

**Risk Disclaimer:** All Investments in Exchange Traded 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 in **Clause 2**, Risk Factors mentioned in **Clause 2.8** Taxation Policies mentioned in **Clause 7** and Warnings in **Clause 9** before making any investment decision.

**OFFERING DOCUMENT OF**

**HBL Total Treasury Exchange Traded Fund**

Risk Category: Medium  
Risk of Principal Erosion: Medium

(An Open Ended Exchange Traded Fund)

Consolidated as at September 8<sup>th</sup>, 2025

**MANAGED BY**

**HBL Asset Management Limited**

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**Key fact statement of  
HBL Total Treasury Exchange Traded Fund  
Managed by HBL Asset Management Limited**

<b>Type</b>	<b>Open End</b>
<b>Category</b>	<b>Exchange Traded Fund scheme</b>
<b>Risk Profile</b>	<b>Medium</b>
<b>Issuance Date</b>	<b>12th September 2022</b>
<b>1-DISCLAIMER:</b>	

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.

<b>2-KEY ATTRIBUTES:</b>		
Investment objective of CIS/Investment plan	HBL Total Treasury Exchange Traded Fund (HBL TT ETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of its specified Benchmark Index.	
Authorized Investment Avenue/s	Placements with Government of Pakistan Securities, PIBs, T-Bills, for further details regarding exposure limits and rating requirements please refer clause 2.2.1. of the offering documents.	
Launch date of CIS/Investment plan	12 <sup>th</sup> September 2022	
Minimum investment amount	1000	
Duration (Perpetual/Fixed Maturity: in case of fixed maturity, date of maturity must also be disclosed)	Perpetual	
Performance benchmark (for conventional fixed return schemes, disclose the promised return, for Shariah compliant fix return.	HBL Total Treasury Index	
IPO/Subscription period	N/A	
Subscription/Redemption Days and Timing	9:00 AM-4:00 PM	
Types /Classes of Units	Growth	
Management Fee (% per Annum)	Up to 0.75%	
<b>3-BRIEF INFORMATION OF THE PRODUCT CHARGES</b>		
<b>1-FRONT END LOAD (FEL)</b>	Distribution channel	
	Direct investment through AMC	NIL
	Digital Platform of AMC /third party	NA
<b>2-REDEMPTION CHARGE</b>	Type of Charge	NA
	Back End Load	NIL
	Contingent Load	NA

**Total Expense Ratio**

(TER)

Investors are advised to consult the Fund Manager Report (FMR) of the respective

**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

Amended through 3<sup>rd</sup> supplement in the offering document dated 26<sup>th</sup> Jul 2024

**OFFERING DOCUMENT OF  
HBL Total Treasury - Exchange Traded Fund**

(An Open Ended Exchange Traded Fund)

**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: September 9, 2022**

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The **HBL Total Treasury Exchange Traded Fund** (the Fund/the Scheme/the Trust/the Unit Trust/ **HBLTT ETF**) has been established through a Trust Deed (the Deed) dated August 16, 2021, under the Sindh Trust Act, 2020 entered into and between **HBL Asset Management Limited**, the Management Company, **Central Depository Company of Pakistan Limited**, the Trustee.

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**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 Total Treasury Exchange Traded Fund** has registered **HBLTT ETF** as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 (“Regulations”) vide letter No **SCD/AMCW/HBLTT-ETF/169/2021/MF-NE-65** dated **November 30, 2021** SECP has approved this Offering Document, under the Regulations vide **No. SCD/AMCW/HBLTT-ETF/2021-248** dated **February 16, 2022**.

**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**

*HBL Total Treasury Exchange Traded Fund – Offering Document*

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This Offering Document sets out the arrangements covering the basic structure of **HBL Total Treasury Exchange Traded 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, directives etc. as specified hereafter govern this Offering Document.

If prospective investor has any doubt about the contents of this Offering Document, he/she/it 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 Fund consists of investments in government securities that are subject to market fluctuations and risks inherent in all such investments. Neither the value of the Units in the Fund nor the dividend declared by the Fund is, or can be, assured. Investors are requested to read the Risk Disclosure and Warnings statement contained in Clause 2.8 and Clause 9 respectively in this Offering Document.**

#### **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. **AMCW/10/HAML/AMS/06/2020** dated **March 16, 2020** 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/HBLTT-ETF/169/2021/MF-NE-65** dated **November 30, 2021** registering the Fund in terms of Regulation 44 of the NBFC and Notified Entities Regulations 2008;
- (4) Letters No. **08-79/0811** dated **November 19, 2021** from **Yousuf Adil Chartered Accountants**, Auditors of the Fund, consenting to the issue of statements and reports;
- (5) Letters No. **HBL-AML-22/1105/21/** dated **November 11, 2021** from **Bawaney & Partners**, Legal Advisers of the Fund , consenting to act as adviser;
- (6) SECP's letter No. **SCD/AMCW/HBLTT-ETF/2021-248** approving this Offering Document.
- (7) Assistant Director of Industries and Commerce Directorate of the Department has issued a certificate of registration bearing reference No. **KAR/ST/043/2021** upon registration of the Trust under Sindh Trust Act 2020

## **1. CONSTITUTION OF THE SCHEME**

### **1.1 Constitution**

The Fund is an open-end Fund and has been constituted by a Trust Deed entered into at Karachi on **August 16, 2021** between:

**HBL Asset Management Limited**, a Non-Banking Finance Company incorporated under the 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**, a company 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 Shakra-e-Faisal, Karachi, Pakistan** as the Trustee.

### **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 and Exchange Ordinance 1969, Companies Ordinance 1984 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.

### **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.

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, SECP or the Management Company may wind 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**

It is hereby irrevocably and unconditionally declared that:

- a) The Trustee shall hold and stand possessed the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Unit Holder(s) ranking pari passu inter se, according to the number of Units held by each Unit Holder(s);
- b) The Trust Property shall comprise of the Portfolio Deposit and cash component received from all the Creation Units issued, as specified in this Document and the conditions stipulated in Trust Deed, the Regulations and the requirements prescribed by the Commission, as amended or substituted from time to time ("SECP Requirements");
- c) The Management Company shall offer Creation Units or multiples thereof to Authorized Participants in exchange of underlying Portfolio in term of provision contained in this Document; and
- d) The Management Company shall track the Index of Fixed Income Securities as specified in **Clause 2.2.1** of this Document.

#### **1.6 Issuance, Buying and selling of ETF units**

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof, as specified in the Creations and Redemptions section of this document. Only an Authorized Participant may engage in creation or redemption transactions directly with the Fund.

Once created, units of the Fund generally trade in the secondary market in multiplier of Marketable lot size which can be less than a Creation Unit lot size. Units of the Fund are listed on a Pakistan Stock Exchange for trading. Units can be bought and sold throughout the trading day like shares of other publicly-traded companies. The Trust does not impose any minimum investment for units of the Fund purchased on an exchange in the secondary market **however PSX may impose certain restrictions on LOT size of ETF to be traded at the Exchange.**

Buying or selling Fund shares on an exchange in secondary market generally involves two types of costs that may apply to all securities transactions. When buying or selling units of the Fund through a broker, you may incur a brokerage commission and other charges.

In addition, you may incur the cost of the "spread," that is, any difference between the bid price and the ask price. The spread varies over time for shares of the Fund based on the Fund's trading volume and market liquidity, and is generally lower if the Fund has high trading volume and market liquidity, and higher if the Fund has little trading volume and market liquidity. The Fund's spread may also be impacted by the liquidity of the underlying securities held by the Fund, in instances of significant volatility of the underlying securities.

The Pakistan Stock Exchange, on which the Fund's shares are listed is open for trading Monday through Friday and is closed on weekends and the holidays as specified and announced by the PSX.

#### **Difference between ETF and open end fund;**

An ETF is one way to invest in the stock or bond market without buying individual stocks or bonds. An exchange-traded fund is much like a regular mutual fund in that when you buy a share of an exchange-traded fund each share represents a tiny slice of all of the funds' underlying investments, allowing you to diversify across a pre-determined set of stocks or bonds by owning one single fund.

Exchange traded funds differ from regular mutual funds in the way they are priced and in the way they trade, which means you can apply certain trading strategies with an exchange-traded fund which you cannot do with a regular mutual fund.

#### **Pricing of an Exchange Traded Fund;**

A regular mutual fund sets its price once each day after the market has closed. The actual price you trade at is unknown because orders are placed during or before a market close and then “filled” at the closest new market value. The closing value will be repriced based on the number of shares bought and sold and the net asset value of the total fund.

An exchange-traded fund prices just like a stock with fluctuations to the penny throughout the trading period. Since exchange trade funds price throughout the day, you can purchase or sell them mid-day, buy on a dip in the market, or sell on a rally. Because the stock market prices are influenced by current news and worldwide opinions, the prices are prone to sudden and frequent impulse changes.

Because the calculating of share value is automated, it is fascinating to watch the changing prices. One advantage ETF's have over regular mutual funds is typically a lower operating expense fee which means you are paying less to own the fund.

#### **Trading of an Exchange Traded Fund;**

When you buy or sell shares of a regular mutual fund you buy or sell them directly to and from the investment company that issues them, so you cannot trade them mid-day, nor can you use trading strategies like limit orders. You will buy shares of mutual funds in Rupees, which means you may end up with an odd number of shares, including fractions. When you sell a mutual fund, it will be in shares, not Rupees.

An exchange-traded fund, however, trades like a stock, pricing throughout the day however there may be situations where the ETF may not have liquidity as the management company does not monitor or provide liquidity in the secondary market.

#### **Parties to an ETF**

Subject to the NBFC Regulation, Rule book of PSX and agreements created under this arrangement, following parties are directly associated with the Creation Redemption and trading of ETF securities and are defined in this document;

- Assets Management Company of the scheme,
- Trustee of the scheme,
- Authorized Participants of the scheme,
- Market Maker of the scheme, and
- The Pakistan Stock Exchange

#### **Advantages and Disadvantages of ETF**

Apart from the risk associated with the ETF fund as specified in this document, following are the advantages and disadvantages of ETF.

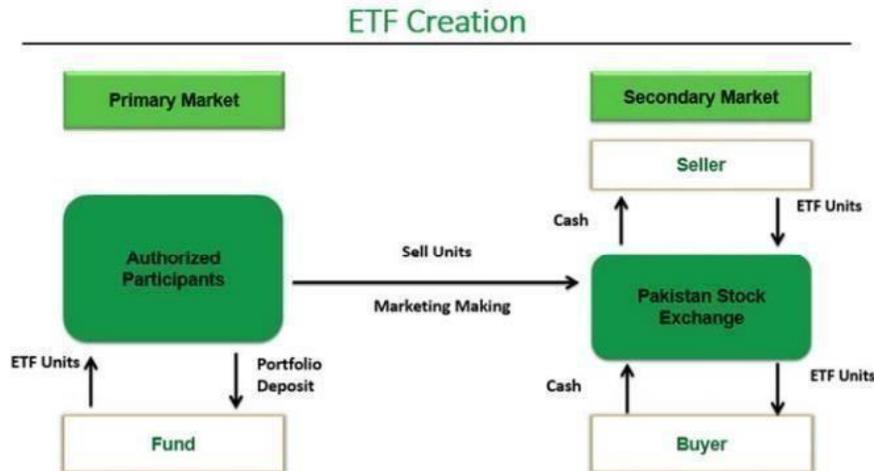
**Advantages**

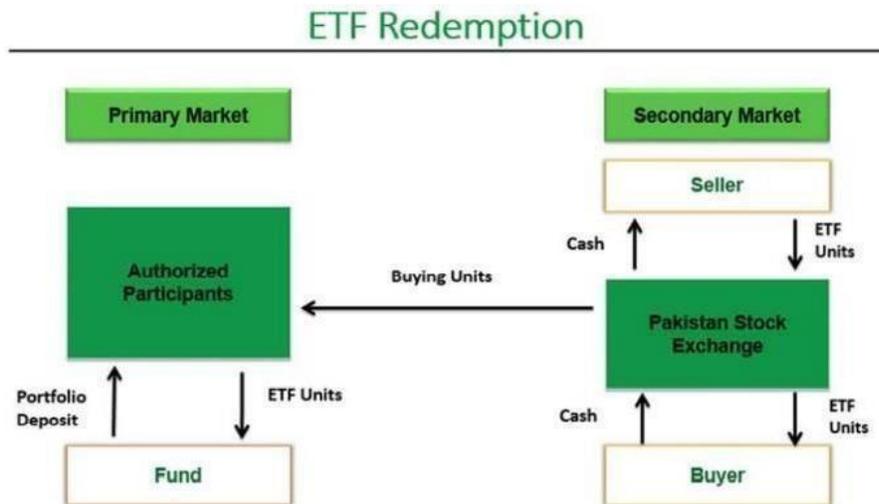
- They have lower fees than managed funds.
- Investors are able to diversify more broadly with an ETF. You can buy the market and get instant diversification with the purchase of one ETF. You can have a portfolio of different stocks and not have to manage all the stocks yourself.
- There is less administration required with ETFs. An application form is required when buying units in a managed fund and a redemption form is required when selling units. With an ETF, you can just buy and sell at the Exchange.
- ETFs are traded on the stock exchange and so pricing is in real time, with managed funds pricing is not as regular.

**Disadvantages**

- ETFs track an index offering a passive strategy. These particular types do not actively try and beat the market. With managed funds, you can select different trading strategies. Investors have more choice of finding an actively traded fund with managed funds.
- Trading volumes with ETFs may be low so there may be a wide bid ask spread. This means liquidity may be low.

**ETF Creation and Redemption Flow:**





### 1.7 Offering Document

The provisions of the Trust Deed, the Rules, the Regulations, circulars and the Directives issued by the Commission govern this Offering Document. It sets forth information about the Fund 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.

### 1.8 Modification of Offering Document

This Offering Document will be updated to take account of any relevant material changes relating to the Fund. 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. These changes shall also be notified to PSX within due time as per the requirement of PSX Rule Book.

### 1.9 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

HBL Total Treasury Exchange Traded Fund (HBL TT ETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of its specified Benchmark Index. The Benchmark Index may be periodically rebalanced and reconstituted as specified in this document in order

to provide consistent returns to its investors through active investments in a blend of Government of Pakistan Securities. The Fund will aim to provide superior risk adjusted returns.

## **2.2 Investment Policy**

HBL Total Treasury Exchange Traded Fund, in line with its Investment Objective, shall invest in Authorized Investments. The ETF shall invest in a particular basket of Government Securities to track the performance of component securities of the Benchmark Index which is constituted and managed by the Management Company.

New Investment amount will be distributed among assets classes on Market Value as per the current weights.

PIB coupon(s) will be held in cash until the next rebalancing cycle.

The ETF may be unable to fully replicate the Benchmark Index due to factors or market limitations such as but not limited to:

- Non-availability of Component Securities
- Cancellation or postponement of Treasury Auctions
- Unexpected Suspension or Closure of OTC Market and/or State Bank of Pakistan

Subject to conditions mentioned above, the ETF may therefore have a variation between the Benchmark Index and the ETF allocation which shall be rectified in the ETF's next rebalancing or Benchmark Index's reconstitution cycle(s).

The performance of the ETF may vary from that of the Benchmark Index for a number of reasons, including fund fees, transaction costs, asset valuations, timing variances and differences between the ETF's portfolio and the Benchmark Index resulting from the non-availability of any specific security at any given time. These factors result in Tracking Error; the "Tracking error" is the difference of the actual return of the ETF's portfolio from that of the Benchmark Index. The AMC expects that, over time, the Fund's tracking error will not exceed 10%.

The AMC shall initially maintain the index and will appoint an independent auditor to periodically verify the value and functioning of the index in-line with its set out methodology. Subsequently to a future documented agreement, the AMC shall have the option of using PSX to maintain this index.

The AMC shall disseminate information and performance of the Benchmark Index via the Pakistan Stock exchange (PSX); for that purpose the AMC will enter into an agreement with PSX.

### **2.2.1 The Benchmark of the ETF**

The Benchmark of HBL Total Treasury Exchange Traded Fund shall be to track the performance of the index based on the weighted average cumulative performance of all component securities forming the

Index. The Management Company shall disseminate the Fund’s performance with this Benchmark to the unit holders and/or PSX within the time period specified by the Commission.

The Management Company shall immediately notify the Commission, the Exchanges on which it registered the underlying Unit Holders and the Trustee upon rebalancing based on the process agreed with PSX relating to intimation of rebalancing, announcement of NAV during that period etc. Notice to the Exchange and a notice on the Website of Management Company would be sufficient to comply with the notice requirements of the HBL Total Treasury Exchange Traded Fund (HBLTT ETF).

### **HBL Total Treasury Exchange Traded Fund Benchmark Index:**

#### **HBL Total Treasury Index (HBLTTI)**

#### **Methodology & Salient Features**

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##### **Security Selection**

Filter 1: Government of Pakistan Securities

Filter 2: Treasury Bills (T-Bills) up to 1 year time to maturity

Filter 3: Pakistan Investment Bonds (PIBs) up to 10 years maturity

\* Cash and Cash Equivalent will be a component of the Benchmark Index, with Cash maintained in bank accounts with minimum A rating.

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##### **Composition and Weight Assignment**

(All Securities components are based on Time to Maturity )

The weightage assigned to the component securities will be such that the overall securities portfolio’s Weighted Average Maturity (WAM) will have a ceiling of 4 years and a minimum exposure of 70% in Government Securities over a quarterly average.

Cash and Cash Equivalent: 0 – 100%

T-Bills: 0 – 100%

PIBs: 0 – 100%

\* Cash and Cash Equivalent will be a component of the Benchmark Index, with Cash maintained in bank accounts with minimum A rating.

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**Rebalancing of Benchmark Index**

- **Rationale:** Alter assigned weights to any index component(s) to manage yield and WAM, rectify any limit breach, security maturity/unavailability
- **Frequency:** 14 Days or multiples of 14 days coinciding with Treasury auction dates
- **Basis:** Treasury Bill Auction Date
- **Implementation:** Treasury Bill Settlement Date

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**Reconstitution of Benchmark Index**

- **Rationale:** To add/delete any Government Security to consider its remaining maturity and availability
- **Frequency:** 84 Days coinciding with Treasury auction dates
- **Basis:** Treasury Bill Auction Date
- **Implementation:** Treasury Bill Settlement Date

**2.3 Risk Control in the Investment Process**

In line with the Investment Objective of the scheme, the management company shall specify the Government Securities with appropriate weights of individual securities so as to track the chosen Benchmark Index.

**2.4 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 informing the PSX within due time as specified in the PSX Rule Book.

**2.5 Investment Restrictions**

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, circulars and directives and shall also be subject to any exemptions that may be specifically given to the Fund by SECP or subsequently in writing..

**2.5.1 The Management Company on behalf of the Scheme shall not:**

- i. 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 Regulation;
- ii. Make any investment which will vest with the Management Company or its group the management or control of the affairs of the investee company.
- iii. invest in securities of the Management Company
- iv. issue a senior security which is either stock or represents indebtedness, without the prior written approval of the Commission
- v. apply for de-listing from stock exchange, unless it has obtained prior written approval of the Commission.
- vi. 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.
- vii. enter on behalf of the Scheme, into underwriting or sub-underwriting contracts.
- viii. subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Management Company.
- ix. pledge any of the securities held or beneficially owned by the Scheme except as allowed under the Regulations.
- x. accept deposits.
- xi. make a loan or advance money to any person from the assets of the Scheme.
- xii. Rating of Bank with which Funds are placed shall be as per Investment Grade & Above.

**2.5.2** The Management Company in managing the Fund shall abide by all the provisions of the Trust Deed, the Offering Document, the Regulations and any other applicable laws.

**2.6 Transactions Relating to Investment/Portfolio Management**

In case of Issuance of Creation Units, the Trustee shall ensure that, Portfolio Deposit and Cash Component is received (where Cash Component is a positive value) against Creation of Units.

In case of redemption of Units, the Trustee shall ensure that the requisite Units of ETF equaling the Creation Unit size have been transferred to the Fund's Depository account and the Cash Component. There may be situation where the Authorized participant has to pay cash component at the time of redemption. For example if the FUND NAV is below the value of portfolio deposit.

The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds,

distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government regulator, stock or other exchange or any other party having any connection with the transaction.

The Management Company shall also advise the Trustee, of the details of amounts to be paid and to deliver Portfolio Deposit to respective Authorized Participants against redemption requests. Such transfer of Portfolio Deposit/payments shall be effected by the Trustee out of the respective accounts of the Unit Trust by way of transfer to the appropriate account of the Authorized Participant.

The Management Company shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts, from time to time.

There may be situations where Management Company may decide to allow creation and redemption in cash/partial cash on such terms and conditions as announced by the management company. There may be certain charges imposed by the management company in such situation at its discretion.

## **2.7 Restriction of Transactions with Connected Persons**

**2.7.1** 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.

## **2.8 Risk Disclosure**

Investors must realize that all investments in mutual Funds, Exchange Traded Funds and securities are subject to market risks. Our target return / dividend range cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is 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 since ETF is traded at the Exchange, it may have other risks including secondary market liquidity etc which are generally not there in a typical open end mutual Fund

### **Authorized Participant/ Market Maker Concentration Risk**

Only an Authorized Participant/ Market Maker may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that may act as Authorized Participants/ Market Maker. To the extent that Authorized Participants/ Market maker exit the business or are unable to proceed with creation or redemption orders with respect to the Fund and no other Authorized Participant/ Market maker is able to step forward to create or redeem Creation Units, Fund shares may be more likely to trade at a premium or discount to NAV. Since the Fund is starting with one Authorized participant/Market maker that risk is currently high and will reduce overtime as the number of Authorized participants/Market makers increase.

### **Concentration Risk**

The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class. The Fund may be more adversely affected by the underperformance of those securities, may experience increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting those securities.

### **Income Risk**

The Fund's income may decline if interest rates fall. This decline in income can occur because the Fund may subsequently invest in lower-yielding bonds as bonds in its portfolio mature, are near maturity or are called, bonds in the Underlying Index are substituted, or the Fund otherwise needs to purchase additional bonds.

### **Interest Rate Risk**

During periods of very low or negative interest rates, the Fund may be unable to maintain positive returns or pay dividends to Fund shareholders. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, result in heightened market volatility and detract from the Fund's performance to the extent the Fund is exposed to such Interest rates. Additionally, under certain market conditions in which interest rates are low and the market prices for portfolio securities have increased, the Fund may have a very low or even negative yield. A low or negative yield would cause the Fund to lose money in certain conditions and over certain time periods. An increase in interest rates will generally cause the value of securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments, including those held by the Fund. The historically low interest rate environment heightens the risks associated with rising interest rates.

### **Tracking Error Risk**

The Fund may be Subject to tracking error, which is the divergence of the Fund's performance from that of the Underlying Index. Tracking error may occur because of Differences between the securities held in the Fund's portfolio and those included in the Underlying Index, pricing differences, transaction costs incurred by the Fund, the Fund's holding of un-invested cash, differences in timing of the accrual of or the valuation of distributions, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, acceptance of custom baskets, changes to the underlying Index or the costs to the Fund of complying with various new or Existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the Underlying Index does not.

### **Index-Related Risk**

There is no guarantee that the Fund's investment results will have a high degree of correlation to those of the Underlying Index or that the Fund will achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the

construction of the Underlying Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. Unusual market conditions may cause the Index Provider to postpone a scheduled rebalance, which could cause the Underlying Index to vary from its normal or expected composition.

#### **Market Trading Risk**

Although shares of the Fund are listed for trading on one or more stock exchanges, there can be no assurance that an active trading market for such shares will develop or be maintained by Market Makers or Authorized Participants.

#### **Price Risk**

The price risk is defined as when the value of the Fund, due to its holdings in such securities rises and falls as a result of change in interest rates.

#### **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 Fund's performance etc.

**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 specially 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.**

## **2.9 Disclaimer**

The Units 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 Profile of 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 The assets under management (AUM) of HBL Asset Management were Rs. 355 Billion as of June 30th, 2022, making it one of the largest AMCs with respect

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to AUM. The company is managing 21 different types of mutual funds and plans along with 4 pension funds; Conventional and Islamic.

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

1. HBL Cash Fund	14. HBL Investment Fund (Class - A & Class – B)
2. HBL Money Market Fund	15. HBL Islamic Equity Fund
3. HBL Income Fund	16. HBL Islamic Stock Fund
4. HBL Government Securities Fund	17. HBL Islamic Savings Fund Plan-I
5. HBL Islamic Money Market Fund	18. HBL Mehfooz Munafa Fund
6. HBL Islamic Income Fund	19. HBL Islamic Fixed Term Fund
7. HBL Islamic Asset Allocation Fund	20. HBL Financial sector Income Fund Plan-I
8. HBL Equity Fund	21. HBL Financial sector Income Fund Plan-II
9. HBL Stock Fund	
10. HBL Energy Fund	
11. HBL Multi Asset Fund	
12. HBL Total Treasury Exchange Traded Fund	
13.. HBL Growth Fund (Class - A & Class – B)	

- **Pension Funds**
  - 1) HBL Pension Fund
  - 2) HBL Islamic Pension Fund
  - 3) HBL KPK Pension Fund
  - 4) HBL KPK Islamic Pension Fund

- **Credit Rating**  
JCR-VIS rating for HBL Asset Management: AM1

### 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

Name, Occupation & Address*	Position	Other Directorship
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<p><b>Mr. Shahid Ghaffar</b> Investment Management Karachi.</p>	<p>Chairman/Director</p>	<ol style="list-style-type: none"> <li>1. Habib Insurance Company Ltd.</li> <li>2. Archroma Pakistan Ltd.</li> <li>3. Jubilee Life Insurance Company Ltd.</li> <li>4. Audit Oversight Board Pakistan – Member</li> <li>5. AWWAL Modaraba</li> <li>6. Karandaaz Pakistan</li> </ol>
<p><b>Mr. Mir Adil Rashid</b></p>	<p>Chief Executive / Director</p>	<ol style="list-style-type: none"> <li>1. Mutual Funds Association of Pakistan</li> <li>2. HOM E TECH Solutions Private Limited</li> <li>3. HOM Electric – Partner</li> </ol>
<p><b>Mr. Abrar Ahmed Mir</b></p>	<p>Director</p>	<ol style="list-style-type: none"> <li>1. 1 Link Private Limited</li> <li>2. HBL Microfinance Bank Limited (Formerly- First Microfinance Bank Limited)</li> <li>3. Jubilee General Insurance Company Limited</li> </ol>
<p><b>Mr. Raymond Kotwal</b> Banker Karachi</p>	<p>Director</p>	<ol style="list-style-type: none"> <li>1. HBL Microfinance Bank Limited (Formerly- First Microfinance Bank Limited)</li> <li>2. Habib Allied Holding Limited, UK</li> <li>3. HBL Employee Funds- Trustee</li> <li>4. HBL Bank UK</li> <li>5. HBL Foundation- Trustee</li> </ol>
<p><b>Ms. Ava Ardeshir Cowasjee</b> Business Karachi</p>	<p>Director</p>	<ol style="list-style-type: none"> <li>1. Cowasjee &amp; Sons- Partner</li> <li>2. Orbiter- Partner</li> <li>3. General Shipping Agencies (Pvt.) Ltd.</li> <li>4. Cowasjee Foundation- Trustee</li> <li>5. SOS Technical Training Institute, Karachi-Board Member</li> <li>6. Syndicate &amp; Senate of NED University of Science and Technology- Member</li> <li>7. Shahtaj Sugar Mills Limited</li> <li>8. Indus Valley School of Art and Architecture-Member Board of Governors</li> <li>9. SOS Pakistan</li> </ol>
<p><b>Mr. Tariq Masaud</b></p>	<p>Director</p>	<ol style="list-style-type: none"> <li>1. Kyrgyz Investment and Credit Bank, Kyrgyz Republic</li> </ol>
<p><b>Mr. Khalid Malik</b></p>	<p>Director</p>	<ol style="list-style-type: none"> <li>1. UDL Pharmaceuticals Pakistan (Pvt) Limited</li> <li>2. UDL Modaraba Management (Pvt) Limited</li> <li>3. SASL Trading (Pvt) Limited</li> </ol>
<p><b>Mr. Habib Yousuf Habib</b></p>	<p>Director</p>	<ol style="list-style-type: none"> <li>1. Bill Pakistan (Pvt) Ltd.</li> <li>2. Zephyr Power Limited</li> <li>3. Metro Wind power Limited</li> </ol>

<b>Ms. Sheeza Ahmed</b>	Director	<ol style="list-style-type: none"><li>1. Member of Karachi Bar Association</li><li>2. Member of Sindh High Court Bar Association</li><li>3. Member of Sindh Child Protection Authority</li><li>4. Member of Executive Council, SAARCLAW</li></ol>
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\*Directors can be contacted through Company Secretary.

### 3.2.1 Profile of Director:

#### **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

**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.

**Ms. Sheeza Ahmed, Director**

Sheeza Ahmed is a seasoned legal professional with nearly 30 years of experience in banking, finance, Islamic finance, and corporate law. As a Partner at Mandviwalla & Zafar, she has advised leading financial institutions on complex domestic and cross-border transactions, structured finance, Sukuk issuances, mergers and acquisitions, and regulatory compliance. Her legal acumen extends to legislative drafting, including landmark frameworks for corporate governance and social development laws in Sindh. A Columbia Law School graduate, Sheeza is also deeply committed to social impact initiatives focused on education, marginalized communities, and policy advocacy. She is a member of various professional and public sector bodies, including the Sindh Child Protection Authority and the Executive Council of SAARCLAW.

**Mr. Habib Yousuf, Director**

Habib Yousuf is a seasoned financial services professional with over three decades of leadership experience across banking, investment, and development finance. He currently serves as Regional Director at British International Investments (BII), overseeing operations and investment strategy across South Asia (excluding India), with a portfolio of approximately USD 700 million. Prior to BII, he held key leadership roles at CDC Group and Habib Bank Limited, including Country Director, Head of Strategy, and Regional General Manager. He also served as CEO of Global Securities Pakistan and held senior roles at Citibank and NIB Bank. His expertise spans corporate finance, investment banking, trade and remittance flows, and strategic development. Habib holds an MBA and BBA from the Institute of Business Administration (IBA), Karachi.

**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.

**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. 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.

**Mr. Adnan Mehmood Lodhi, Head of Customer Experience**

With over 33 years of diverse experience, Mr. Lodhi brings extensive expertise, having held key roles including Head of International Partnerships in Canada, Manager of Operational Change at Abu Dhabi Commercial Bank, Associate Director at Standard Chartered Bank UAE, and Head of Operations at Dubai Islamic Bank. His data-driven and results-oriented approach is invaluable.

**Mr. Amin Muhammad, Chief Risk Officer**

With over 32 years of experience in the financial services industry, Amin has worked across Pakistan, Canada, and the United Arab Emirates. Most recently, he served as Executive Vice President and Chief of Staff to the Group CEO at Habib Bank AG Zurich, overseeing risk management, compliance, strategy, and stakeholder management. Prior to joining Habib Bank AG Zurich, Amin worked at NIB Bank in Corporate and Investment & Institutional Banking. Earlier in his career, he gained experience at Emirates Bank, ANZ Grindlays Bank, and the Royal Bank of Canada in Toronto, where he played a key role in driving initiatives.

**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

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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. Faisal Akhlaq, Country head- Corporate sales & Product**

With over 20+ years of diverse experience in the financial industry, Mr. Akhlaq has held senior Leadership positions at the standard chartered Bank (UAE), BNP Paribas (MEA region) , and strategos Management Consultants (Middle East).

**3.2.2 Throughout his career, he has led strategic business development, corporate structuring, and operational excellence initiatives for a wide range of client segments Performance of Listed Associated Companies (information request from Finance)**

*Habib Bank Limited, Holding Company*

*Habib Bank Limited, Holding Company*

	2024	2023	2022	2021	2020	2019	2018	2017
	.... .... (Consolidated Figures Rs. In millions) .... ....							
<b>PROFIT AFTER TAX</b>	57,805	57,757	34,398	35,507	30,913	15,500	12,441	8,848
<b>TOTAL EQUITY</b>	410,798	366,021	285,022	283,686	265,495	224,752	199,252	188,751
<b>TOTAL ASSETS</b>	6,055,113	5,534,348	4,638,806	4,317,468	3,849,063	3,227,132	3,025,853	2,696,218
<b>TOTAL DEPOSITS</b>	4,370,371	4,142,352	3,469,342	3,381,998	2,830,371	2,437,597	2,137,293	1,998,935
<b>ADVANCES (NET OF PROVISION)</b>	2,435,435	1,861,345	1,782,498	1,507,047	1,223,510	1,166,957	1,080,440	851,502
<b>INVESTMENTS (NET OF PROVISION)</b>	2,528,200	2,562,299	1,948,801	1,948,956	1,948,577	1,379,607	1,390,052	1,374,816
<b>CASH DIVIDEND</b>	163	98	68	75	43	50	43	80
<b>STOCK DIVIDEND</b>		-	-	-	-	-	-	-

*Jubilee General Insurance Company Limited, Associated Company*

	2024	2023	2022	2021	2020	2019	2018	2017
	.... .... (Consolidated Figures Rs. In millions) .... ....							
<b>PROFIT AFTER TAX</b>	3,522	2,996	1,534	1,649	1,533	1,224	1,066	1,117
<b>TOTAL EQUITY</b>	18,808	13,477	10,536	10,190	9,547	8,712	7,908	8,313
<b>TOTAL ASSETS</b>	50,368	37,235	32,118	26,194	23,295	22,089	21,313	19,698

*HBL Total Treasury Exchange Traded Fund – Offering Document*

		..... Per share (%) .....								
<b>Jubilee</b>	<b>CASH DIVIDEND</b>	55.00	50	40	40	35	30	40	40	<b>Life</b>
	<b>STOCK DIVIDEND</b>	-	-	-	-	-	10	-	-	

*Insurance Company Limited, Associated Company*

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
	..... (Consolidated Figures Rs. In millions) .....							
<b>PROFIT AFTER TAX</b>	2,574	2,306	2,072	1,793	2,884	2,224	2,430	3,262
<b>TOTAL EQUITY</b>	17,334	15,353	13,941	13,069	12,872	11,406	10,342	9,317
<b>TOTAL ASSETS</b>	236,764	205,490	187,853	190,552	190,422	173,361	139,626	120,513
	..... Per share (%) .....							
<b>CASH DIVIDEND</b>	130%	130	130	145	165	165	175	175
<b>STOCK DIVIDEND</b>	-	-	15	-	-	10	-	-

**3.2.3 Existing Schemes under management and their performance**

**Conventional Funds**

<b>HBL Cash Fund – (formerly PICIC Cash Fund)</b>	
<b>Date of Launch:</b>	13-Dec-10
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	105,427
<b>NAV (Aug 31, 2025)</b>	105.0778
<b>Rating</b>	AA+(f) (VIS)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	14.61%
Year Ending June 30, 2024	22.20%
Year Ending June 30, 2023	17.56%

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Year Ending June 30, 2022	10.97%
Year Ending June 30, 2021	6.97%
Returns since inception	23.79%

<b>HBL Income Fund (HBL-IF)</b>	
<b>Date of Launch:</b>	17-Mar-07
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	6,779
<b>NAV (Aug 31, 2025)</b>	115.1222
<b>Stability Rating</b>	A+(f) (VIS)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	15.13%
Year Ending June 30, 2024	22.35%
Year Ending June 30, 2023	17.03%
Year Ending June 30, 2022	11.43%
Year Ending June 30, 2021	7.10%
Returns since inception	29.41%

<b>HBL Money Market Fund (HBL-MMF)</b>	
<b>Date of Launch:</b>	14-Jul-10
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	42,672
<b>NAV (Aug 31, 2025)</b>	105.3073
<b>Rating</b>	AA+(f) (VIS)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	14.05%
Year Ending June 30, 2024	21.54%
Year Ending June 30, 2023	16.66%
Year Ending June 30, 2022	10.26%
Year Ending June 30, 2021	6.84%
Returns since inception	22.54%

<b>HBL Government Securities Fund (Formerly PICIC Income Fund)</b>	
<b>Date of Launch:</b>	23-Jul-10
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	5,875
<b>NAV (Aug 31, 2025)</b>	116.0191
<b>Stability Rating</b>	AA- (VIS)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	19.03%
Year Ending June 30, 2024	20.92%
Year Ending June 30, 2023	14.88%
Year Ending June 30, 2022	7.89%
Year Ending June 30, 2021	5.10%
Returns since inception	24.68%

<b>HBL Financial Sector Income Fund - Plan I</b>	
<b>Date of Launch:</b>	18-Jan-22
<b>Listing:</b>	Pakistan Stock Exchange (PSX)
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	39,482
<b>NAV (Aug 31, 2025)</b>	104.1551
<b>Rating</b>	A+(f)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	15.32%
Year Ending June 30, 2024	23.01%
Year Ending June 30, 2023	18.26%
Year Ending June 30, 2022	13.26%
Year Ending June 30, 2021	—
Returns since inception	22.55%

<b>HBL Financial Sector Income Fund Plan II</b>	
<b>Date of Launch:</b>	19-Feb-24
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	10,826
<b>NAV (Dec 31, 2025)</b>	100.0287
<b>Rating</b>	AA- (f) (VIS) 03-Mar-2025

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	15.72%
Year Ending June 30, 2024	18.51%
Year Ending June 30, 2023	–
Year Ending June 30, 2022	–
Year Ending June 30, 2021	–
Returns since inception	16.24%

<b>HBL Stock Fund (HBL-SF)</b>	
<b>Date of Launch:</b>	31-Aug-07
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	1,472
<b>NAV (Aug 31, 2025)</b>	197.8291
<b>Rating</b>	

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	41.41%
Year Ending June 30, 2024	85.59%
Year Ending June 30, 2023	-3.15%
Year Ending June 30, 2022	-35.84%
Year Ending June 30, 2021	29.83%
Returns since inception	425.46%

<b>HBL Multi Asset Fund</b>	
<b>Date of Launch:</b>	17-Dec-07
<b>Listing:</b>	Pakistan Stock Exchange (PSX)
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	174
<b>NAV (Aug 31, 2025)</b>	202.5905
<b>Rating</b>	

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	40.59%
Year Ending June 30, 2024	62.74%
Year Ending June 30, 2023	4.05%
Year Ending June 30, 2022	-17.52%
Year Ending June 30, 2021	21.99%
Returns since inception	556.55%

<b>HBL Energy Fund – (Formerly PICIC Energy Fund)</b>	
<b>Listing:</b>	Pakistan Stock Exchange (PSX)
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	2,039
<b>NAV (Aug 31, 2025)</b>	28.3988
<b>Rating</b>	As per new regulation no new rating is available

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	60.53%
Year Ending June 30, 2024	77.92%
Year Ending June 30, 2023	-0.38%
Year Ending June 30, 2022	-17.70%
Year Ending June 30, 2021	19.73%
Returns since inception	671.78%

<b>HBL Growth Fund (Class-B)</b>	
<b>Date of Launch:</b>	02-Jul-18
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 10
<b>Net Assets (PKR in mln)</b>	2,509
<b>NAV (Dec 31, 2025)</b>	43.7551

<b>HBL Investment Fund (Class-A)</b>	
<b>Date of Launch:</b>	02-Jul-18
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 10
<b>Net Assets (PKR in mln)</b>	5,401
<b>NAV (Dec 31, 2025)</b>	19.0083
<b>Rating</b>	–

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	118.70%
Year Ending June 30, 2024	49.62%
Year Ending June 30, 2023	-24.64%
Year Ending June 30, 2022	-19.83%
Year Ending June 30, 2021	35.08%
Returns since inception	138.36%

<b>HBL Investment Fund (Class-B)</b>	
<b>Date of Launch:</b>	02-Jul-18
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 10
<b>Net Assets (PKR in mln)</b>	1,237
<b>NAV (Dec 31, 2025)</b>	20.0668
<b>Rating</b>	–

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	44.31%
Year Ending June 30, 2024	84.00%
Year Ending June 30, 2023	-6.17%
Year Ending June 30, 2022	-36.76%
Year Ending June 30, 2021	29.66%
Returns since inception	126.53%

<b>HBL Mehfooz Munafa Fund</b>	
<b>Date of Launch:</b>	13-Nov-25
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	11,213
<b>NAV (Dec 31, 2025)</b>	101.444
<b>Rating</b>	–

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	17.44%
Year Ending June 30, 2024	–
Year Ending June 30, 2023	–
Year Ending June 30, 2022	–
Year Ending June 30, 2021	–
Returns since inception	10.76%

### Shariah Compliant Funds

<b>HBL Islamic Income Fund – (formerly PICIC Islamic Income Fund)</b>	
<b>Date of Launch:</b>	28-May-14
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	18,280
<b>NAV (Aug 31, 2025)</b>	105.8326
<b>Rating</b>	A+(f) (VIS)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	13.23%
Year Ending June 30, 2024	21.83%
Year Ending June 30, 2023	17.55%
Year Ending June 30, 2022	11.14%
Year Ending June 30, 2021	5.45%
Returns since inception	16.90%

<b>HBL Islamic Money Market Fund (HBL-IMMF)</b>	
<b>Date of Launch:</b>	10-May-11
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	89,145
<b>NAV (Aug 31, 2025)</b>	103.237
<b>Rating</b>	AA+(f) (VIS)

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	14.05%
Year Ending June 30, 2024	21.98%
Year Ending June 30, 2023	17.24%
Year Ending June 30, 2022	9.99%
Year Ending June 30, 2021	6.47%
Returns since inception	18.46%

<b>HBL Islamic Equity Fund – (formerly PICIC Islamic Stock Fund)</b>	
<b>Date of Launch:</b>	28-May-14
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	1,073
<b>NAV (Aug 31, 2025)</b>	179.0409
<b>Rating</b>	

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	42.60%
Year Ending June 30, 2024	74.48%
Year Ending June 30, 2023	-5.88%
Year Ending June 30, 2022	-33.40%
Year Ending June 30, 2021	35.46%
Returns since inception	169.76%

<b>HBL Islamic Stock Fund (HBL-ISF)</b>	
<b>Date of Launch:</b>	10-May-11
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	1,201
<b>NAV (Aug 31, 2025)</b>	230.6534
<b>Rating</b>	

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	55.31%
Year Ending June 30, 2024	75.47%
Year Ending June 30, 2023	-11.83%
Year Ending June 30, 2022	-28.67%
Year Ending June 30, 2021	32.38%
Returns since inception	421.28%

<b>HBL Islamic Asset Allocation Fund</b>	
<b>Date of Launch:</b>	08-Jan-16
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	569
<b>NAV (Dec 31, 2025)</b>	319.4866
<b>Rating</b>	—

<b>HBL Islamic Savings Fund Plan-I</b>	
<b>Date of Launch:</b>	14-Mar-24
<b>Listing:</b>	Pakistan Stock Exchange
<b>Par Value:</b>	Rs. 100
<b>Net Assets (PKR in mln)</b>	10,898
<b>NAV (Dec 31, 2025)</b>	105.4968
<b>Rating</b>	—

<b>Performance:</b>	<b>Return (p.a.)</b>
Year Ending June 30, 2025	13.38%
Year Ending June 30, 2024	19.83%
Year Ending June 30, 2023	—
Year Ending June 30, 2022	—
Year Ending June 30, 2021	—
Returns since inception	14.38%

### **3.3 Responsibilities of the Management Company**

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

#### **3.3.1 Administration of the Scheme**

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

#### **3.3.2 Management of Fund Property**

The Management Company shall manage the Fund Property 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.

### **3.3.3 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, portfolio received by the

Scheme in respect of issuance of Units, portfolio transfer from the Scheme on redemption of the Units. The Management Company shall maintain the books of accounts and other records of the Scheme for a period of not less than ten years.

The Management Company shall clearly specify Cut-Off Timings (for acceptance of application forms of issuance, and redemption of Units of the Scheme) in this Offering Document, on its web site and at designated points.

### **3.3.4 Maintenance of Unit Holders Register**

- a) A Register of Unit Holders will be maintained by CDC share registrar Limited.

The office of the Transfer Agent is located at CDC House, 99-B, Block "B", S.M.C.H.S, Shahra-e-Faisal, Karachi, where Register of Unit Holder will be maintained.

- b) Only authorized participants are required to transact with the FUND, all other investor can buy and sell ETF in the secondary market. Accordingly all details of ETF unit holders will be available with CDC Share registrar Limited

### **3.3.5 Other Responsibilities of the Management Company**

- The Management Company is responsible for daily NAV and for producing financial reports from time to time. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.
- The Management Company may from time to time, with the consent of the Trustee, frame procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that such procedures are not inconsistent with the provisions of the Rules and the Regulations any directives, circulars and guidelines issued by SECP and this Deed.
- The Management Company has constituted the Index of the Fund as per methodology given above and will be responsible for rebalancing, reconstitution and maintenance of the same as specified in the Offering Document. The PSX will be responsible for dissemination of the index.
- The Management Company shall endeavor to maintain the Tracking Error at minimum level as specified in Offering Document.
- The Management Company shall be responsible to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing request in this regard.
- The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules, Regulations, this Deed and the Offering 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. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed and the Offering Document, the Management Company 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.

- The Management Company shall nominate and notify to the Trustee one or more of its officer(s) to act as authorized persons for interacting with and giving instructions to the Trustee. Any instruction or notice given by such authorized persons shall be deemed to be the instruction or notice given by the Management Company. Any change in such authorized persons shall promptly be notified to the Trustee.
- The Management Company shall, from time to time, advise the Trustee of any settlement instructions relating to any transactions, including issuance of Creation Unit in exchange of Portfolio securities and cash (if any), entered into by it on behalf of the Trust. The Management Company shall ensure that settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement. The Management Company shall ensure that all the requests for dealing in Creation Units, duly time and date stamped as specified in the Offering Documents.
- The Management Company shall designate and disclosed the location of its official points for acceptance of applications for issuance / conversion of Creation units in the Offering Document of the Scheme and on its website.
- The Management Company shall provide the Trustee with regular reports indicating interest income and other forms of income or inflows, relating to the investments that are due to be received.
- The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof at the cost of the Fund.
- The Management Company shall appoint eligible institutional investors as Authorized Participants for creation and redemption in kind units from the Fund under the Authorized Participant Agreement to be signed among the Management Company, Trustee and Authorized Participant.
- The Management Company shall ensure that entry and exit to the Scheme (including redemption and re-issuance of Creation Units to Authorized Participants) shall be allowed only in the form of Portfolio Deposits and Cash Component, as may be the case unless specified otherwise in this offering document
- The Management Company may, from time to time appoint, remove or replace one or more Authorized Participants, on terms and conditions to be incorporated in the Agreement(s) to be entered into among the Authorized Participant(s) Trustee and the Management Company. The names and credentials of the Authorized Participants shall be disclosed in this Document and/or at PSX and AMC website.
- The Management Company may delegate to a third party any of its functions except core functions which includes investment decision making, risk management and compliance functions. However, the Management Company shall be fully responsible for such functions of third party. The cost incurred in relation to such functions will be borne by the Management Company.

- The Management Company shall establish and maintain sufficient risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in the best interest of the Unit Holders of the Scheme.
- The Management Company shall announce the Net Asset Value (NAV) of the Scheme within such time period and at such frequency as prescribed by SECP from time to time and shall disclose such time period and frequency in the Offering Document. While the transactions with Authorized participants will be in Kind as explained above, there may be situations where the management company may have to buy and sell Government Securities directly at the market. Such situations includes rebalancing of index, reconstitution of index, and utilization of excess cash component.

### **3.4 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. 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.

### **3.5 Role of the Trustee**

The trustee shall perform its role as specified in the Rules, Regulation and directives issued there under, this Deed and the Offering Document.

The Trustee shall nominate one or more of its officers to act as authorized persons for performing the Trustee's functions and for interacting with the Management Company. Any change in such authorized persons shall be promptly notified to the Management Company.

The Trustee shall under prior intimation to the Management Company appoint, remove or replace from time to time one or more bank(s) and/or other depository company(ies) etc. to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be entered into between the Trustee and the Custodian(s), except where the Trustee itself is acting as a Custodian.

The Trustee shall be responsible for the 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 Trust Property where such loss has been caused by gross negligence or any reckless act or omission of the Trustee or any of its directors, officers, nominees or agents.

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 this 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 this 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) 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
- (b) 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.

The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.

The Trustee shall, if requested by Management Company or if it considers necessary for the protection of Trust Property or safeguarding the interest of Unit Holder(s), institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized director(s) and officer(s). All costs, charges and expenses (including legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for gross negligence or breach of its duties in connection with the Trust under this Deed or the Rules and Regulations. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, the Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholders' action or otherwise howsoever and (save as herein otherwise provided) all such losses, claims, damages and other liabilities shall be borne by the Trust.

The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and Regulations and this Trust 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 gross negligence or that of its agents in relation to any custody of the Trust Property forming part of the Deposited Property. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed 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.

The Trustee shall promptly forward to the Management Company within one Business Day any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock exchange or any other exchange.

The Trustee shall ensure that Creation Units are not issued until the payment (portfolio deposit and cash component) has been received and upon completion of transfer of title of the Portfolio Deposit and Cash Component in the name of the Fund.

The Trustee shall issue or redeem Creation Units only upon the instructions of the Management Company, subject to compliance with the procedures specified in the Rules, the Regulations, the Authorized Participant Agreement and the Constitutive Documents.

The Trustee shall ensure that issuance and redemption of Creation Units is done on Historic price basis and any transfer of underlying securities into and out of the Fund is also based on the valuation used in determining the Fund's NAV. In situation such as rebalancing, reconstitution or due to any other reason as determined appropriate by the management company, creation and redemption may be processed on a forward NAV as determined and announced by the management company with the prior intimation to the trustee.

### **3.5.1 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 Role of Authorized Participant**

Authorized participant is bind to perform its functions and duties as specified in the Authorized Participant Agreement and change therein from time to time signed between AMC, Trustee and Authorized Participant. Management Company has appointed **Habib Bank Limited (HBL) as the Authorized participant on a non-exclusive basis**. Other Authorized participants may be appointed in future. Details of such participants will be available at the website of the management company.

Authorized Participants are authorized under the agreement to create and to redeem Creation Units in Creation Unit size or multiples thereof, directly with the Fund. The Management Company may authorize any brokerage house or any eligible Institutional Investor as Authorized Participant. The Authorized Participants shall have sufficient resources and capabilities to satisfactory fulfill their roles and obligations and comply with the SECP Requirements. For avoidance of doubt, it is clarified that the Creation Units shall be issued only by the Management Company and neither the Authorized Participants nor any other person shall be empowered to issue Creation Units.

The Authorized Participant shall, at all time, comply with the applicable regulatory and contractual obligations as specified in the Authorized Participant Agreement duly signed between AMC, AP and Trustee.

The Authorized Participant(s) shall, effectively make arrangements either through Broker or Market Maker to market the Units in smaller lots through Exchanges to attract the general investors by putting bid and offer prices on Stock Exchange, fully abiding by the Exchange Regulations.

**Market Maker, who may be an Authorized Participant, shall maintain a sufficient inventory (as may be considered reasonable) for market making activities subject to the requirements stipulated in its agreement with the Exchange.**

### **3.7 Role of Market Maker**

Role and responsibilities of the Market Maker shall be governed by the Market Maker Regulation of the PSX and through Market Maker Agreement.

PSX has appointed **Habib Bank Limited (HBL) as a non-exclusive authorized Market Maker**, who will perform their functions in accordance with the terms and conditions specified in the Market Maker Agreement and/or Market Making Regulations of the Exchange. The Market Maker may withdraw his bid and offer price in the secondary market for any period of time in a circumstances specified in the Market Maker Regulation and /or Market Maker Agreement. Management Company does not control or govern market maker as this function is governed by PSX Rules book based on the agreement between PSX and Market maker.

The Market Maker shall quote prices during Designated Market Making Period as mentioned in the Market Maker Agreement and/or Market Making Regulation of the Pakistan Stock Exchange.

The Market Maker shall be obliged to make available both buy and sell orders or quotes during the Designated Market Making Period as specified in the market making agreement.

The Market Maker shall be obliged to replenish its orders or quotes within time specified in the Market Maker Agreement. Subsequent to execution of already queued orders/quotes, within the Designated Market Making Period as specified in the market making agreement.

The Market Maker shall keep its market making activities separate from other trading activities as governed by the Market Maker Regulation. For this purpose, the Market Marker shall:

- Register separate Trading code(s) for market making activities;
- Maintain separate ledger account(s) for recording trades pertains to Market Making activities including detail records of Blank sale of **HBLTT ETF**; and

### **3.8 Transfer Agent**

The Management Company has outsourced the transfer agent function to CDC Share Registrar Limited who will be responsible for maintaining the unit holders register, preparing and issuing account statements, unit certificates and dividend warrants/advice and providing related services to the Unit Holders.

### **3.9 Trustee/Custodian**

**Central Depository Company of Pakistan Limited (CDC) Trustee**, with offices at “CDC House 99- B, Block ‘B’ S.M.C.H.S Main Shakra-e-Faisal, Karachi”, 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

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.

### **3.10 Auditors**

Yousuf Adil  
Cavish Court, A-35, Block 7 & 8,  
K.C.H.S.U., Shara-e-Faisal  
Karachi, Pakistan.

- I. 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.
- II. 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.
- III. 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.
- IV. 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.
- V. The contents of the Auditors report shall be as mentioned in the Regulations.

### **3.11 Legal Advisors**

M/s. Bawaney & Partners

404, 4th Floor, Beaumont Plaza Beaumont Road

Karachi, Pakistan

### **3.12 Bank Accounts**

- (a) The Trustee, at the request of the Management Company, shall open Bank Account(s) titled "**CDC Trustee - HBL Total Treasury Exchange Traded Fund**" 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 Fund.

(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.

### **3.13 Minimum Fund Size**

Minimum Fund size and provisions relating to maintenance of minimum Fund size and other conditions as specified under clause 54(3a) would not apply to this Fund.

## **4 CHARACTERISTICS OF UNITS**

### **4.1 Units<sup>1</sup>**

All Units thereof represent an undivided share in the Fund 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 Fund proportionate to the Units held by such Unit Holder.

The Fund is divided into creation of unit's lot size of 5,000,000 units having an Initial Offer Price of Rs. 10/- each share. During initial offer which may be a Pre-IPO and or IPO, Management Company may invest or arrange to invest from an investor in cash or against portfolio deposit as determined by the management company. Such investor may not necessarily be the Authorized participant.

### **4.2 Creation and Redemptions**

Shares of the Fund may be acquired or redeemed directly from the Fund only in Creation Units or multiples thereof, as discussed in the Creations and Redemptions section of this document. Only an Authorized Participant or eligible investor may engage in creation or redemption transactions directly with the Fund. Management company in the interest of unit holders may allow some Authorized participants and other unit holders of the Fund to deal directly with the FUND for creation and redemption in cash fully or partly or against a portfolio deposit and cash component on such terms and conditions as deemed fit and announced by the management company. Management Company may impose certain charges while allowing the unit holders/AP for creation and redemption in cash/part cash.

Authorized Participant can purchase the Units at the Offer Price and redeem 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.

During the period the register is closed, the sale and redemption of Units may not be suspended.

Management company will be responsible to complete KYC/AML/EDD etc. for only authorized participants according to the conditions mentioned under Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 and any other rules and regulations that may be issued from time to time by whatever name called shall not apply to

Amended through 2<sup>nd</sup> Supplemental Offering Document effective dated 2 Aug, 2023

Management company for unit holders who have bought/sold/transacted in the units of the Fund in secondary market since the management company cannot control such transactions.

### **4.3 Account Opening Procedure**

The units shall only be issued in Depository Account in dematerialized form therefore account opening with AMC is not required. However, Authorized Participant before requesting for creation units open CDS account either with broker or IAS or in his own account maintained as CDS Participant. While opening in CDS account, the investor shall follow the procedure as specified by the Central Depository Company in its Regulation.

### **4.4 Creation of Units**

- (a) After opening an account an Authorized Participant may purchase Units of Fund using the UNIT CREATION FORM. Cash component must also accompany the form.
- (b) Application for Purchase of Units shall be made by completing the prescribed Form or the mode agreed in the AP agreement along with “IPS Securities Movement Report” and submitting it to the authorized branches of 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” in favor of **“CDC Trustee – HBL Total Treasury Exchange Traded Fund” or the collection account** maintained by the Trustee. For convenience management company may require the Authorized participant to keep some advance money in the Fund account to account for the request for creation/redemption on a timely basis
- (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 valid CDS account number in the Investment Application Form.
- (e) 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.

### **4.5 Minimum Amount of Investment<sup>2</sup>**

**4.5.1** Initially units were issued as per clause 4.2 with a minimum investment size of 5,000,000 Units having a face value of PKR.10/- each. However, subsequently resulting to Consolidation of Units, Management Company has decided to change the minimum investment size to 500,000 units having face value of PKR. 100/- each. The Management Company reserves the right to alter the minimum amounts stated hereinabove subject to approval of the trustee and Commission along with intimation in writing to the Pakistan Stock Exchange at least 3 working days prior to the effective date of such change.

#### **Determination of Purchase Price on Creation**

- (a) Units shall be offered initially at Rs.10/- and thereafter at offer price declared by the Management Company from time to time for Dealing Days during the period when the Fund is open for subscription.<sup>3</sup>
- (b) The Purchase (Offer) Price shall be equal to the sum of:

<sup>2</sup> Amended through 1<sup>st</sup> Supplemental Offering Document effective dated 28th September 9, 2022

<sup>3</sup> Amended through 2<sup>nd</sup> Supplement Offering Document effective dated 2<sup>nd</sup> Aug, 2023

#### **4.5.2 “Consolidation of Units**

Management Company has decided to change the face value of units from PKR 10/- each to PKR 100/- each effective from December 20, 2023 subject to approval of the Commission. As a result of such change units of the unitholders would reduce proportionate to the change of face value, however the total value of the portfolio holding by each unitholder would remain the same.

- (i) Such amount as the Management Company may consider an appropriate provision for Duties and Charges; and
  - (ii) Such sum shall be adjusted upward to the nearest paisa.
- (c) The Purchase (Offer) Price open for subscription, shall be calculated and announced by the Management on a daily basis and be made available to the public at the office and branches of the Distributors and will also be published daily on the Management Company's and MUFAP's website.

#### **4.6 Pricing and Dealing Determination of Net Asset Value**

The NAV of the Fund normally is determined once daily Monday through Friday, generally as of the regularly scheduled close of business of the Fund (normally 4:00 p.m., Pakistan Standard Time) on each day that the Fund is open for trading, based on the closing price of securities of PSX.

The NAV of the Fund is calculated by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of outstanding shares of the Fund, generally rounded to two decimal place. The value of the securities and other assets and liabilities held by the Fund are determined pursuant to valuation policies and procedures adopted by the AMC subject to the condition specified in the NBFC Regulation or any other law for the time being enforced.

#### **4.7 Creation Procedure**

The Authorized Participants can directly create Units with the Fund in Creation Unit Size as follows: -

The Fund creates Units in large blocks known as "Creation Units". The size of the Creation Units and multiples thereof are stated in this Document. The value of the "Creation Unit" is the basket of underlying Benchmark Index securities called as the "Portfolio Deposit" and a "Cash Component" which will be exchanged for a fixed number of Units to be issued by the Management Company. The Portfolio Deposit and Cash Component may change from time to time and will be announced through its website. The Management Company may change Creation Unit Size after obtaining prior approval of the Trustee and the Commission. Any such change shall be intimated to the pertinent Stock Exchange within three (3) Business Days prior to the date of such change. Authorized Participant may create units on its own behalf or on the behalf of its clients.

#### **4.8 Redemption Procedure for In-Kind Redemption**

Request for Redemption of Units shall be made by completing the prescribed redemption form along with "CDS Delivery-out Report" and the same is received at the Authorized office of the management company on a Dealing Day during the Business Hours as may be announced by the Management Company from time to time.

The requisite Units of the Fund equaling the Creation Unit size or multiples thereof shall be transferred to the Fund's Depository Account and the Cash Component (if applicable) shall be paid to the Trustee

through bank transfer in the Bank Account titled as "**CDC Trustee HBL Total Treasury Exchange Traded Fund**". On confirmation of the same by the Trustee, Portfolio Deposit will be transferred to the CDC account of the Authorized Participant along with the payment of Cash Component (if applicable and as per arrangements between the Fund and AP). Trustee may take the proceeds in the collection account if deemed appropriate.

The redemption request can be submitted by Authorized Participants through physical or electronic form at authorized branches and office of AMC as specified in this Document and AP agreement.

Management Company may request the Authorized participant to place advance money in Fund account to incorporate the cash component.

Authorized Participant may redeem units on its own behalf or on the behalf of its clients.

#### **Determination of Redemption (Repurchase) Price**

Investors can sell the Units of ETF at market prices at any Exchange on which Fund is listed, which may be above or below actual NAV of the Scheme. Only the Authorized Participants can directly redeem Units with the Fund in Creation Unit Size or multiples thereof. The Units shall be redeemed on all Business Days. Units can be redeemed on in-kind basis calculated on the basis of NAV determined on the Business Day prior to the day of receipt of the duly completed redemption Application Form.

The Management Company at the time of announcing the NAV of the Fund, would also announce the composition of Portfolio Deposit and the Cash Component required to be exchanged against redemption of Units.

In situation where Management Company has decided to apply forward NAV to creation and redemption, all such requests will be processed using forward NAV.

As explained in this Offering document, Management Company may allow creation and redemption of units in cash/part cash to AP or unit holders. While doing that management company will announce conditions and procedure for such creation and redemption along with the reasons. Management Company may impose some charges for creation and redemption in such situation.

#### **4.9 Procedure for Requesting Change in Unit Holder Particulars**

Where the Unit Holder desires to change Unit Holder details pertinent to their respective CDS account then request should be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

#### **4.10 Transfer, Nomination and Transmission**

Where the Unit Holder desires to Transfer of units to any other Unit holder either through Gift or through NDM market of the PSX, the request of such Transfer shall be made to Broker Participant or the Investor

Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

If unit holder nominated any of the authorized person in his /her CDS Account and upon death of the Principal holder the units of Funds shall be Transferred in CDS account of that Nominee (act as trustee of the Principal holder) and thereafter the Nominee shall distribute the rights among the successors according to the Succession Certificate issued by the Court as specified in the Companies Act, 2017.

Transmission of Units to successors in case of inheritance or distribution of the estate of a deceased Unit Holder shall be processed by the CDCPL according to the procedure laid down in CDCPL Regulations.

#### **4.11 Procedure for Pledge / Lien / Charge of Units**

If Units are held in CDS account then request should be made to Broker Participant or the Investor Account Service (IAS) with which the account is maintained, according to the procedure laid down in CDCPL Regulations.

#### **4.12 Temporary Change in Method of Dealing, Suspension of Dealing and Queue System**

##### **a) Temporary Change in the Method of Dealing**

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.

##### **b) Suspension of Fresh Issue of Units**

The Management Company may during the rebalancing of the ETF or at any other time, subject to the Regulations and in the best interest of Unit Holders or under the circumstances of Force Majeure as defined in this offering Document or any other situation in which the issuance of fresh units is, in management company's opinion, against the interest of the unit holders, suspend issue of fresh Units.

Such suspension may, however, not affect the payment of cash dividend or the issue of bonus Units as a result of dividend distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Management Company shall immediately notify the Commission, Trustee and Exchange if creation/redemption in Units is suspended.

Provided that the Management Company shall, at any time, terminate such suspension at the order of the Commission.

Further provided that the trading in ETF Units on the exchange may continue during the period of suspension of issuance and redemption of ETF Units.

##### **c) Suspension of Redemption of Units**

The Redemption of Units may be suspended during rebalancing of the ETF, extraordinary circumstances/ Force Majeure etc. or in any other circumstances determined by the management company to be in the interest of the unit holders.

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

**d) 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 the Fund being run down to an unsustainable level, 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 and determining the final Redemption Price. 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**

- a) 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 in form of bonus Units, 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.
- b) The Management Company on behalf of the Fund 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 Collective Investment Scheme 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.
- c) 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 Ordinance, 1984, 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.

Provided that in case of Exchange Traded funds accounting Income shall also include net of element of income created through income statement at the time of issuance and/or redemption of units

**5.2 Determination of Distributable Income**

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

- the expenses, as stated in Clause 7.2 to 7.4 of this Offering Document; and
- any taxes of the Fund

All the receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be distributable to the Unit Holders by the Trustee upon instructions of the Management Company and shall thereafter cease to form part of the Trust Property.

### **5.3 Payment of Dividend**

All payments for dividend shall be made through transfer of Funds to the Unit Holder's designated bank account and such payment shall be subject to the Regulations and any other applicable laws and taxes.

### **5.4 Bonus Units**

The Management Company may decide to distribute, wholly or in part, the distributable income in the form of bonus / 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 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 for Bonus / Stock Dividend.

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.

### **5.5 Closure of Register**

The Management Company may close the Register 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.

## **6. FEE AND CHARGES**

### **6.1 Fees and Charges Payable by an Investor**

Issuance, Redemption and Transfer of units can only be made through CDS therefore Transaction cost would be applicable as per the Depository and Clearing House Tariffs.

#### **6.1.1 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. Any cost associated with sales, marketing and advertisement of collective investments schemes shall not be charged to the collective investment schemes, unless specifically allowed by the commission in Regulation.

### **6.1.2 Remuneration of / Investment Agent / Investment Facilitator**

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. Management Company is allowed to charge certain expense as specified in this OD

### **6.2 Fees and Charges Payable by the Fund**

The following expenses shall be borne by the Fund:

#### **6.2.1 Remuneration of the Management Company and Its Authorized Participants**

The Management Company shall be entitled to prescribe and receive maximum remuneration up to the maximum rate of remuneration permitted under the Regulations and directives issued thereunder.

The remuneration shall begin to accrue from the issue of Initial Creation Units.

Such remuneration is payable to the Management Company in arrears within thirty (30) Business Days after the end of each calendar month.

In consideration of the foregoing and save as aforesaid, the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Trust. The Management Company shall not make any charge against the Unit Holder(s) or against the Trust Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Regulations and directives issued there under and this Deed to be payable out of Fund Property.

#### **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 “D”. The remuneration shall begin to accrue from the issue of Initial Creation Units.

Such remuneration shall be paid to the Trustee in arrears within thirty (30) Business Days after the end of each calendar month.

In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. The Trustee shall not make any charge against the Holders or against the Trust Property for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Regulations and the Constitutive Documents.

Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the Commission. However, any decrease in remuneration of the Trustee shall not require such approval.

### **6.3 Formation Costs**

All preliminary 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 start of issuance of creation units, shall be borne by 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 Fund 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.

Formation Cost shall be charged to the Scheme and shall not exceed such limits as specified in the Regulations or directives issued thereunder.

### **6.4 Other costs and expenses**

The following charges in addition to above 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, borrowing 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, and CDC Charges.
- (xii) Any other expenses as permissible under the Rules and Regulations from time to time and / or permitted by the Commission.
- (xiii) Index license fee (where applicable).
- (xiv) Maintenance or independent verification fee of an index by a third party
- (xv) Sales and marketing expenses as allowed under Regulations
- (xvi) Fees and Expenses Related to Registrar, services, accounting, operation and valuation services related to CIS

## **6.5 Expense Ratio**

The expense ratio shall be in line with the limits assigned for Exchange Traded Fund, and as defined by the Commission from time to time.

## **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 is considered as a public company liable to a tax rate applicable to a public company. However, the income of the Fund will be exempted from tax if not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend.

#### **7.2 Withholding tax**

Under the provision of Clause 47(B) of part (IV) of second schedule of the income Tax Ordinance 2001, the Fund's income from dividend from Term finance certificates, Sukuks, return on (Riba free) 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 Holder 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.

**7.4.2** Unit Holders of the Fund will be subject to applicable Income Tax on dividend income distributed by the Fund

**7.4.3** Capital gain arising from sale/disposal of Units of the Fund in the secondary market will be subject to tax at the applicable tax rate as mentioned in Income Tax Ordinance 2001 and shall be computed determined and collected by the NCCPL.

**7.4.4** Capital Gain on Redemption by authorized participant /Institutional investor or any other unit holder through the management company will also be computed determined and collected from the AP/customer/unit holder by NCCPL, considering the ageing and price maintained by NCCPL in its system,

**7.4.5 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.

**7.4.6 Tax Credit to Unit Holders**

Unit Holders other than a company shall be entitled to a tax credit under Section 62 of the Income Tax Ordinance, 2001, on purchase of new Units

**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 Broker and/ or the IAS Participant as the case may be shall send the Account Statement to each unit holder, maintained by them, periodically as specified in the CDC Regulation/ Procedure.

**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 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 their web site at least within five working days after close of every month.

## **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 and the income of the 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**

9.2.1 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.

9.2.2 Fund's target return/ dividend range cannot be guaranteed. Fund's Unit price is neither guaranteed nor administered/ managed; it is based on the NAV that may go up or down depending upon the factors and forces affecting the capital markets and interest rates.

## **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 Limited - 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.**

### **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 of the Fund**

The Fund 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) 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 revoked;

- (ii) 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;
- (iii) 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;
- (iv) The Management Company subject to regulatory approval, may announce winding up of the Trust 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 be wound up.
- (v) on occurrence of any event or circumstances which, in the opinion of the Trustee, requires the Fund to be revoked; and
- (vi) where the Commission deems it necessary to revoke the Fund & directs either Trustee or the Management Company in the interest of Unit Holders;

#### **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.**

#### **10.7 GLOSSARY**

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

**“Authorized Participant”** means an entity appointed by an AMC authorized for Creation and Redemption of ETF Creation Unit as per the terms of Authorized Participant Agreement. Following entities are eligible to act as Authorized Participant:

- i A Securities Broker, as defined in the Stock Exchange Regulations, operating in active status.
- ii A Banking Company, as defined under the Banking Companies Ordinance, 1962.
- iii A Development Finance Institution (DEI). And
- iv Any other company permitted by the Commission.

**“Accounting Date”** means the thirtieth day of June in each year or any interim date as decided by the Management Company from time to time on which the financial statements of the Trust are drawn up.

Amended through 2<sup>nd</sup> supplement in the offering document dated 2<sup>nd</sup> Aug 2023

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.

**“Accounting Period”** means a period ending on and including an accounting date and commencing (in case of the first such period) on the date immediately after the close of IPO and (in any other case) from the next day of the preceding accounting period.

**“Annual Accounting Period”** or **“Financial Year”** means the period commence on 1st July and shall end on 30th June of the succeeding calendar year. **“Authorized Participant(s)”** means the eligible institutional investor or TREC Holder of Exchange subject to the Authorized Participant Agreement signed between the parties.

**“Authorized Participant Agreement”** means an agreement entered into between an Authorized Participant, the Trustee and the Management Company setting out the roles and responsibilities of each party and includes, among other things, the terms and procedures for the issuance and redemption of Creation Units.

**“Asset Management Company”/AMC** 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 Investments”** means Pakistan origin investment and includes the following:

- Government Fixed Income Securities
- Cash and Cash equivalent.

**“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 by the Trustee at the instruction of the Management Company at Banks, the beneficial ownerships in which shall vest in the Unit Holder(s).

**“Benchmark Index”** means the index approved by the Commission and as specified in the Offering Document.

**“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/stock exchanges, and the Management Company is open for business in Pakistan.

**“Cash Component”** means the difference between the applicable net asset value of a Creation Unit and the market value of the Portfolio Deposit. This difference will represent accrued profit, accrued annual charges including management fees and residual cash in the scheme.

1. If Cash Comp is positive, investor/AP has to pay while creation and will receive on redemption  
If Cash Comp is negative, investor/AP will receive on creation and will pay during redemption.

**“CIS”/“Collective Investment Scheme(s)”** means Open End Scheme(s) managed by the Management Company and/or by other Asset Management Companies (both local and international).

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

**“Creation Units”** means the specified number of ETF Units for issuance or redemption as determined by the Asset Management Company and disclosed in the Constitutive Documents.

**“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 “B” of this Offering Document.

**“Distribution Account”** means the Bank Account (which may be a current, or PLS 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) may be transferred. Income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main account from time to time, as part of the Fund Property

**“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 Trust Property 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.

**“ETF”** means Exchange Traded Fund, which is a listed index-tracking open end fund structured as a Collective Investment Scheme. The Primary objective of the ETF is to mimic the return of a particular benchmark index by investing substantially all of its assets in the constituent securities of the benchmark index. ETF shall issue and redeem Creation Units in-kind through AP only.

**“ETF Unit”** is a unit of open end scheme that tracks a benchmark index and is listed on the stock exchange and may be bought and sold like any other share on the stock exchange.

**“Exchange Regulations”** mean the Regulations Governing Exchange Traded Funds made by a Stock Exchange on which the Units of the Fund are listed and shall include any other regulations, notifications of directives issued by the Pakistan Stock Exchange relating to Exchange Traded Funds.

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

**“Financial Institution”** means a Bank, Development Finance Institution, Nonbanking 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.

**“Fund”** means **“HBL Total Treasury Exchange Traded Fund”** or **“Scheme”**, or **“Trust”**, or **“Unit Trust”**, or **“HBLTT ETF”**.

**“Fund Property”** means the aggregate proceeds of the sale of all Units to Authorized Participant at Offer Price and any Transaction Costs recovered in the Offer or Redemption prices, after deducting therefrom or providing there against, the value of Redemption, Duties and Charges (if included in the Offer Price or Redemption Price) applicable to the issue or redemption of Units to Authorized Participant and any expenses chargeable to the Fund; and includes the Investment and all income, profit and other benefits arising therefrom, all cash and other assets, movable or immovable, 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 Holders pursuant to the Trust Deed but does not include any amount standing to the credit of the Distribution Account.

**“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 of Fund, including investors jointly so registered pursuant to the provisions of the Trust Deed.

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

**“UNIT CREATION 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.

**“In-kind Creation”** means a portfolio of securities and the cash component to be delivered to the Asset Management Company, by an AP either on its own account or on behalf of its clients for creation of ETF units.

**“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 combined together, such excess being computed in the manner as specified under Regulations.

**“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.

**“Portfolio Deposit”** means a pre-defined basket of securities that represents the Benchmark Index together with a cash payment (if applicable) for the purposes of issuance and redemption of Creation Units to Authorized Participant(s) to be announced by the Management Company in the Offering Document and composition of the Portfolio Deposit may change from time to time.

**“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.

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<sup>4</sup> Amended through 1<sup>st</sup> Supplemental Offering Document effective dated 28th September 9, 2022

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**“Redemption Price or Repurchase Price”** means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to this document. In Kind Redemption means a redemption paid by giving portfolio deposit along with the adjustment of cash component. Cash component is defined in this offering document along with the treatment of cash component in various situations

**“Register”** means the Register of the Unit Holders kept pursuant to the Act.

**“Registrar”** means a Company that AMC may appoint for performing the Registrar Functions; provided that AMC may also itself perform the Registrar Functions.

**“Registrar Functions”** means the functions with regard to:

- (a) Maintaining the Register;
- (b) Receiving application for transfer/transmission of Units directly from Unit Holder or legal representatives;
- (c) Processing requests for transfer and transmission of Units with regard to the Unit Holders; and effectuating such transfers in the Register;
- (d) Issuing Units to Unit Holders;
- (e) Dispatching of dividend warrants;
- (f) Keeping record of change of addresses/ other particulars of the Unit Holders; and
- (g) CDS related activities.

**“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.

**“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.

**“Stock Exchange”** means a public company that is licensed by the Commission as a security exchange under section 5 of Securities Act, 2015

**“Tracking Error”** is the divergence of the performance (return) of the Fund’s portfolio from that of the Benchmark Index

**“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. Such costs may be added to the NAV to which the costs may be applicable for

determining the Purchase (Offer) Price of such Units or be deducted from the NAV to which the costs may be applicable in determining the Repurchase (Redemption) Price.

**“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.

**“Unit”** means one undivided share in the Net Asset being offered under this Scheme and where the context so indicating a fraction thereof.

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 Trust Deed.

**Annexure “A”  
REMUNERATION OF TRUSTEE AND ITS AGENT**

Trustee Fee subject to review by either party, however any upward revision shall require prior approval of SECP.

The trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus the tariff of 0.1% of Net Assets per annum.



**Annexure “B”**

**The maximum rate of Management fee** for the ETF will be up to 0.5% p.a. of the net assets of the Fund calculated on a daily basis. The actual rate of the Management Fee will be disclosed in monthly Fund manager Report.

The **Total Expense Ratio not exceeding 1.5% p.a.** of the net assets of the fund calculated on a daily basis as allowed under the NBFC regulations.

**1. Cut-Off Timing:**

i. Current Cut-off Timing & Business Hours for dealing in Units:

Every Dealing Day – 9:00 am to 4:00 p.m.

ii. Current Cut-off Time for dissemination and announcement of NAV:

Latest by 6:30 p.m. on the Dealing Day

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

Any change in the/or management fee shall be notified after prior approval of the Commission through an addendum to this annexure and by publication in a widely circulated newspaper and/or as and how the SECP may direct.

**Annexure “C”**  
**Distribution Details (Addresses of Management Company Investment Centers)**

<b>1. Karachi:</b>
7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi. UAN:111 HBL AMC (111-425-262) Fax: 021-35168455
D-13, First Floor, Block H, North Nazimabad, KDA Scheme # 2, near Hydri Market, Karachi. Tel: 021-36620331-9
<b>2. Lahore:</b>
Office No.56-A, DHA XX phase 3, Khayaban-e- Iqbal, Lahore.
<b>3. Islamabad:</b>
1st Floor, Roshan Plaza, 78 West, Jinnah Avenue, Main Blue Area, Islamabad. Tel: 051-2344459, Fax: 051-2822206
<b>4. Faisalabad:</b>
HBL Asset Management LTD, HBL Regional Headquarters, 1st Floor, Circular Road, Faisalabad Tel: 03447770875
<b>5. Multan:</b>
HBL Bank 1st Floor, Shah Rukn-E-Alam, T Chowk Branch, Multan Tel: 0333 3770970
<b>6. Sukkur:</b>
HBL – Khajoor Mandi Branch (Sukkur). Tel: 03337155018
<b>7. Peshawar:</b>
HBL Hayatabad Branch Tel: 0332 1333343
<b>8. Rawalpindi:</b>
HBL SDV Branch, Tel: 0300 5394421
<b>9. Mirpur:</b>
HBL Purani Hattian main (Branch 0190), Mirpur Azad Kashmir, Pakistan Tel: 0331-2258749
<b>10. Gujranwala:</b>
Address: HBL Shahinabad Branch GT road, Gujranwala Tel : 0321 7474345
<b>11. Jhelum:</b>
HBL Regional Head Quarter Address: HBL Regional Head Quarter, 1st Floor, Opposite Hussain Floor Mills, GT Road, Jada, Jhelum, Tel: 0333 8781182
<b>12. Quetta:</b>
Address: HBL Main Complex Branch, Gulistan Road Quetta Cantt. Tel: 0333 4438641
<b>13. Hyderabad:</b>
Address: Gari Khata, Hyder Chowk, Hyderabad Tel: 022-2781461