotel Management from the Ecole Hotelier, Switzerland. She worked as Manager, Manpower Development at Intercontinental Hotel, Karachi, for four years before joining the family business.

Mr. Tariq Masaud, Director

Mr. Tariq Masaud is Chief Risk Officer of Habib Bank Limited. A seasoned banker with over 25 years of work experience in Pakistan and abroad during association with Citibank in different capacities since 1996. He has held senior roles in Corporate Banking and Risk functions at Citibank during his career. He headed

Corporate and Investment Banking in Jordan and Kuwait, and managed Citibank's Risk function for West and Central Africa cluster from Nigeria, where he also served on the Board of Citibank Nigeria. He subsequently

moved to Kenya to manage the Risk organization for most Sub-Saharan Africa branches of Citibank. He then moved within Citibank to USA in 2015 to cover the Energy portfolio and became the Global Head for Risk Policy covering the Institutional Clients Group in 2018.

Mr. Tariq holds a Master's degree in Economics Policy from the University of London and an MBA from LUMS. He is also a founder member of South Asian Association of Bankers in North America. He has been involved in the development of curricula for bankers in Africa and an Assessor for the Senior Credit Officers evaluation training at Citi.

Mr. Abid Sattar, Director

Mr. Abid Sattar has the distinction of being one of the most successful bankers who, over the last 40 years has worked in Corporate, Institutional and Consumer banking with leading Multinational and Local banks, domestically and internationally. Mr. Sattar has established himself as a thought leader and a change agent who has the ability to look through the wide lens and at the same time narrow down to critical issues and opportunities to deliver exceptional and sustainable results.

In his roles as President and CEO of Askari Bank, Mr. Sattar has delivered records earnings in all three years by building a top of class management team and focusing on critical areas including, new business, operational efficiencies, roll out of latest technology and strong and business savvy Risk management.

Prior to joining Askari Bank Ltd., in August 2018 he was based in Singapore heading International Business for Asia and Africa Regions for Habib Bank Ltd. During his previous assignments at HBL Pakistan, he has held positions of Head of Global Operations and Head of Retail and Consumer Banking. In his role of Retail and Consumer head, Mr. Sattar successfully completed the transformation of the retail bank (post privatization) and created a new model for Consumer and Retail Bank – that later became the market norm. His earlier experience includes senior level positions with Citibank, Standard Chartered and Chase Manhattan Banks.

Mr. Sattar has proven track record of leading and building efficient and excellent teams.

He is well known for hiring talent, maintaining highest standards of compliance while expanding and growing businesses. He has been part of Business transformation teams post-merger of ANZ Grindlays Bank and

Standard Chartered Bank (2001-05) and HBL post privatization (2006-10) which provided rich experience in building highly motivated team and profitable businesses. He holds Masters in Economic and Politics of Development from Cambridge University, UK and is a Gold Medalist in MBA Finance from the Punjab University, Lahore.

Mr. Khalid Malik, Director

Mr. Khalid Malik is a Senior Chartered Accountant and is main sponsor/certificate holder of First UDL Modaraba (Listed on the Pakistan Stock Exchange) and is currently serving as the Sponsor/Consultant for the First UDI Modaraba. He is also serving as the Chief Executive Officer of SASL Trading (Pvt) Ltd since 2006. In addition to HBL Asset Management Limited, he is also serving on the Board of UDL Pharmaceuticals Pakistan (Pvt) Limited since 2012. In the past he has also served on the Boards of Searle Pakistan Limited, United Distributors Pakistan Limited, IBL Healthcare Limited, Gillette Pakistan Limited, Unisys Pakistan Limited and United Brands Limited.

3.2.2 Profile of the Management

Mr. Mir Adil Rashid, Chief Executive Officer

Please refer to "Director's Profile" for complete details, as given above.

Mr. Muhammad Ali Ansari, Country Head Retail

Mr. Muhammad Ali Ansari has been working in the financial sector for more than 20 years and has extensive hands-on experience in managing Conventional & Islamic Branch Banking, Business Development Channels, Commercial/ SME financing, Consumer Assets and Wealth Management Businesses in Retail Banking. Having previously served in various senior Retail Banking roles at ABN AMRO, RBS & Faysal Bank, Mr. Muhammad Ali Ansari was serving as Group Head, Business Distribution at MCB Islamic Bank before joining HBL Asset Management as Country Head, Retail.

Mr. Noman Qurban, CFO and Company Secretary

Mr. Noman Qurban is a Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). He has been working with the Company for the last five years. Prior to joining HBL Asset Management, he was working with a large brokerage house, looking after the Financial Reporting and Budgeting & Planning functions of the Company. He completed his training with A.F.Ferguson & Co Chartered Accountants; a member firm of Pricewaterhouse Coopers. During his association with PwC he worked in the Assurance and Business Advisory Services of the firm performing audits of several Companies in various sectors including, mutual funds, banks, DFIs, oil and gas, steel, textile companies of Pakistan.

Mr. Ivan N. Johns, Head of HR

Mr. Johns is a Certified HR practitioner with over 24 years of progressive experience in the field of Human

Resources Management having been associated with both multinational & local Banks in Pakistan i.e.

Citibank N.A., NIB Bank Ltd. & MCB Bank Ltd. with a proven track record of delivering sustainable Human Capital interventions to support Organizational growth.

He was a critical member of the team to setup up the Human Resource framework within NIB, having not only setup but also spearheaded every critical function within HR be it Reward Management, Talent Acquisition, Talent Management, Learning & Development etc. including heading the entire function as Group Head Human Resources. He has also been an avid trainer in the area of Management development, performance management, change management, employee engagement etc. to name a few.

Mr. Johns holds an HR Certification from the Centre of Labour Market Studies – UK as well as a Level 5 Certification in HR from the Chartered Institute of Professional Development (CIPD) – UK.

Mr. Salman Munir Malik, Head of IT

Mr. Salman Munir Malik brings in over 19+ years of diversified experience in the field of Software Engineering and IT Project Management with expertise in financial (Banking) paradigms including Core Banking, Branchless Banking, Financial / non-financial integrations, Digital Financial

Ecosystem, and various other auxiliary systems. He is skilled in information system analysis, architecture design, planning, implementation, integration, customization and post implementation phases and transforming organizations from waterfall methodology to agile.

Prior to joining HBL Asset as the Head of IT, Mr. Munir was associated with Faysal Bank as a senior project manager where he was responsible for spearheading the loan management system, Digital Mall- Faysal Bank Ecommerce Market Place and business process management platform. Previously, Mr. Malik worked for National Bank of Pakistan, where he grew in his role over time taking over various responsibilities such as Software Project Management, Software Licensing and SSL certificates, evaluation of Technical proposals and offers, Project Risk Assessments and risk mitigation activities, Business Process Improvement (BPI), Business process management (BPM) and so on.

Mr. Munir has an MCS from the Punjab Institute of Computer Science, Lahore. He also holds various Certifications including Oracle E-Business Suite and PMP together with various professional trainings for APIGEE Developer & Infrastructure, Software Analysis & Design and CMMI Level 5.

Mr. Asher Matloob, Head of Internal Audit

Mr. Asher Matloob is currently working as Head of Internal Audit in HBL AML. He has more than 15 years of working experience in Compliance, Audit, Internal Audit, Due Diligence Assignments etc. Previously, he was working as Head of Compliance and Internal Audit in PICIC Asset Management Company for almost 4 years. In this position, his job objective is to ensure that all business activities of the organization are carried out in accordance with the applicable laws and internal policies of the company and to provide value additions in the form of giving suggestions to improve the accounting and internal control system of the organization. He was also working with UBL Fund Managers Ltd for almost 5 years as Manager – Internal Audit and Compliance. Asher is a qualified Cost and Management Accountant (ACMA) from Institute of Cost and Management Accountant of Pakistan and Certified Internal Auditor (CIA) from Institute of Internal Auditors-USA. He has also passed the relevant ICM certifications and is also an associate member of Pakistan Institute of Public Financial Accountant. He has completed article ship from Deloitte Touché Tohmatsu, one of the leading accounting firms of the world.

Mr. Anis ur Rahim, Head of Customer Experience

Mr. Anis holds 25 plus years of experience in the financial & non-financial sector with sound exposure in wealth management, digitization, product and customer management with both local & overseas organizations. He

has held senior positions in First Abu Dhabi Bank, Dubai Islamic Bank, TUV Rheinland Gulf LLC etc. Most recently Anis has served as Managing Director of Archiving & Data Solutions Ltd. In Pakistan.

Muhammad Asif Paryani, Head of Compliance

Mr. Muhammad Asif Paryani has a long and rich experience spanning over 18 years in the legal, financial & regulatory sector. He joined the HBL Asset Management Limited (HBL-AMC) in April 2022 as Head of Compliance. He is a fellow member of the Institute of Cost and Management Accountants of Pakistan (ICMAP) & Institute of Forensic Experts (IFE) and holds LLM degree (with specialization in Corporate Laws).

Prior to joining HBL AMC, Asif was serving as Joint Director at the Securities & Exchange Commission of Pakistan (SECP) wherein he had been involved in the supervision of Insurance Companies, SROs (including PSX, CDC & NCCPL) & all the stock brokers, onsite/offsite inspections/enquiries/investigations/enforcement of NBFC's (including AMCs, Mutual/Pension Funds, Leasing & Modarabas).

Asif was selected as Rising Star of Corporate Governance for the year 2013 by the Millstein Governance Forum at Columbia Law School. He was also selected as ICGN (International Governance Network) – Deloitte Scholar during the year 2013- 2016. He was also a member of the Business Ethics Committee of ICGN during the years 2014 – 2016.

Asif is a recognized CSR, Corporate Governance and AML/CFT Specialist and meticulously understands the dynamics of capital markets in Pakistan.

Muhammad Ali Bhabha, Chief Investment Officer

Mr. Bhabha has over 26 years of experience across the financial sector with sound exposure in Fund Management, Risk Management, Relationship Management, Islamic Banking, Foreign Trade and Operations. He has been previously associated with leading organizations such as MCB Bank, Faysal Bank, Habib Metropolitan Bank, Al-Meezan Investment and NBP Funds. In his last role, he served as the Head of Fixed Income at NBP Funds.

Mr. Bhabha is a Chartered Financial Analyst (CFA) and a certified Financial Risk Manager (FRM). He also holds an MBA in Banking & Finance and an MS in Computer Science.

Faheem Elahi, Country Head Corporate

Mr. Faheem Elahi is an MBA from IBA and has over 26 years of professional experience in the areas of Branch Banking Distribution, P&L management, Business Operations, Governance, Wealth Management Solutions & Customer Service. Prior to joining HBL Asset Management Limited, he was associated with Standard Chartered Bank as General Manager, Affluent Segments.

Imad Ansari, Head of Risk Management

Mr. Imad Ansari has been working in the Asset Management Sector for over 15 years as a risk professional. He has extensive experience in implementing risk frameworks across the entity and funds under management, by combining Financial, Operational, Information Security and Business Continuity under the ambit of Enterprise Risk Management.

Before joining HBL Asset Management as Head of Risk Management, he was leading the Risk Management at Faysal Funds, Al Meezan Investment Management Limited and UBL Funds.

3.2.3 Performance of Listed Associated Companies

Habib Bank Limited, Holding Company

	2021	2020	2019	2018	2017	2016	2015
 (Consolidated Figures Rs. In millions)						
PROFIT AFTER TAX	35,507	30,913	15,500	12,441	8,848	34,206	35,102
TOTAL EQUITY	283,686	265,495	224,752	199,252	188,751	196,269	182,620
TOTAL ASSETS	4,317,468	3,849,063	3,227,132	3,025,853	2,696,218	2,519,077	2,218,433
TOTAL DEPOSITS	3,381,998	2,830,371	2,437,597	2,137,293	1,998,935	1,885,959	1,634,944
ADVANCES (NET OF PROVISION)	1,507,047	1,223,510	1,166,957	1,080,440	851,502	748,466	637,384

INVESTMENTS (NET OF PROVISION)	1,948,956	1,948,577	1,379,607	1,390,052	1,374,816	1,344,405	1,270,824
 Per share (%)						
CASH DIVIDEND	75	43	50	43	80	140	140
STOCK DIVIDEND	-	-	-	-	-	-	-

Jubilee General Insurance Company Limited, Associated Company

	2021	2020	2019	2018	2017	2016	2015
 (Consolidated Figures Rs. In millions)						
PROFIT AFTER TAX	1,649	1,533	1,224	1,066	1,117	1,179	1,352
TOTAL EQUITY	10,190	9,547	8,712	7,908	8,313	8,773	5,906
TOTAL ASSETS	26,194	23,295	22,089	21,313	19,698	20,516	15,188
 Per share (%)						
CASH DIVIDEND	40	35	30	40	40	35	45
STOCK DIVIDEND	-	-	10	-	-	15	-

Jubilee Life Insurance Company Limited, Associated Company

	2021	2020	2019	2018	2017	2016	2015
 (Consolidated Figures Rs. In millions)						

PROFIT AFTER TAX	1,793	2,884	2,224	2,430	3,262	2,108	1,622
TOTAL EQUITY	13,069	12,872	11,406	10,342	9,317	7,665	3,910
TOTAL ASSETS	190,552	190,422	173,361	139,626	120,513	102,797	69,224
 Per share (%)						
CASH DIVIDEND	145	165	165	175	175	145	135
STOCK DIVIDEND	-	-	-	-	-	10	-

3.3 Existing Schemes under Management and their performance.

a) Schemes under Management

Conventional Funds

Name of Schemes along with Plans/ Sub-Funds	Category	Net Asset s	Net Assets exclud ing Fund of Funds	NAV Price	Par Value in Rs.	Listin g	Truste e	Auditor	Stabilit y Rating by JCR-VIS
	 Rs. In Millions...							
HBL Money Market Fund	Money Market Scheme	11,542	11,541	110.1658	100	PSX	CDC	A.F.Ferguson & Co., Chartered	AA+(f) (VIS) 03-Jan-22

								Accountants	
HBL Cash Fund	Money Market Scheme	45,602	45,536	102.5225	100	PSX	CDC	BDO Ebrahim & Co. Chartered Accountants	AA+(f) (VIS) 03-Jan-22
HBL Government Securities Fund	Sovereign Income Scheme	446	446	118.9997	100	PSX	CDC	BDO Ebrahim & Co. Chartered Accountants	AA(f) (VIS) 03-Jan-22
HBL Financial Sector Income Fund - Plan 1	Income Scheme	29,660	29,660	101.2609	100	PSX	CDC	Yousuf Adil, Chartered Accountants	
HBL Income Fund	Income Scheme	2,225	2,198	119.5449	100	PSX	CDC	A.F.Ferguson & Co., Chartered Accountants	A+(f) (VIS) 03-Jan-22
HBL Multi Asset Fund	Balanced Scheme	103	103	92.2656	100	PSX	CDC	KPMG Taseer Hadi & Co., Chartered Accountants	
HBL Energy Fund	Equity Scheme	256	256	9.8136	10	PSX	CDC	BDO Ebrahim & Co. Chartered Accountants	

HBL Equity Fund	Equity Scheme	426	426	70.7537	100	PSX	CDC	BDO Ebrahim & Co., Chartered Accountants	
HBL Stock Fund	Equity Scheme	172	169	67.6059	100	PSX	CDC	A.F.Ferguson & Co., Chartered Accountants	
HBL Total Treasury Exchange Traded Fund	Exchange Traded Fund	522	522	10.4492	10	PSX	CDC	Yousuf Adil Chartered Accountants	
HBL Investment Fund - A	Equity Scheme	1,832	1,832	6.4495	10	PSX	CDC	A.F.Ferguson & Co., Chartered Accountants	
HBL Investment Fund – B	Equity Scheme	462	462	6.0110	10	PSX	CDC	A.F.Ferguson & Co., Chartered Accountants	
HBL Growth Fund - A	Equity Scheme	5,098	5,098	17.9822	10.0000	PSX	CDC	A.F.Ferguson & Co., Chartered Accountants	
HBL Growth Fund - B	Equity Scheme	915	915	12.1462	10.0000	PSX	CDC	A.F.Ferguson & Co., Chartered	

								Accountants	
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**Shariah
Compliant
Funds**

HBL Islamic Money Market Fund	Shariah Compliant Money Market Scheme	46,580	46,545	101.2592	100.0000	PSX	CDC	KPMG Taseer Hadi & Co., Chartered Accountants	AA+(f) (VIS) 03-Jan-22
HBL Islamic Income Fund	Shariah Compliant Income Scheme	6,538	6,537	110.5340	100.0000	PSX	CDC	Yousuf Adil & Co., Chartered Accountants	A+(f) (VIS) 03-Jan-22
HBL Islamic Asset Allocation Fund	Shariah Compliant Asset Allocation Scheme	113	113	101.8735	100.0000	PSX	CDC	KPMG Taseer Hadi & Co., Chartered Accountants	
HBL Islamic Asset Allocation Fund Plan I	Shariah Compliant Asset Allocation Scheme	1,990	1,990	107.7464	100.0000	PSX	CDC	KPMG Taseer Hadi & Co., Chartered Accountants	
HBL Islamic Asset Allocation Fund Plan II	Shariah Compliant Asset Allocation Scheme	452	452	109.6967	100.0000	PSX	CDC	KPMG Taseer Hadi & Co., Chartered	

								Accountants	
HBL Islamic Stock Fund	Shariah Compliant Equity Scheme	175	175	79.7657	100.0000	PSX	CDC	A.F.Ferguson & Co., Chartered Accountants	
HBL Islamic Equity Fund	Shariah Compliant Equity Scheme	107	107	66.8692	100.0000	PSX	CDC	BDO Ebrahim & Co. Chartered Accountants	
Fund of Funds									
HBL Financial Planning Fund - Conservative	Fund of Funds Scheme	35	35	116.5518	100.0000	PSX	MCBFSL	BDO Ebrahim & Co. Chartered Accountants	
HBL Financial Planning Fund - Active	Fund of Funds Scheme	67	67	77.6660	100.0000	PSX	MCBFSL	BDO Ebrahim & Co. Chartered Accountants	
HBL Islamic Financial Planning Fund - Conservative	Shariah Compliant Fund of Funds Scheme	1	1	95.1084	100.0000	PSX	MCBFSL	KPMG Taseer Hadi & Co. Chartered Accountants	

HBL Islamic Financial Planning Fund - Active	Shariah Compliant Fund of Funds Scheme	100	100	92.4669	100.0000	PSX	MCBF SL	KPMG Taseer Hadi & Co. Chartered Accountants	
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Pension Funds

HBL Pension Fund - Equity Sub Fund	Pension Scheme	53	53	296.2827	100.0000	CDC	Yousuf Adil & Co., Chartered Accountants	
HBL Pension Fund - Debt Sub Fund	Pension Scheme	303	303	254.8385	100.0000	CDC	Yousuf Adil & Co., Chartered Accountants	
HBL Pension Fund - Money Market Sub Fund	Pension Scheme	490	490	222.3318	100.0000	CDC	Yousuf Adil & Co., Chartered Accountants	
HBL Islamic Pension Fund - Equity Sub Fund	Shariah Compliant Pension Scheme	71	71	329.9190	100.0000	CDC	Yousuf Adil & Co., Chartered Accountants	

HBL Islamic Pension Fund - Debt Sub Fund	Shariah Compliant Pension Scheme	190	190	200.9388	100.0000	CDC	Yousuf Adil & Co., Chartered Accountants	
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b) Performance of Schemes

LAST FIVE YEAR PERFORMANCE					
Fund Name	FY-22	FY-21	FY-20	FY-19	FY-18
HBL Money Market Fund	10.26%	6.84%	12.38%	8.47%	5.32%
HBL Cash Fund	10.97%	6.97%	12.86%	8.89%	5.49%
HBL Income Fund	11.43%	7.10%	13.28%	8.82%	4.98%
HBL Financial Sector Income Fund - Plan I	13.26%				
HBL Government Securities Fund	7.89%	5.10%	16.02%	9.35%	4.74%
HBL Multi Asset Fund	- 17.52%	21.99%	2.14%	-8.95%	-6.28%
HBL Stock Fund	- 35.84%	29.83%	-3.77%	- 16.20%	- 11.85%
HBL Energy Fund	- 17.70%	19.73%	-9.98%	- 24.28%	- -2.33%
HBL Equity Fund	- 45.08%	39.47%	7.61%	- 15.46%	- 11.38%
HBL Growth Fund - Class A	- 19.63%	33.50%	5.74%		
HBL Growth Fund - Class B	- 35.22%	30.86%	-2.62%		
HBL Investment Fund - Class A	- 19.83%	35.08%	7.16%		

HBL Investment Fund - Class B	- 36.76%	29.66%	-2.94%		
HBL Pension Fund - Money Market	10.13%	5.25%	11.86%	7.78%	4.38%
HBL Pension Fund - Debt	9.67%	4.69%	19.69%	7.79%	3.99%
HBL Pension Fund - Equity	- 27.86%	33.60%	2.89%	- 13.94%	- 10.24%
HBL Financial Planning Fund (CAP)	-3.04%	6.37%	10.69%	0.06%	
HBL Financial Planning Fund (AAP)	- 35.98%	20.65%	3.85%	-5.52%	
HBL Islamic Money Market Fund	9.99%	6.47%	11.38%	8.11%	4.32%
HBL Islamic Income Fund	11.14%	5.45%	10.31%	7.85%	5.18%
HBL Islamic Asset Allocation Fund	-3.92%	11.59%	6.42%	-1.15%	-0.78%
HBL Islamic Asset Allocation Fund - Plan I	9.09%	7.42%			
HBL Islamic Stock Fund	- 28.67%	32.38%	2.95%	- 18.36%	- 13.99%
HBL Islamic Equity Fund	- 33.40%	35.46%	1.15%	- 16.97%	- 12.32%
HBL Islamic Dedicated Equity Fund	7.85%	4.43%	- 16.17%		
HBL Islamic Pension Fund - Money Market	8.75%	4.34%	8.06%	6.73%	3.41%
HBL Islamic Pension Fund - Debt	8.84%	5.28%	7.38%	7.36%	2.89%
HBL Islamic Pension Fund - Equity	- 24.16%	35.57%	6.05%	- 16.60%	- 12.02%
HBL Islamic Financial Planning Fund (CAP)	- 20.91%	5.11%	9.86%	0.05%	1.40%
HBL Islamic Financial Planning Fund (AAP)	- 24.74%	21.53%	6.21%	-7.06%	0.40%

3.4 Role and Responsibilities of the Management Company

The Management Company shall manage, operate and administer the Scheme in accordance with the Rules, Regulations directives, Shariah Advisor, circulars and guidelines issued by SECP and this Deed and the Offering Document.

The Fund is based on the Shariah principles of “Wakalah tul Istithmar”, in which the Management Company in the capacity of “Wakeel” shall manage, operate and administer the Scheme and Fund Property in the interest of the Principal (Unit Holders) in good faith, and to the best of its ability.

3.4.1 Administration of the Scheme

The Management Company shall administer the Scheme in accordance with the Rules, the Regulations, Shariah Advisor, the Deed, Circulars, Directives and this Offering Document and the conditions (if any), which may be imposed by the Commission from time to time.

3.4.2 Management of Fund Property

The Management Company shall manage the Fund Property in a manner that ensures Shariah compliance and in the interest of the Unit Holders in good faith, to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons and group companies or its officers, and subject to the restrictions and limitations as provided in the Deed and the Rules and Regulations. Any purchase or sale of investments made under any of the provisions of the Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of the Deed or the Rules and Regulations. The Management Company shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to elements or circumstances beyond its reasonable control.

The Management Company shall comply with the provisions of the Regulations, the Deed and this Offering Document of the Scheme for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of the Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by willful act and / or omission or of its officers, officials or agents.

3.4.3 Appointment of Distributors

The Management Company, shall from time to time under intimation to the Trustee appoint,

remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Function(s) at one or more location(s) locally or internationally. The Management Company may also itself act as a Distributor for carrying on Distribution Functions and updated list of distributors would be available on official website of the Management Company.

The Management Company shall ensure, where it delegates the Distribution Function, that:

- (a) the Distributors to whom it delegates, have acquired registration with the Mutual Funds Association of Pakistan (MUFAP) as registered service providers and are abiding by the code of conduct prescribed by the Association; and
- (b) the written contract with the Distributors clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

3.4.4 Appointment of Investment Facilitator

The Management Company may, at its own responsibility & cost, from time to time appoint Investment Facilitators to assist it in promoting sales of Units. An update list of investment facilitators appointed by the Management Company shall be made available at all times on the websites of the Management Company.

The Management Company shall ensure, where it appoints the investment facilitator, that:

- a. the investment facilitator have acquired registration with the Mutual Funds Association of Pakistan (MUFAP) as registered service providers and are abiding by the code of conduct prescribed by the Association; and
- b. the written contract with the Investment facilitator clearly states the terms and conditions for avoidance of frauds and sales based upon misleading information.

3.4.5 Maintenance of Accounts and Records

The Management Company shall maintain at its principal office, complete and proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Scheme, all transactions for the account of the Scheme, amounts received by the Scheme in respect of issue of Units, payments made from the Scheme on redemption of the Units and by way of distributions and payments made at the termination of the Scheme. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

3.5 Maintenance of Unit Holders Register

- 3.5.1 A Register of Unit Holders may be maintained by the Management Company itself or such other company, as the Management Company may appoint after giving prior notice to the Unit Holders.
- 3.5.2 The office of the Transfer Agent is located at **7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi, Pakistan**, where Register of Unit Holder will maintain.
- 3.5.3 Every Unit Holder will have a separate Registration Number. The Management Company shall use such Registration Number for recording Units held by the Unit Holder. Unit Holder's account identified by the registration number will reflect all the transactions in that account held by such Unit Holder.

3.5.4 Disclaimer

The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations and the Constitutive Documents, nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except for its own gross negligence or willful breach of duty and the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents, the Management Company shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.6 Role of the Trustee

- (a) The trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, this Deed and the Offering Document.
- (b) The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holder(s). The Trustee shall not be under any liability on account of anything done or suffered by the Trust, if the Trustee had acted in good faith in performance of its duties under the Trust Deed or in accordance with or pursuant to any request of the Management Company provided it is not in conflict with the provisions of the Trust Deed or the Rules and Regulations. Whenever pursuant to any provision of this Trust Deed, any instruction, certificate, notice, direction or other communication is required to be given by the Management Company, the Trustee may accept as sufficient evidence thereof:
- a document signed or purporting to be signed on behalf of the Management Company by any authorized representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept; and
 - any Instructions received online through the software solution adopted by the Management Company/Trustee in consultation with each other shall be deemed to be instructions from the authorized representative(s)

- The Trustee shall not be liable for any loss caused to the Fund or to the value of the Trust Property due to any elements or circumstances of Force Majeure
- In the event of any loss caused due to any gross negligence or willful act and/or omission, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the trustee shall not be under any liability thereof or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.6.1 Obligations under Regulations and Constitutive Document

The Trustee shall perform all the obligations entrusted to it under the Regulations, circulars, directives, the Deed and this Offering Document and discharge all its duties in accordance with the Rules, Regulations, the Trust Deed and this Offering Document. Such duties may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee under intimation to the Management Company. Provided that the Trustee shall be responsible for the willful acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Trust for any loss in value of the Fund Property where such loss has been caused by negligence or any reckless willful act or omission of the Trustee or any of its attorney (ies), or agents.

3.6.2 Custody of Assets

The Trustee has the responsibility for being the nominal owner and for the safe custody of the assets of the Fund on behalf of the beneficial owners (the Unit Holders), within the framework of the Regulations, the Trust Deed and Offering Document issued for the Fund.

3.6.3 Investment of Fund Property at direction of Management Company

The Trustee shall invest the Fund Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Deed, this Offering Document(s), the Regulations, circulars, Shariah Advisor, directives and the conditions (if any) which may be imposed by the Commission from time to time.

3.6.4 Carrying out instructions of the Management Company

The Trustee shall carry out the instructions of the Management Company in all matters including investment and disposition of the Fund Property unless such instructions are in conflict with the provisions of the Deed, this Offering Document(s), the Regulations, the Circulars and Directives of SECP or any other applicable law.

3.6.5 Liabilities of the Trustee

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules, the Regulations and/or the Deed, nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company or for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Fund Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Trustee shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder. The Trustee shall not be liable for any loss caused to the Trust or to the value of the Fund Property due to any elements or circumstances beyond its reasonable control.

3.6.6 Disclaimer

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and the Deed nor shall the Trustee be liable for any act or omission of the Management Company nor for anything except for loss caused due to its willful acts or omissions or that of its agents in relation to any custody of assets of investments forming part of the Trust Property. If for any reason it becomes impossible or impracticable to carry out the provisions of the Deed the Trustee shall not be under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

3.6.7 Shariah Advisor

The Management Company, on its own expense, has appointed Al Hilal Shariah Advisors (Pvt.) Limited (formerly Fortune Islamic Services (Pvt.) Limited) as the Shariah Advisor for the Fund. The profile of the Shariah Advisor (s) is annexed as Annexure "E" in the Offering Document.

The Shariah Advisor will be appointed under intimation to the Trustee for a period of three years, but may be reappointed on completion of the term. The Management Company may at any time, with prior notice to the Trustee and intimation to the Commission, terminate the Agreement with the Shariah Advisor by giving a notice as per the Agreement with the Shariah Advisor, before the completion of the term, and fill the vacancy under intimation to the Commission and the trustee. Furthermore, the agreement entered into for the appointment of the Shariah Advisor shall be furnished to the commission.

3.6.8 Duties & Responsibilities of Shariah Advisor

The Shariah Advisor shall advise the Management Company on matters relating to Shariah compliance and recommend general investment guidelines consistent with Shariah. Any verdict issued by the Shariah Advisor in respect of any Shariah related matter would be final and acceptable to the Trustee, the Management Company, the Unit Holders and the Commission.

The Shariah Adviser shall do the research as appropriate on the criteria followed by Islamic Unit Trusts all over the world for the purpose of screening of investments. The Shariah Advisory will then decide as to which screening criteria are relevant to be used in the context of Pakistan's capital markets and the instruments available therein, and which need to be modified/added/deleted.

The Shariah Advisor shall provide technical guidance and support on various aspects of Shariah, so as to enable the Management Company to manage the Fund as a Shariah Compliant Investment.

The Shariah Advisor has certified that Investment Policy of the Trust is compliant with the requirements of Shariah. However, in case there is a requirement for any amendment, based on future research for purposes of increasing the Shariah acceptability of the Investment Policy, permission for necessary amendments of the Deed may be sought from the Commission.

The Shariah Advisor shall determine an appropriate percentage of income and cash flows included in the income and cash flow of the companies in which the Unit Trust has invested from activities not in accordance with the principles of the Shariah, and will recommend to the Management Company the criteria for selecting the Charities to whom such sums shall be donated, subject to the condition that such charity organization is not related to the Shariah Adviser, Management Company or any of their employees.

At the end of each Annual and Semi Annual Accounting Period or such other interval as the Commission may require, the Shariah Advisor shall issue a certificate to be included in the Annual reports or such other report in respect of the Shariah compliance of the preceding year's or past operations of the Fund.

3.7 Transfer Agent

The Management Company will perform duties (**HBL Asset Management Limited** having its office at **7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi, Pakistan**) as the Transfer Agent of the Fund until any further notice and intimation to the Trustee. The Management Company will be responsible for maintaining the Unit Holder's Register, preparing and issuing account statements, Unit Certificates and dividend warrants/advice and providing related services to the Unit Holders.

3.8 Custodian

Central Depository Company Of Pakistan Trustee will also be performing the functions of the custodian of the Trust Property. The salient features of the custodial function are:

- (a) Segregating all property of the Fund from Custodian's own property and that of its other clients.
- (b) Assuring the smooth inflow/outflow of dematerialized securities and such other instruments as required.
- (c) Ensuring that the benefits due on investments are received and credited to the Fund's account.

The Trustee may, in consultation with the Management Company, from time to time, appoint, remove or replace one or more Custodian(s) for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and agreed by the Management Company for the safe keeping of any portion of the Trust Property.

3.9 Distributors/Facilitators

- 3.9.1 Parties detailed in Annexure C of this Offering Document have each been appointed as Distributors to perform the Distribution Functions at their Authorized Branches. The addresses of these branches are given in Annexure C of this Offering Document; these branches may be increased or decreased by the Management Company from time to time. The Management Company may, from time to time, appoint additional Distributors (if they fulfill the requirement of regulations) or terminate the arrangement with any Distributor and intimate the Trustee and Commission accordingly. The Management Company may itself perform the functions of a Distributor either directly or through sub-distributors.
- 3.9.2 The Distributors will be responsible for receiving applications for Purchase, Redemption, Conversion or Transfer of Units etc. They will be interfacing with and providing services to Unit Holders, including receiving applications for change of address or other particulars or applications for issuance of duplicate certificates, requests for income tax exemption or Zakat exemption, etc. for immediate transmission to the Management Company or Transfer Agent as appropriate for further action. The Management Company shall remunerate the Distributors out of its resources.
- 3.9.3 The Management Company may, at its sole discretion, from time to time, appoint Investment Facilitators (Facilitators). The Facilitators' function is to identify, solicit and assist investors in investing in the Fund. The Management Company shall remunerate the Facilitators out of its resources.

3.10 Auditors

BDO Ebrahim & Co. Chartered Accountant
Lackson Square Building No. 1,
9th Floor, Block C Sarwar Shaheed Rd,
Civil Lines, Karachi

- 3.10.1 They will hold office until the transmission of the reports and accounts, which will cover the period from commencement of the Trust up to the end of the Accounting Period and will, afterwards, be eligible for reappointment by the Management Company with the concurrence of the Trustee. However, an auditor may be reappointed for such terms as stipulated by the Regulations and/or the Ordinance, as amended from time to time. The appointment of Auditor and contents of the Auditor's report shall be in accordance with the provisions of the Rules and Regulations.
- 3.10.2 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Transfer Agent or elsewhere and shall be entitled to require from the Management Company, Trustee and their Directors, Officers and Agents such information and explanations as considered necessary for the performance of audit.
- 3.10.3 The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the Regulations.
- 3.10.4 The Auditors shall prepare a written report to the Unit Holders on the accounts and books of accounts of the Trust and the balance sheet, profit and loss account, cash flow statement and statement of movement in Unit Holders' Funds and on every other document forming part of the balance sheet and profit and loss account, including notes, statements or schedules appended thereto.
- 3.10.5 The contents of the Auditors report shall be as mentioned in the Regulations.

3.11 Legal Advisors

Bawaney & Partners
Advocated & Investment & Corporate Advisers
3rd & 4th Floor, 68-C, Lane-13
Bukhari Commercial Area
DHA-VI, DHA, Karachi

3.12 Bankers

UBL Bank Limited
Faysal Bank Limited
Habib Bank Limited
National Bank Limited
Allied Bank Limited

* List of Bankers to the Fund may change from time to time as per the discretion of the Management Company.

3.12.1 Shariah Compliant Bank Accounts

- (a) The Trustee, at the request of the Management Company, shall open 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,**

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.

- (b) The Management Company may also require the Trustee to open Bank Account(s) as Distribution Account(s) for dividend distribution out of the Unit Trust. Notwithstanding anything in the Deed, the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.
- (c) All bank charges for opening and maintaining Bank Accounts for the Trust shall be charged to the respective Investment Plans.
- (d) All income, profit etc. earned in the Distribution Account(s), including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- (e) The amounts received from the Investors before the Initial Period shall be deposited in a Bank Account of the Investment Plan and any income, profit etc. earned and/or accrued on the investments of that amount upto and including the day before the opening of Initial Period shall not form part of the Trust Property and shall be paid by the Management Company or the Trustee to those Investors (subject to applicable tax) participated before the Offering Period, either in cash or in additional Units as selected by those Investors, in proportion of their investments.

3.13 Rating of the Scheme

The Management Company will be obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the criteria of the rating agency, and such rating shall be

updated at least once every Financial Year and also published in the annual and quarterly reports of the Scheme as well as on the Management Company's website.

3.14 Minimum Fund Size

The minimum size of **the Fund** under which pertinent Investment Plan(s) are operating shall be one hundred million rupees at all times during the life of the scheme. In case of after the initial public offering or subsequently at any time if the size of open end scheme falls below that minimum size of one hundred million rupees (Rs. 100,000,000/-), the management company shall ensure compliance with the minimum fund size within three (3) months of its breach and if the fund size remains below the minimum fund size limit for consecutive ninety (90) days the asset management company shall immediately intimate the grounds to the Commission upon which it believes that the scheme is still commercially viable and its objective can still be achieved.

4. Characteristics of Units

4.1 Units

All units and fractions thereof represent an undivided share in the Investment Plan and rank pari passu as to their rights in the net assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in the respective Investment Plan proportionate to the Units held by such Unit Holder. For the convenience of investors, the Management Company may issue Units with different options for different arrangements as chosen by the investor from time to time, after seeking prior approval of the Commission and amending the Offering document.

4.2 Classes of Units

- (a) Class "A" (Pre-IPO Units), shall be issued to the Pre-IPO Investors and are subject to Contingent Load, in case of redemption before the completion of the Maturity of the Plan.
- (b) Class "B" Units shall be issued to investors, during the Initial Offering Period and are subject to Contingent Load, in case of redemption before the completion of the Maturity of the Plan. Class "B" Units may also be offered after the Initial Offering Period, at the discretion of the Management Company and subject to prior approval of Commission, and as per the terms and conditions of this Offering Document.

4.3 Purchase and Redemption of Units

- (a) Units are purchased at the Offer Price during the initial period and redeemed at the Redemption Price at any of the Authorized Distribution Offices during Business Hours on any Dealing Day in accordance with the procedure set out in of this Offering Document.
- (b) Units are issued after realization of subscription money

- (c) During the Initial Period the Units shall not be redeemed
- (d) During the period the register is closed, the sale, redemption and conversion of Units will be suspended.
- (e) The Management Company may decline an applicant for issue of units if it is of the opinion that it will not be possible to invest the substantial inflow of Funds or to meet any regulatory requirements.

4.4 Procedure for Purchase of Units

4.4.1 Who Can Apply?

Any investor or any related group of investors qualified or authorized to purchase the Units may make applications for the Purchase of Units in the Fund. Application may be made pursuant to the procedures described in paragraph 4.4.2 below by any qualified or authorized investor(s) including, but not limited to, the following:

- (a) Citizens of Pakistan resident in Pakistan. In respect of minors below 18 years of age, applications may only be made by their guardians.
- (b) Companies, corporate bodies, financial institutions, banks, partners of a firm and societies incorporated in Pakistan provided such investment is permitted under their respective memorandum and articles of association and / or bye-laws.
- (c) Pakistanis resident abroad, foreign nationals and companies incorporated outside Pakistan can apply for Units subject to the regulations of the State Bank of Pakistan and the Government of Pakistan and any such regulations and laws that may apply to their place of residence, domicile and citizenship. The payment of dividends and redemption proceeds to such investors shall be subject to the relevant taxation and exchange regulations / laws. Any person making an application for the Purchase of Units in the Fund shall warrant that he/she is duly authorized to purchase such Units.
- (d) Provident Funds constituted by companies registered under the Companies Ordinance, 1984, subject to conditions and investment limits as laid down in Employees Provident Fund (Investment in Listed Securities) Rules, 1996, as amended from time to time, including by SROs.
- (e) Provident, Pension and Gratuity Funds constituted by organizations other than companies under Section 20 (h) of the Trusts Act 1882, (11 of 1882).
- (f) Insurance companies under the Insurance Ordinance, 2000.
- (g) Non Profit Organization under Rule 213 (i) of the Income Tax Rules, 2002.
- (h) Fund of Funds.

4.4.2 How can Units be purchased?

Account Opening Procedure

The procedure given below is designed for paper-based transactions. The Management Company also offers digital/electronic/online based account opening, which will be carried as per the procedure approved by SECP.

(a) Before purchasing Units of the Investment Plan(s) under the fund an investor must open an account with Management Company using the Account Opening Form.

(b) In case of individuals, a photocopy of the Computerized National Identity Card (CNIC), NICOP or Passport etc of the applicant or any other form of identification acceptable to the Management Company needs to be furnished

(c) In case of a body corporate or a registered society or a trust the following documents would be required,

(i) Duly certified copy of the memorandum and articles of association/ Charter/ Byelaws or rules and regulations;

(ii) Duly certified copy of power of attorney and/or relevant resolution of the board of directors delegating any of its officers to invest the Funds and/ or to realize the Investment and;

(iii) Duly certified copy of the Computerized National Identity Card (CNIC) of the officer to whom the authority has been delegated.

(d) In case of existing Unit Holders, if any of the documents (in a-c above) have previously been submitted with the Management Company and/or Transfer Agent, fresh submission of documents will not be required provided that submitted documents are acceptable to Management Company. However, the account number must be provided to facilitate linking.

Any change of name or address of any unit holder as entered in the Register shall forthwith notified in writing by relevant unit holder to the distributor company or transfer agent.

(e) The Distribution Company and/or Management Company will be entitled to verify the particulars given in the Account Opening Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy.

(f) If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the meanwhile the application will be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded without any mark-up. However, in the event Units have been issued and a material discrepancy is discovered subsequent to that, the Registrar or the Distributor will advise the applicant in

writing to remove the discrepancy within fifteen days and if the investor, in the opinion of the Registrar, fails to remove the discrepancy without good cause, the Units shall be redeemed at the Redemption Price fixed on the date the Units are so redeemed. The Unit Holder shall not be entitled to any payment beyond the redemption value so determined.

(g) The Investor Account Opening Form can be lodged with any Distributor or directly lodged with the Management Company. No other person (including Investment Facilitators) is authorized to accept the forms or payment.

(h) The Management Company will make arrangements, from time to time, for receiving Account Opening Forms from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.4.3 Joint Application

(a) Joint application can be made by up to four applicants. Such persons shall be deemed to hold Units on first holder basis. However, each person must sign the Account Opening Form and submit a copy of Computerized National Identity Card, NICOP, Passport and other identification document.

(b) The first named Holder shall receive all notices and correspondence with respect to the account, as well as proceeds of any redemption, or dividend payments. Such person's receipt or payment into the person's designated bank account shall be considered as a valid discharge of obligation by the Trustee and the Management Company.

(c) In the event of death of the first Holder, the person first in the order of survivor(s) as stated in the Account Opening Form, shall be the only person recognized by the Trustee and the Management Company to receive all notices and correspondences with regard to the accounts, as well as proceeds of any redemption requests or dividend. Such person's acknowledgement of receipt of proceeds shall be considered as the valid discharge of obligation by the Trustee and the Management Company.

Provided however the Trustee and/or the Management Company may at their discretion request the production of a Succession Certificate from an appropriate Court before releasing of redemption requests or dividends in cases of doubts or disputes among the Joint Unit Holders and/or the legal heirs or legal representatives of the deceased.

4.4.4 Purchase of Units

(a) After opening an account an account holder may purchase Units of the Investment Plan(s) under the Fund using the Investment Application Form attached to this Offering Document. Payment for the Units must accompany the form.

(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 or HBL Islamic Fixed Term Fund Plan I:

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

For HBL Islamic Fixed Term Fund or HBL Islamic Fixed Term Fund Plan II:

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

For HBL Islamic Fixed Term Fund or HBL Islamic Fixed Term Fund Plan III:

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

For HBL Islamic Fixed Term Fund or HBL Islamic Fixed Term Fund Plan IV:

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

For HBL Islamic Fixed Term Fund or HBL Islamic Fixed Term Fund Plan V:

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

(c) The Management Company may also notify, from time to time, arrangements or other forms of payment within such limits and restrictions considered fit by it with the prior approval of Commission.

(d) Applicants must indicate their account number in the Investment Application Form except in cases where the Investor Account Opening Form is sent with the Investment Application Form.

(e) The applicant must obtain a copy of the application signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be. Acknowledgement for applications and payment instruments can only be validly issued by Distributors.

(f) The Distribution Company and/or Management Company will be entitled to verify the detail given in the Investment Form. In case of any incorrect information, the application may be rejected if the applicant fails to rectify the discrepancy (except for discrepancy in payment instrument, in which case application will be rejected immediately).

(g) The Management Company will make arrangements, from time to time, for receiving Investment Request Forms and payments from outside Pakistan and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.

4.4.5 Minimum Amount of Investment

For All Investment Plans

Initially Units shall be issued at Par Value of **Rs 100/-** with a minimum investment size of **Rs. 1000/-** (Rupees One Thousand Only only) and thereafter the minimum amount for investment would be of **Rs. 1000/-** (Rupees One Thousand Only only) per transaction, at applicable NAV or purchase price, other than reinvestment of Dividend and Bonus Units. The Management Company reserves the right to alter the minimum amounts stated hereinabove after giving thirty days prior notice to the Unit Holders. However, enhancement in current minimum monetary investments shall not take effect retrospectively.

4.4.6 Determination of Purchase (Public Offer) Price

(a) Units offered during the Initial period will be as specified in clause 1.6.

(b) After the Initial Period, the units of the Investment Plan shall not be issued, therefore purchase price is not required to be disclosed.

4.4.7 Allocation/ Issue of Units

The issuance of units shall be made according to the following procedures;

(a) The Purchase Price determined shall apply to all Investment Request Forms, complete in all respects, received by the Management Company at its registered address or by the Distributor at its Authorized Branch(s) during Business Hours on that Dealing Day. Any Investment Request Forms received after Business Hours will be transferred to the next Dealing Day.

(a) Units will be allocated at the Purchase Price as determined in clause 4.4.6 above and issued after realization of Funds in the bank account of the Fund.

(c) The Transfer Agent shall send an account statement or report to the Unit Holder each time there is an activity in the account. Such statements or report shall be sent by electronic means or ordinary mail to the Unit Holder's address recorded in the Register of Unit Holders.

(d) In case the Management Company announces a suspension of further issue of Units of an Investment Plan under the Fund, it may allow existing Unit Holder to continue acquiring Units out of any dividend declared on the Units held. Also, if issue of Units of an Investment Plan is suspended, Units for other Investment Plan(s) under the Fund may continue unaffected.

4.4.8 Issuance of Physical Certificates

(a) Unit Certificates will be issued only if requested by the Unit Holder.

(b) Unit Holder can apply for the issue of Certificate by completing the prescribed application form and submitting it to the relevant Distribution Company together with a fee at the rate of **Rs. 100/-** per Certificate or any other amount as determined by the Management Company from time to time.

(c) The Certificate will be posted at the applicant's risk within 21 Business Days after the request for the Certificate has been made to the address of the Unit Holder or to the address of the first named Joint Unit Holder, if the relevant Unit or Units are jointly held.

(d) The Certificate will be available in such denomination as Management Company and the Trustee decide from time to time. Unless, the Unit Holder has instructed to the contrary, the minimum number of Certificates will be issued.

(e) A Unit or any fraction thereof shall not be represented by more than one Certificate at any one time.

4.4.9 Replacement of Certificates

(a) The Transfer Agent or Management Company may replace Certificates, which are defaced, mutilated, lost or destroyed on application received by them from the Unit Holder on the prescribed form on the payment of all costs and on such terms as to evidence, indemnity and security as may be required. Any defaced or mutilated Certificate must be surrendered before a new Certificate is issued.

(b) The Unit Holder shall on application on prescribed form be entitled to consolidate the entire holding in the Fund into one (01) Certificate upon surrender of existing Certificates.

(c) Each new issue of Certificates will require payment of **Rs. 100/** per Certificate, subject to revisions of fee from time to time by the Management Company.

4.4.10 Issuance of Units in Book Entry form in CDS

Unit Holder may obtain Units in Book Entry form in CDS. The Issuance of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.5 Procedure for Redemption of Units

4.5.1 Who Can Apply?

All Unit Holders shall be eligible for redemption after the closure of the Initial Period (subject to contingent load).

4.5.2 Redemption Application Procedure

- a) Request for Redemption of Units shall be made by completing the prescribed redemption form and the same is received at the Authorized Branch or office of the Distributor on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time. The Distributor may retain a copy of the Redemption Form and a copy may also be supplied to the Registrar, if so required by the Management Company.
- b) The Management Company may redeem only part of the Units comprised in a Certificate and reissue a new Certificate for the remaining Units, however, in the case where Certificate is not issued any number of Units may be redeemed by the Unit Holder thereof. The relevant Certificate shall accompany the application for Redemption of Units, if issued. At the discretion of the Management Company certificate charges may apply for the reissued Certificate.
- c) The Registrar 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.
- d) In case of application for redemption by joint Unit Holders, unless otherwise specified by the joint holders, such application should be signed by all the joint Holders as per their specimen signatures provided at the time of opening of the account within the Unit Holder Register, through the investor account opening Form.
- e) The Distribution Company or the Registrar shall verify the particulars given in the application for Redemption of Units. The signature of any Unit Holder or joint Unit Holder on any document required to be signed by him under or in connection with the application for redemption of Units may be verified by Management Company or the Registrar or otherwise authenticated to their reasonable satisfaction. In case of submission of electronic on-line redemptions the Unit Holder's user ID and password will authenticate his identity.

- f) The Unit Holder will receive a note confirming the receipt of the application for redemption from the relevant Distribution Office.
- g) If subsequent to receipt of the redemption application by the Distributor, but prior to the redemption of the Units, the application is found by the Management Company or the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Management Company or Registrar or the Distributor will advise the applicant to remove the discrepancy. In the meanwhile, the application will be held in abeyance for fifteen days. In the event the discrepancy is not removed in the said fifteen days, the application for redemption will be cancelled treating the same as null and void. The Unit Holder will then have to submit a fresh application for Redemption of Units.
- h) The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.
- i) The amount payable on redemption shall be paid to the Unit Holder or first named joint Unit Holder by dispatching a cheque/ bank draft/ pay order for the amount to the registered address of the Unit Holder or may be paid to the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form within six Business Days from the date of presentation of the duly completed Redemption form, electronic or otherwise, at the Authorized Branch or office of the Distributor or the Management Company.
- j) The amount can also be paid to the third party upon instruction of the Unit Holder through Electronic Bank transfer to the Unit Holder's designated bank account as mentioned in the Investor Account Opening Form or Redemption form.
- k) No Money shall be paid to any intermediary except the Unit Holder or his authorized representative.
- l) The Management Company may make arrangements through branches of banks to facilitate redemption of Units of the Unit Trust. A request for redemption of Units may also be made through the use of electronic means such as Internet or ATM facilities under prior arrangement with the Trustee and seeking prior approval of the Commission.
- m) The receipt of the Unit Holders for any amount payable in respect of the Units shall be a good discharge to the Trustee and the Management Company. In case of joint Unit Holders any one of them may give effectual receipt for any such moneys.
- n) Application for Redemption of Units will be received at the authorized offices or branches of the Distributor on all Dealing Days. Where redemption requests on any one Dealing Day exceed ten (10) percent of either the total number of Units outstanding, such redemption requests in excess of ten (10) percent may be deferred in accordance with the procedure elaborated in the Clause 4.10.4
- o) On the occurrence of any circumstance specified in the Regulation or the Deed that may require the Fund/Investment Plan(s) under it should be suspended, the Management Company shall suspend the Sale and Redemption of Units of the pertinent Investment Plan(s) and the intimation of suspension shall be made to the Unit Holders, the Trustee and the Commission according to the procedure laid down in the Regulation.

4.5.3 Redemption of Units in Book Entry form in CDS

Unit Holder may redeem their Units held in Book Entry form in CDS. The Redemption of Units in CDS shall be made in accordance with the procedure laid down in CDCPL Regulations.

4.6 Purchase (Public Offer) and Redemption (Repurchase) of Units outside Pakistan

4.6.1 Subject to exchange control, SECP's prior approval and other applicable laws, Rules and Regulations, in the event of arrangements being made by the Management Company for the Purchase (Public Offer) of Units to persons not residing in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may include in addition to the Purchase (Public Offer) Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

4.6.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may include as a deduction to the Redemption Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility. Provided however, neither the Management Company, nor the Trustee give any assurance or make any representation that remittance would be allowed by the State Bank of Pakistan at the relevant time

4.6.3 The currency of transaction of the Trust is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the purchase or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising therefrom.

4.7 Determination of Redemption (Repurchase) Price

4.7.1 During the Initial Period the Units shall not be redeemed. After the Initial Period the Redemption (Repurchase) Price of units of any Investment Plan shall be equal to the Net Asset Value as of the close of Business Day (forward pricing) less:

- (a) Any contingent as per the details in this Offering Document; and;
- (b) Such amount as the Management Company may consider an appropriate provision for Duties and Charges and other levies etc; and
- (c) Such amount as the Management Company may consider an appropriate provision for Transaction Costs;
- (d) Such sum shall be adjusted downward to the nearest paisa

- 4.7.2 The Repurchase (Redemption) Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor or the Management Company during the Business Hours on the Dealing Day on which a correctly and properly filled redemption application is received.

4.8 Procedure for Requesting Change in Unit Holder Particulars

4.8.1 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), and/or by sending an email on info@hblasst.com through customer's registered email address and/or by calling on HBL AMC's helpline at 0800-42526 from customer's registered number. Special Instruction Form 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..

4.8.2 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. Change in Bank Account details
- iii. Account operating instructions
- iv. Frequency of profit payments
- v. Systemic Conversion Option

Change will not be allowed in Title of account, CNIC and Joint holders 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.

4.8.3 Transfer, Transmission and Systemic Conversion Procedure

4.8.4 Unit Holder may, subject to the law, transfer any Units held by them either in case of succession (Transmission) or as a gift (blood relation or spouse). The transfer as a gift 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.

4.8.6 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.

4.8.7 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 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.

- 4.8.8 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, certified copy of succession certificate and 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.
- 4.8.9 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.
- 4.8.10 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.

4.8.11 Partial Transfer

Partial transfer of Units either in case of succession or as a gift to blood relation or spouse shall be 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.

4.8.12 Conversion

Conversion of Units of the Investment Plan to Units of any other Fund/Plan of any other Scheme managed by the Management Company can be carried out by submitting the duly filled Conversion Application Form, or any other Form as designated by the Management Company for the purpose of conversion from time to time, to the Authorized Branch of the Management Company together with any certificate / document required, subject to applicability of pertinent transaction fee, contingent loads of respective Investment Plan. Physical Certificates, if issued, must accompany the form.

4.9 Procedure for Pledge / Lien / Charge of Units

4.9.1 Who Can Apply?

(a) All Unit Holders are eligible to apply for pledge / lien / charge of Units if they so desire. Such Pledge / Lien / Charge can be made via the Pledge of Units. 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 to the CDS Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDC Regulations.

(b) Any Unit Holder either singly or with Joint Unit Holder(s) (where required) may request the Management Company or Transfer Agent to record a pledge / lien of all or any of his / her/ their Units in favor of any third party legally entitled to invest in such Units in its own right. The Management Company or Transfer Agent shall register a lien on any Unit in favor of any third party with the consent of the Management Company. However, the lien shall be valid only if evidenced by an account statement or letter issued by the Management Company or Transfer Agent with the Units marked in favor of the Pledgee. The onus for due process having been followed in registering a lien shall lie with the party claiming the lien.

(c) The lien once registered shall be removed by the authority of the party in whose favor the lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge/charge/lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company and the Transfer Agent shall take any responsibility in this matter.

(d) Payments of cash dividends or the issue of bonus Units and redemption proceeds of the Units or any benefits arising from the said Units that are kept under lien / charge / pledge shall be paid to the order of the lien / charge / pledge holder's bank account or posted to the registered address of Pledgee mentioned in the Pledge Form and/or Investor Account Opening Form submitted. In case of Units are pledged through Central Depository System, payments of cash dividends or the issuance of bonus Units goes to the Pledgor as per Central Depositories Act.

(e) The Distribution Company and / or Management Company will be entitled to verify the particulars given in the Pledge Form. In case of any incorrect information the application may be rejected if the applicant does not rectify the discrepancy.

(f) Fully completed Pledge of Units Form has to be submitted by both Individuals and/or non-individuals Unit Holders. This Form should be delivered to any of the Authorized Branches of the Distribution Companies or may be submitted to the Management Company directly or through an Investment Facilitator within Business Hours on a Dealing Day.

(g) All risks and rewards, including the right to redeem such Units and operate such account, shall vest with the pledge / lien / charge holder. This will remain the case until such time as the pledge / lien / charge holder in writing to the Management Company instructs otherwise.

4.10 Temporary Change in Method of Dealing, Suspension of Dealing and Queue System

4.10.1 Temporary Change in the Method of Dealing

Under the circumstances mentioned in Clause 4.10.2 & 4.10.3, Subject to compliance with Regulation (having regard to the interests of Unit Holders), the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units.

A permanent change in the method of dealing shall be made after expiry of at least one month's notice to Unit Holders and with the approval of Trustee.

4.10.2 Suspension of Fresh Issue of Units

The Management Company may, under the following circumstances, suspend issue of fresh Units.

1. The situation of Force Majeure as defined in this Offering Document;
2. A situation in which it is not possible to invest the amount received against issuance of fresh Units or
3. Any other situation in which issuance of fresh Units is, in Management Company's opinion, against the interests of the existing/remaining Unit Holders.

Such suspension may however not affect existing Unit Holders for the issue of bonus Units as a result of profit distribution. The Management Company shall announce the details of circumstances at the time a suspension of fresh issue is announced. The Management Company shall immediately notify SECP and Trustee if issuance of Units is suspended and shall also have the fact published, immediately following such decision, in the newspapers in which the Fund's prices are normally published.

In case of suspension of redemption of Units due to extraordinary circumstances the issuance of Units shall also be kept suspended until and unless redemption of Units is resumed. In case of suspension of issuance / redemption of Units of an Investment Plan(s), the issuance / redemption of other Investment Plan(s) may continue unaffected.

Investment application form received on the day of suspension will not be processed and the amount received shall be returned to the investor.

4.10.3 Suspension of Redemption of Units

The Redemption of Units may be suspended during extraordinary circumstances/ Force Majeure.

Redemption requests received on the day of the suspension shall be rejected.

4.10.4 Queue System

In the event redemption requests on any day exceed ten percent (10%) of the Units in issue of an Investment Plan(s), the Management Company may invoke a Queue System whereby requests for redemption shall be processed on a first come first served basis for up to ten

percent (10%) of the Units in issue of an Investment Plan(s). The Management Company shall proceed to sell adequate assets of the pertinent Investment Plan under the Fund and / or arrange shariah compliant financing as it deems fit in the best interest of all Unit Holders of the pertinent Investment Plan(s) and shall determine the redemption price to be applied to the redemption requests based on such action. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Dealing Day, such requests shall be processed on basis proportionate to the size of the requests. The Management Company shall provide all redemption requests duly timed and date stamped to the Trustee within 24 hours of receipt of any such request following the queue system. The requests in excess of ten percent (10%) shall be treated as redemption requests qualifying for being processed on the next Dealing Day at the price to be determined for such redemption requests. However, if the carried over requests and the fresh requests received on the next Dealing Day still exceed ten percent (10%) of the Units in issue of an Investment Plan(s), these shall once again be treated on first come first served basis and the process for generating liquidity and determining the redemption price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent (10%) of the Units then in issue of an Investment Plan(s).

4.10.5 Winding up in view of Major Redemptions

In the event the Management Company is of the view that the quantum of redemption requests that have built up are likely to result in any Investment Plan(s) under the Fund and that plan being run down to an unsustainable level or it is of the view that the selloff of assets is likely to result in a significant loss in value for the Unit Holders who are not redeeming, it may announce winding up of the Fund. In such an event, the Queue System, if already invoked, shall cease to apply and all Unit Holders shall be paid after selling the assets of the pertinent Investment Plan(s) and determining the final Redemption Price of that Investment Plan(s). However, interim distributions of the proceeds may be made if the Management Company finds it feasible. In case of shortfall, neither the Trustee nor the Management Company shall be liable to pay the same.

5. DISTRIBUTION POLICY

5.1 Declaration of Dividend

The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date / interim period whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period and shall advise the Trustee of the amount of such distribution per Unit. The Fund will comply with regulatory and taxation requirements and the distribution policy may be amended accordingly.

The Management Company on behalf of the Scheme shall, for every accounting year, distribute by way of dividend to the Unit Holders, not less than ninety per cent of the accounting income of the Investment Plan received or derived from sources other than capital gains as reduced by such expenses as are chargeable to a Collective Investment Scheme under the Regulations.

For the purpose of this Clause the expression “accounting income” means income calculated in accordance with the requirements of International Accounting Standards (IAS) as are notified under the Companies Act 2017, the Regulations and the directives issued by SECP. Wherever the requirement of Regulations or the directives issued by SECP differs with the requirement of IAS, the Regulations and the said directives shall prevail.

5.2 Determination of Distributable Income

The amount available for distribution in respect of any Accounting Period shall be the sum of all income from which shall be deducted:

1. the expenses, as stated under Clause 6 of this Offering Document; and
2. any taxes of the Fund

5.3 Payment of Dividend

All payments for dividend shall be made through payment instruments or transfer of Funds to the Unit Holder’s designated bank account or the charge-holder’s designated bank account in case of lien / pledge of Units as the case may be or through any other mode of payment with the approval of Commission and such payment shall be subject to the Regulations and any other applicable laws.

5.4 Dispatch of Dividend Warrants/Advice

Dividend warrants/advice/payment instruments and/or Account Statements shall be dispatched to the Unit Holders or the charge-holders at their registered addresses.

5.5 Reinvestment of Dividend

The Management Company shall give the Unit Holders the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to receive new Units instead of cash dividend. The Unit Holders shall be entitled to change such option. Any cash dividend entitled to such unit holders shall be reinvested at the ex-dividend NAV after deduction of applicable taxes.

5.6 Bonus Units

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of stock dividend (which would comprise of the Bonus Units of the Trust) if it is in the interest of Unit Holders. After the fixing of the rate of bonus distribution per Unit, in case of distribution in the form of Bonus Units, the Management Company shall, under intimation to the Trustee, issue additional Units issued in the name of the Unit Holders as per the bonus ratio. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units. The account statement or Unit Certificate shall be dispatched to the Unit Holder within fifteen days of the issue of Bonus Units.

5.7 Encashment of Bonus Units

The Management Company shall give the Unit Holder(s) the option at the time of opening of Unit Holder Account (via the Investor Account Opening Form) within the Unit Holder Register to encash bonus Units. In such case the bonus Units issued to the credit of such Unit Holder(s) shall be redeemed at the ex-dividend NAV as calculated on the Business Day immediately preceding the first day of the book closure announced for such purpose and proceeds shall be credited in accordance with the normal procedure already detailed above for Redemption of Units.

5.8 Closure of Register

The Management Company may close the Register by giving at least seven (7) days' notice to Unit Holder provided that the time period for closure of register shall not exceed six (6) working days at a time and whole forty five days in a Financial Year. During the closure period, the sale, redemption, conversion of Units or transfer of Units will be suspended. Notice for closure of register should be published in two newspapers (Urdu and English language) having circulation all over Pakistan.

6. FEE AND CHARGES

6.1 Fees and Charges Payable by an Investor

The following fees and charges shall be borne by the Investor:

6.1.1 Contingent Load

Contingent load shall be charged on redemption prior to initial maturity and shall commensurate with net loss incurred due to Early Redemption.

6.1.2 Expenses borne by the Management Company and the Trustee

The Management Company and Trustee shall bear all expenditures in respect of their respective secretarial and office space and professional management services provided in accordance with the provisions of the Deed. Neither the Management Company nor the Trustee shall make any charge against the Unit Holders nor against the Trust Property nor against the Distribution Account for their services nor for expenses, except such expenses or fees as are expressly authorized under the provisions of the Regulations and the Deed to be payable out of Trust Property.

6.1.3 Remuneration of Distribution Company / Investment Agent / Investment Facilitator

The Distribution Company employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources on terms to be agreed between the Management Company and the Distribution Company. The Investment

Facilitator/Investment Adviser/Sales Agent employed by the Management Company will be entitled to a remuneration payable by the Management Company out of its own resources.

Distributors located outside Pakistan may, if so authorized by Trustee and the Management Company, be entitled to remuneration (from Management Company's own resources) on terms to be agreed between them and the Management Company, subject to the law for the time being in force.

6.2 Fees and Charges Payable by the Fund

The following expenses shall be borne by the Investment Plan(s) under the Fund:

6.2.1 Remuneration of the Management Company

The remuneration shall begin to accrue from the close of the Initial Offering Period. In respect of any period other than an Annual Accounting Period, such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the Annual Accounting Period concerned.

The maximum level of Management Fee within the allowable expense ratio limits as specified in Regulations is disclosed in **Annexure "A"**. The actual rate of management fee charged as percentage of net assets will be disclosed in monthly Fund Manager's Report. Any increase in the maximum level of Management Fee, shall be subject to giving a thirty (30) days prior notice to the unit holders and the unit holders shall be given an option to exit at the applicable NAV without charge of any exit load.

6.2.2 Remuneration of the Trustee

The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with **Annexure "B"**.

The remuneration shall begin to accrue following the expiry of the Initial Period. For any period, other than an Annual Accounting Period such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in an Annual Accounting Period concerned. Any upward change in the remuneration of trustee from the existing level shall require prior approval of the Commission. However, any subsequent downward revision in the remuneration of the trustee shall not require approval of the Commission and will be applicable without the need to amend the constitutive documents.

6.3 Formation Costs

All preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred during and up to the Initial Offering Period subject to a maximum of one and half per cent of net assets at the close of Initial Public Offering of the Investment Plans under Fund or Rupees ten million, whichever is lower, shall be

Distributed equally among all the Investment Plans to be launched under the Fund subject to the audit of expenses and amortized over a period of not less than five years or within the maturity of the Investment Plan whichever is lower. This cost shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The Formation Cost shall be reported by the Management Company to the Commission and the Trustee giving their break-up under separate heads, as soon as the distribution of the securities is completed.

6.4 Other costs and expenses

The following charges shall also be payable out of the Fund Property

- (i) Custody, Brokerage, Transaction Costs of investing and disinvesting of the Fund Property.
- (ii) All expenses incurred by the Trustee in effecting the registration of all registerable property in the Trustee's name.
- (iii) Legal and related costs incurred in protecting or enhancing the interests of the Unit Holders.
- (iv) Bank charges, shariah compliant financing and financial costs;
- (v) Auditors' Fees and out of pocket expenses.
- (vi) printing costs and related expenses for issuing Fund's quarterly, half yearly and annual reports
- (vii) Fund rating fee payable to approved rating agency.
- (viii) Listing Fee including renewals payable to the Stock Exchange(s) on which Units may be listed
- (ix) fee pertaining to the Fund payable to the Commission.
- (x) Taxes, fees, , duties if any, applicable to the Fund and on its income, turnover and/or its properties including the Sales Tax levied on Services offered by Asset Management Company (for management of Fund).
- (xi) Charges and levies of stock exchanges, national clearing and settlement company, CDC charges.
- (xii) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity
- (xiii) Shariah Advisory Fees
- (xiv) fees and expenses related to registrar services, accounting, operation and valuation services related to CIS
- (xiii) selling and marketing expenses as allowed under Regulations

(xiv) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.

(xv) The total expense ratio of the Fund (excluding Government taxes or such levies including SECP fees) shall be as specified in the NBFC Rules & Regulations 2008.

7. TAXATION

7.1 Taxation on the Income of the Fund

7.1.1 Liability for Income Tax

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of the Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund will be regarded as a public company liable to a tax rate applicable to a public company.

The income of the Fund will accordingly be taxed at the following rates:

- (i) Dividend income as under the relevant law
- (ii) Capital Gains Tax as applicable according to the relevant law
- (iii) Return from all other sources / instruments are taxable at the rate applicable to a public company.

7.1.2 Liability for Income Tax if Ninety Percent of Income is distributed

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

The Fund will distribute not less than 90% of its income received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

7.2 Withholding tax

Under the provision of Clouse 47(B) of part (IV) of second schedule of the income Tax Ordinance 2001, the Fund's income from term finance certificates, Sukuks, mark up on deposits with banks/financial institutions, return from contracts, securities or instruments of companies, organizations and establishments will not be subject to any withholding tax.

7.3 Zakat on Fund

The Fund is Saheb-e-Nisab under the Zakat and Ushr Ordinance, 1980. The balance in the credit of savings bank account, or similar account with a bank standing on the first day of Ramzan-ul-Mubarak will be subjected to Zakat deduction @ 2.5%.

7.4 Taxation and Zakat on Unit Holders

7.4.1 Taxation on Income from the Fund of the Unit Holder

The following is a brief description of the Income Tax Ordinance, 2001, applicable in respect of Unit Holders of the Investment Plan(s) under the Fund. This section is for advice only and potential investors should consult their tax experts for their liability with respect to taxation on income from investment in the Fund. This part does not cover tax liability of non-Pakistani resident investors with respect to taxes in their own jurisdiction.

7.4.2 Unit holders of Investment Plan(s) under the fund will be subject to Income Tax at the applicable rate as mentioned in the Income Tax Ordinance 2001 on dividend income distributed by the respective Investment Plan(s) of the Fund.

7.4.3 Capital gain arising from sale/redemption of Units of the Investment Plan(s) under the Fund will be subject to tax at the applicable tax rate as mentioned in the Income Tax Ordinance 2001. Unit Holders who are exempt from income tax may obtain exemption certificates from the Commissioner of Income Tax and provide the same to the Management Company and/or Transfer Agent and on the basis of Exemption Certificate income tax will not be withheld.

7.4.4 Unit Holders may be liable to pay tax even though they may not have earned any gain on their investment as return of capital through distribution to investors is also taxable as per Income Tax Ordinance, 2001.

7.4.6 Zakat

Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration in due course of time to the Management Company.

7.5 Disclaimer

The tax and Zakat information given above is based on the Management Company's tax advisor's interpretation of the law which, to the best of the Management Company's understanding, is correct. Investors are expected to seek independent advice so as to determine the tax consequences arising from their investment in the Units of the Fund. Furthermore, tax and Zakat laws, including rates of taxation and of withholding tax, are subject to amendments from time to time. Any such amendments in future shall be deemed to have been incorporated herein.

8. REPORTS TO UNIT HOLDERS

8.1 Account Statement

The Management Company/Transfer Agent shall send directly to each Unit Holder an account statement each time there is a transaction in the account.

The Management Company/Transfer Agent shall provide account balance and/or account activities through electronic mode to Unit Holder, who opted for such service.

The Unit Holder will be entitled to ask for copies of his account statement on any Dealing Day within Business Hours by applying to the Management Company/Transfer Agent in writing and providing such fee as specified in Annexure A that the Management Company may notify from time to time.

8.2 Financial Reporting

(a) The Management Company shall prepare and transmit the annual report physically in such form and manner as set out in Regulations as amended or substituted from time to time.

(b) The Management Company shall prepare and transmit quarterly reports physically (or through electronic means or on the web subject to SECP approval) in such form and manner as set out in Regulations as amended or substituted from time to time.

8.3 Trustee Report

The Trustee shall report to the Unit Holder, to be included in the annual and second quarter Financial Reports issued by the Management Company to the Unit Holders, as to whether in its opinion the Management Company has in all material respects managed the Fund in accordance with the provisions of the Regulations, the Constitutive Documents the Shariah Provisions issued by the Commission and Shariah Advisor from time to time and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.

8.4 Fund Manager Report

The Management Company shall prepare Fund Manager Report each month as per guideline issued by MUFAP and transmit the same to the Unit Holders and also made available at the company's website.

9. WARNING AND DISCLAIMER

9.1 Warning

- 9.1.1 If you are in any doubt about the contents of this Offering Document, you should consult your bank manager, Legal advisor, or other financial advisor. The price of the Units of this Fund and

the income of this Fund (from which distributions to Unit Holders is made) may increase or decrease.

- 9.1.2 Investment in this Fund is suitable for investors who have the ability to take the risks associated with financial market investments. Capital invested in the financial markets could in extreme circumstances lose its entire value. The historical performance of this Fund, other Funds managed by the Management Company, the financial markets, or that of any one security or transaction included in the Fund's portfolio will not necessarily indicate future performance.

9.2 Disclaimer

The Units of the Fund are not bank deposits and are neither issued by, insured by, obligation of, nor otherwise supported by SECP, any Government Agency, Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Pre-IPO Investors or any other bank or financial institution. The portfolio of the Fund is subject to market risks and risks inherent in all such investments.

10. GENERAL INFORMATION

10.1 Accounting Period / Financial Year of the Fund

Accounting Period means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

Annual Accounting Period means the period commence on 1st July and shall end on 30th June of the succeeding calendar year.

10.2 Inspection of Constitutive Documents

The copies of constitutive documents, such as the Deed and the Offering Document, can be inspected free of charge at the addresses given below, however such documents shall also be available on the web site of the Management Company:

HBL Asset Management, 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi, Pakistan.

10.3 Transfer of Management Rights of the Fund

The management rights of the Fund may be transferred to another Management Company upon the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission;-

- (i) the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;

(ii) where the Management Company is unable to remove the suspension of redemption of Units of the Fund within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Management Company;

(iii) if in the opinion of the Commission further management of the Fund by the existing Management Company is detrimental to the interest of the Unit Holders, the Commission may direct the Trustee to transfer the Fund to another Management Company.

(iv) If the Management Company may retire voluntarily with the prior written consent of the Commission.

10.4 Extinguishment/Revocation/Liquidation of the Fund/Investment Plan(s)

The Fund or any of the Investment Plan may be extinguished by the occurrence of any of the following events in accordance with the procedure laid down in the Regulation, the Deed and the Directive issued by the Commission;-

(i) the Plan may be liquidated upon reaching its maturity date as specified in the Offering Documents.

(ii) where the Management Company is unable to remove the suspension of redemption of Units of the Investment Plan(s) within the fifteen business days of suspension and the Unit Holders representing at least three fourth in value of total outstanding Units of the concerned scheme pass a resolution or have given consent in writing that the scheme / plan be revoked;

(lii) where the Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;

(iv) in the opinion of the Management Company the scheme is not commercially viable or purpose of the scheme cannot be accomplished subject to the consent of Trustee;

(v) The Management Company subject to regulatory approval, may announce winding up of the Trust / Investment Plan in the event redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holder(s) and that it would be in the best interest of all the Unit Holder(s) that the Trust / plan be wound up.

(vi) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund / plan to be revoked; and

(vii) where the Commission deems it necessary to revoke the Fund so directs either Trustee or the Management Company in the interest of Unit Holders;

However, the simultaneous liquidation / maturity of all the Investment Plans does not constitute the liquidation of Trust.

10.5 Procedure and manner of Revocation of the Fund

Revocation of the Fund shall be done in accordance with the procedures and in the manner as mentioned in the Regulations or through circulars / guidelines issued by the SECP from time to time.

10.6 Distribution of proceeds on Revocation

In case of Revocation of the Fund the Trustee shall according to the procedure laid down in Regulations refund the net proceeds to the Unit Holders in proportion to the number of units held by them.

11. Glossary

Unless the context requires otherwise the following words or expressions shall have the meaning respectively assigned to them:

“Accounting Date” means the thirtieth day of June in each year and any interim date on which the financial statements of the Trust are drawn up. Provided that the Management Company may, with the written consent of the Trustee and after obtaining approval from the Commission and the Commissioner of Income Tax may change such date to any other date and such change shall be intimated to the Commission.

“Account Opening / Investment Account Opening Form” means standardized form prescribed by the Management Company to be duly filled by the investors at the time of opening an account with the Fund.

“Accounting Period” means a period ending on and including an accounting date and commencing (in case of the first such period) on the date on which the Trust Property is first paid or transferred to the Trustee and (in any other case) from the next day of the preceding accounting period.

“Act” means Companies Act, 2017

“Investment Plan(s)” mean(s) approved Investment Plan(s) offered under the Scheme. Each Investment Plan shall invest only in permissible asset classes and/or other instruments/ authorized investment as approved by the Commission. Details of the Investment Plan(s) are disclosed in this Offering Document of the Scheme. “Investment Plan” shall be the Allocation Plans as defined in Trust Deed.

“Annual Accounting Period” or “Financial Year” means the period commence on 1st July and shall end on 30th June of the succeeding calendar year.

“Asset Management Company” means an asset Management Company as defined in the Rules and Regulations.

“Auditor” means the Auditor of the Trust appointed by the Management Company, with the consent of the Trustee, as per the Regulations.

“Authorized Branches” means those Branches of Distributors or Distribution Companies which are allowed by the Management Company to deal in Units of the Funds managed by the Management Company.

“Authorized Broker” means those Brokers which are authorized to deal in Government Securities.

“Authorized Investments” Authorized Investments are those as defined in the clause 2.1.1 of this Offering Document

“Bank” means institution(s) providing banking services under the Banking Companies Ordinance, 1962, or any other regulation in force for the time being in Pakistan, or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan.

“Bank Accounts” means those account(s) opened and maintained for the Fund and/or the Investment Plan(s) by the Trustee at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).

“Broker” means any person engaged in the business of effecting transactions in securities for the account of others.

“Business Day” means any day on which scheduled banks are open for business in Pakistan.

“Certificate” means the definitive certificate acknowledging the number of Units registered in the name of the Unit Holder issued at the request of the Unit Holder pursuant to the provisions of the Trust Deed.

“Connected Person” shall have the same meaning as assigned in the Rules and Regulations.

“Constitutive Documents” means the Trust Deed or such other documents as defined in the Regulations.

“Contingent Load” means Load payable by the Unit Holder at actual basis to the extent of loss incurred by fund due to disinvestments if Units are redeemed by any Unit Holder in such period of time that the Management Company believes may adversely affect the interest of other Unit Holder(s). Any Contingent Load received will form part of the Trust Property. Provided that contingent load commensurate with net loss incurred due to early redemption.

“Custodian” means a Bank, a Depository or an Investment Finance Company licensed under the Regulations, which may be appointed by the Trustee in consultation with the Management Company to hold and protect the Trust Property or any part thereof as custodian on behalf of

the Trustee, and shall also include the Trustee itself if it provides custodial services for the Fund.

“Cut-Off Time” / “Business Hours” means the day time for dealing in Units of the Fund. The current Cut-Off Timing/Business Hours are mentioned in Annexure “A” of this Offering Document.

“Dealing Day” means every Business Day from Monday to Friday of every week. Units will be available for dealing (purchase, redemption, transfer, switching etc.) on Dealing Days during Cut-off Time. Provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days’ notice in two widely circulated English or Urdu newspapers in Pakistan declare any particular Business Day(s) not to be a Dealing Day(s).

“DFI” means Development Financial Institution and includes the Pakistan Industrial Credit and Investment Corporation (PICIC), the Saudi Pak Industrial and Agricultural Investment Company Limited, the Pak Kuwait Investment Company Limited, the Pak Libya Holding Company Limited, the Pak Oman Investment Company (Pvt.) Limited, Investment Corporation of Pakistan, House Building Finance Corporation, Pak Brunei Investment Company Limited, Pak-Iran Joint Investment Company Limited, Pak-China Investment Company Limited, and any other financial institution notified under Section 3-A of the Banking Companies Ordinance, 1962.

“Distribution Account” means the Bank Account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holder(s) shall be transferred. Mark up, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account of the Fund from time to time, as part of the Trust Property for the benefit of the Unit Holder(s).

“Distributor / Distribution Company” means Company (ies), Firm(s), Sole Proprietorship concern(s), individual(s), Banks or any other Financial Institution appointed by the Management Company under intimation to the Trustee for performing any or all of the Distribution Functions and who are registered with MUFAP as Registered Service Providers. The Management Company may itself also perform the Distribution Function.

“Distribution Function” means the functions with regard to:

- a) receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- b) issuing receipts in respect of (a) above;
- c) interfacing with and providing services to the Holders including receiving redemption/transfer applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Transfer Agent as appropriate;
- d) Accounting to the Management Company for all: (i) payment instruments received from the applicants for issuance of Units; (ii) payment instruments to the Holders on redemption of

Units; and (iii) expenses incurred in relation to the Distribution Function.

e) The above functions may be performed electronically, if appropriate systems are in place.

“Duties and Charges” means in relation to any particular transaction or dealing all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other duties and charges in connection with the increase or decrease of the TrustProperty or the creation, issue, sale, transfer, redemption or purchase of Units or the sale or purchase of Investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, but do not include the remuneration payable to the Distribution Company or any Commission payable to agents on sales and redemption of Units or any Commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.

“Exposure” shall have same meanings as provided in the Regulations.

“Federal Government” means the Federal Government of Islamic Republic of Pakistan.

“Financial Institution” means a Bank, Development Finance Institution, Non-Banking Finance Company, Modaraba or an institution registered under relevant laws to provide financial services within or outside Pakistan.

“Force Majeure” means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any party hereto and which occurs after the execution of this Deed and makes the performance of the Deed in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other macro-economic factors, etc.

“Formation Cost” means preliminary expenses relating to regulatory and registration fees of the Scheme, flotation expenses of the Scheme, expenses relating to authorization of the Scheme, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of this Offering Document, announcements describing the Scheme and all other expenses incurred until the end of the Initial Period.

“Government Securities” includes monetary obligations of the Government or a Provincial Government or a corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any

other security as the Federal Government may, by notification in the official Gazette, declare, to the extent determined from time to time, to be a Government Security.

“Holder or Unit Holder” means the investor for the time being entered in the Register as owner of a Unit including investors jointly so registered pursuant to the provisions of the Trust Deed.

“Initial Maturity” means the date on which the investment plan(s) shall be matured.

“Initial Period” or “Initial Offering Period” Means a period determined by the Management Company during which Units will be offered as mentioned in clause 1.6 of this Offering Document.

“Initial Price” or “Initial Offer” means the price per Unit during the Initial Period determined by the Management Company.

“Investment” means any Authorized Investment forming part of the Trust Property.

“Investment Facilitators/Advisors” means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The investment facilitator/advisor is not authorized to perform the Distribution Functions. The Management Company shall compensate the Investment Facilitators.

“Investment Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to purchase Units and will be stated in this Offering Document.

“Local Governments” mean all the local / city governments in Pakistan.

“Management Company” is defined in the preamble hereto;

“Net Assets of the Scheme” means the excess of assets over liabilities of all Investment Plans combined together, such excess being computed in the manner as specified under Regulations

Net Assets of Investment Plan means the excess of asset over liabilities of a pertinent Investment Plan being offered under the Fund, such excess being computed in the manner as specified under the Regulations.

“Net Asset Value” or “NAV” means per Unit value of the pertinent Investment Plan being offered under the Fund arrived at by dividing the Net Asset of the Investment Plan(s) by the number of Units outstanding for such Investment Plan. The NAV of each Investment Plan shall be announced on each Dealing Day or as per the direction of the Commission from time to time

“Offer Price or Purchase (Public Offer) Price” means the sum to be paid by the investor for purchase of one Unit, such price to be determined pursuant to this document.

“Offering Document” means the prospectus or other document (issued by the Management Company with written consent of the Trustee and approved by the Commission) which contains the investments and distribution policy, unit structure(s) and all other information in respect of the Unit Trust, as required by the Rules and Regulations and is circulated to invite offers by the public to invest in the Scheme.

“Online” means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.

“Ordinance” means the Companies Ordinance, 1984.

“Par Value” means the face value of **Rs. 100/-** for a Unit of the Investment Plan.

“Personal Law” means the law of inheritance and succession as applicable to the individual Unit Holder.

“Pledge Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to Pledge his/her Units and will be stated in this Offering Document.

“Profit Distribution Date” means the date on which the Management Company decides to distribute the profits (if any).

“Provincial Governments” mean the Provincial Governments of all four provinces of Pakistan.

“Redemption Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to redeem Units and will be stated in this Offering Document.

“Redemption Price or Repurchase Price” means the amount to be paid to the relevant Holder of the pertinent Investment Plan(s) upon redemption of that Unit, such amount to be determined pursuant to this document.

“Register Function” means the functions with regard to:

1. Maintaining the Register, including keeping a record of change of addresses/other particulars of the Holders;
2. Issuing account statements to the Holders;
3. Issuing Certificate, including Certificates in lieu of undistributed income to Holders;
4. Cancelling old Certificates on redemption or replacement thereof;
5. Processing of applications for issue, redemption, transfer and transmission of Units, recording of pledges, liens and changes in the data with regard to the Holders;
6. Issuing and dispatching of Certificates;
7. Dispatching income distribution warrants, and bank transfer intimation and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends;
8. Receiving applications for redemption and transfer/transmission of Units directly from Holder or legal representatives or through Distributor;
9. Maintaining record of lien/pledge/charge; and
10. Keeping record of change of addresses/other particulars of the Holders.

“Rules” mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended from time to time.

“Regulations” mean Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the Schedules and Forms attached to it as amended/replaced from time to time.

“Subscription Period” means the period in which units are offered for purchase of the respective Investment Plan as defined in the Offering Document.

“SECP” or “Commission” means Securities and Exchange Commission of Pakistan established under Securities and Exchange Commission of Pakistan Act, 1997 and shall include its successor.

“Special Instruction Form” means a standardized form prescribed by the Management Company to be duly filled by the investor to change his/her particulars and will be stated in this Offering Document.

“Sukuk” means a type of Islamic bond that is backed by assets of the issuer that earn profit or rent.

“Supplementary Offering Document” means a document issued to modify, add to, alter and amend, amend and restate or to make any other amendment to the Offering Document in such manner and to such extent as considered expedient for all purposes by the Management Company, with the consent of the Trustee, after seeking approval of the SECP, and the same shall be consolidated, read and construed together with the Offering Document.

“Transaction Costs” means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust’s portfolio, *inter alia*, necessitated by creation or cancellation of Units, which costs may be added to the NAV for determining the Offer Price of Units or to be deducted from the NAV in determining the Redemption Price.

“Transfer Agent” means a company including a Bank that the Management Company shall appoint for performing the Registrar Functions. The Management Company may itself perform the Registrar Function.

“Transfer Form” means a standardized form prescribed by the Management Company to be duly filed by the investor to transfer Units and will be stated in this Offering Document.

“Trust Deed” or “Deed” means the Trust Deed of the Fund executed between the Management Company and the Trustee along with all the exhibits appended hereto.

“Trust” or “HBL IFTF” or “Unit Trust” or “Fund” or “Scheme” means the Unit Trust constituted by the Trust Deed for continuous offers for sale of Units.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Act and Rules and Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include

plural and words “written” or “in writing” include printing, engraving lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of the Offering document.

Annexure “A”

Management Fee:

Current level of management fee is up to 1.50% per annum of net assets

Contingent Load:

Contingent load shall commensurate with the net loss incurred due to early redemption.

Cut-Off Timing:

Monday to Friday: 9:00 AM to 4:00 PM

Cut-Off time may vary from time to time as may be determined by the Management Company and communicated to the Unit Holders (through Management Company's website: www.hblasset.com), Trustee of the Fund and SECP.

Note: Any change in the Cut-Off Timings including for the month of Ramadan shall be notified to investors/Unit-Holders via the Company's website.

ANNEXURE 'B'

REMUNERATION OF TRUSTEE AND ITS AGENT

The Trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the following tariff:

Trustee Tariff
0.075% p.a. of Net Assets

ANNEXURE 'C'

HABIB BANK LIMITED BRANCH NETWORK

Sindh	
Karachi	
Bahadurabad Branch, Mariam Complex, Bahadurabad, Karachi. Phone: 021-34940585-6 Fax: 021-34940584	Foreign Exchange Branch, M.A. Jinnah Road, Habib Squire, Karachi. Phone: 021-9213996-97 Fax: 021-9213436
Tariq Road Commercial Center Branch, 172-u, Block-2, Karachi. Phone: 021-4534748, 021-4534681 Fax: 021-4522627	Corporate Branch, 2nd Floor, HBL Plaza, I.I. Chundrigar Road, Karachi. Phone: 021-2418000 Fax: 021-2413839
Kehkashan Branch, F-101/5, Block-7, Kehkashan Clifton, Karachi. Phone: 021-5875935-40 Fax: 021-5875914	Shahra-e-Jahangir Branch, Block L, North Nazimabad, Karachi. Phone: 021-6648034-6629671 Fax: 021-6642090
Clifton Broadway Branch, Broadway House, Karachi. Phone: 021-5301074-76 Fax: 021-5873310	Nursery Branch, Main Shahra-e-Faisal, Jamshed Town, Karachi. Phone: 021-4381304, 021-4524661 Fax: 021-4538482
Khayaban-e-Saadi Branch, Block-2, Clifton, Karachi. Phone: 021-5810045-46 Fax: 021-5810047	Shahra-e-Pakistan Branch, F.B Area Karachi. Phone: 021-6331445, 021-6317073 Fax: 021-6317086
Iqbal Library Branch Gigar Muradabadi Road, Near Islamia College, Karachi.	Garden Branch Nishtar Road, Karachi.

Phone: 021-4922310,
021-4913311
Fax: 021-4914411

Phone: 021-32227682,
Fax: 021-32227669

Jacobabad

Quid-e Azam Road,
Jacobabad.
Phone: 0722-653977,0722-650933

Punjab

Lahore

Allama Iqbal Town Branch
Dubai Chowk, Lahore.
Phone: 042-7840560, 042-7841464
Fax: 042-7446584

Model Town Branch, Lahore.
Phone: 042-5915574-75,
042-5844842
Fax: 042-5915573

The Mall Road Branch,
5, Bank square, Nila Gumbad, Lahore.
042-7232422-27-35-51-37-46
Fax: 042-7232537-479

Cantonment Branch
322-H. Sarwar Road, Cantt Lahore.
Phone: 042-6622620-6
Fax: 042-6622625

Gulberg Main Market Branch,
Lahore.
Phone: 042-5757575, 042-5755602,
Fax: 042-5760636

Lahore Development Authority Branch
7-Egertan Road, Data Gunj Bukhsh Town, Lahore.
Phone:
042-6375299/6375974-76-78
Fax: 042-6302032

New Garden Branch
8-Abu Bakar Block

Corporate Branch
Habib Bank Corporate Centre, 102,103 Upper Mall,
Lahore.
Phone: 042-6281655,

Lahore
Phone: 042-35912481-85
Fax: 042-35912486

042-6281820, 042-6281665
Fax: 042-6281661

Gujranwala

Satellite Town Branch

Main Market, Satellite Town, Gujranwala.
Phone: 055-9200590-1
Fax: 055-9200590

Faisalabad

HBL Corporate Centre

1152 Circular Road, Faisalabad.
Phone: 041-9200038
Fax: 041-9201041

West Canal Road, Faisalabad.

Phone: 041-8532077
Fax: 041-8531985

Madina Town Branch,

Madina Town, Faisalabad.
Phone: 041-9220122,
041-9220124
Fax: 041-9220123

Rawalpindi

Kashmir Road Branch

Kashmir Road Saddar, Cantt, Rawalpindi.
Phone: 051-5700107, 051-5582905
Fax: 051-5567928

Islamabad

Jinnah Avenue Branch, Islamabad

Phone: 051-2201761, 051-2201228
Fax: 051-2822290

Corporate Branch

Ground Floor, HBL Tower, Blue Area,
Islamabad
Phone: 051-2820683
Fax: 051-2822206

Khyber Pakhtunkhwa

Peshawar

Arbab Road Branch

Peshawar Cantt. Peshawar.

Phone: 091-5272167, 091-9211161

Fax: 091-5278869

Balochistan

Quetta

Complex Branch

Shahrah-e-Gulistan, Quetta.

Phone: 081-22836575, 081-2829379

Fax: 081-2825791

Annexure “D”

Shariah Advisor Profile

AI – Hilal Shariah Advisors (Pvt.) Limited, acts as the Shariah advisor to the Fund. Al Hilal is a corporate entity with a mandate to provide Islamic financial advisory services and is Pakistan's First and only Shariah advisory company. Shariah Supervisory Council of Al Hilal is composed of several renowned Shariah Scholars belonging to different schools of thought who are well versed in the field of Islamic Jurisprudence and Finance. Mufti Irshad Ahmad Aijaz sahib heads the Shariah supervisory council and would be acting as the lead Shariah advisor to this Fund.

Mufti Irshad Ahmad Aijaz – Chairman

Mufti Irshad Ahmad Aijaz is the chairman of the Shariah Supervisory Board of Al Hilal Shariah Advisors. Mufti Irshad has to his credit development of several Shariah Compliant financial structures and has been a pioneer in the Islamic banking industry. He is also on board of different committees formed by the State Bank of Pakistan for Islamization of the economy. Mufti Irshad completed his takhassus fil ifta from Jamia Dar ul uloom Korangi and has an MBA in finance from Iqra University.

Other Affiliations:

Bank Islami Pakistan – Chairman Shariah Board

Standard Chartered Bank – Member Shariah Board

Summit Bank – Member Shariah Board

AI – Baraka Properties, Australia – Shariah Advisor

AAOIFI – Member Shariah Standard Committee

SECP – Member Shariah Board

Wasil Micro Finance Group – Chairman Shariah Supervisory Board