

**13th Supplement to the
Offering Document of
HBL Islamic Asset Allocation
Fund (HBL IAAF)**

Wakalatul Istithmar Based Fund (Shariah Compliant Asset Allocation Scheme)

Plan Name	Risk Profile	Risk of Principal Erosion
HBL Islamic Liquidity Plan I	Moderate	Moderate
HBL Islamic Liquidity Plan II	Moderate	Moderate

Duly vetted by (Al Hilal Shariah Advisors (pvt) Limited

MANAGED BY

HBL ASSET MANAGEMENT LIMITED

SOD Reference/Number	Effective Date of SOD	Brief Detail of Objective of SOD	Approval date of SECP (in cases where SECP Approval is mandatory)	Only Required in Case of Launch/Re-Launch of the Plans		
				Launch/tentative launch date (In case of Plan)	Maturity date (In case of Plan)	Current status i.e. Launched/Approved/Re-opening/Matured (in case of Plan)
First	21-Sep-16	Benchmark Change	23-Sep-16	-	-	Approved
Second	19-Nov-16	Benchmark Change	05-Dec-16	-	-	Approved
Third	04-Mar-18	Authorized Investment Change	31-Dec-15	-	-	Approved
Fourth	02-May-18	Shariah Advisor Change	06-Jul-17	-	-	Approved
Fifth	12-Nov-18	FEL Change	30-Oct-18	-	-	Approved
Sixth	28-Aug-18	Authorized Investment Change	20-Aug-18	-	-	Approved
Seventh	09-Mar-20	M.Fee Change	07-Feb-20	-	-	Approved
Eighth	20-Apr-20	Risk Profile Change	13-Apr-20	-	-	Approved
Ninth	22-Jun-20	Launch of HBL IAAF Plan-I & Miscellaneous Changes	21-May-20	13-Jul-20	Perpetual	Approved
Tenth	06-May-21	Authorized Investment Change	07-Apr-21	-	-	Approved
Eleventh	05-May-22	Launch of HBL IAAF Plan-II & Miscellaneous Changes	31-Mar-22	5-Aug-22	Perpetual-	Approved
Twelfth	13-Jun-23	New Plans	13-Jun-23	-	-	Approved

**Thirteenth Supplement Dated 20th July, 2023 to the
Offering Document of HBL Islamic Asset Allocation Fund (HBL IAAF)**

Issued on 18th August, 2023

Managed by HBL Asset Management Limited, a company incorporated under Companies Ordinance 1984 and licensed under Non-Banking Finance Companies (Establishment and Regulation) Rules 2003.

The HBL Islamic Asset Allocation Fund (the Fund/the Scheme/the Trust/the Unit Trust/HBL IAAF) has been established through a Trust Deed (the Deed) dated September 07, 2015 under the Trust Act, 1882 entered into and between HBL Asset Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee.

Effective from 18th August, 2023, following changes have been made in the offering document of HBL Islamic Asset Allocation Fund which is now amended and read as follows:

1. **The following sub clauses have been amended under clause 2.1 “Allocation Plans” in the Offering Document and read as follows. Other clauses will be renumbered accordingly:**

2.1.11 Investment Policy – HBL Islamic Liquidity Plan-I:

Authorized Investments

No.	Description	Maximum Exposure	Minimum Exposure	Minimum Issuer/ Entity Rating
1	Cash and near cash instruments which include cash in bank accounts (excluding TDRs), with Islamic banks or Islamic financial institutions or with Islamic branches/windows of other banks or financial Institutions.	100%	10%	AA and above
2	Shariah compliant money market instruments such as Term Deposit Certificates (TDR), Certificate of Islamic Investments (COII), Certificate of Musharaka (COM) with Commercial banks and DFIs.	90%	-	(except for Federal or Provincial Government)

3	Any other Shariah compliant money market structure, instrument or security including but not limited to Certificate of Deposit (CoD), Certificate of Musharaka (CoM), Musharaka, Modaraba, Ijarah, Murabaha (including commodity Murabaha), Bi- muajjal, Salam, Istisna, etc provided by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous Bodies, public sector entities, private sector entities, licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and DFIs as per the guidelines of the Fund's Shariah Advisor.	50%	-	
4	Islamic Commercial Paper/Sukuk of Corporate Entities*	20%	-	
5	Shariah compliant bank deposits and money market placements such as Term Deposit Certificates (TDR), Certificate of Islamic Investments (COII), Certificate of Musharaka (COM), with Microfinance Banks, NBFC and Modarabas.	25%	-	AAA for NBFC and Modarabas AA & Above for Microfinance banks

* Exposure of up to 20% of net assets of the plan is allowed in Islamic Commercial Paper and Short Term Sukuks as per directives of SECP.

Note:

- Time to maturity of any asset of the plan shall not exceed six (6) months.
- The weighted average time to maturity of the net assets of the plan shall not exceed ninety (90) days.

The investment in asset classes mentioned above will be subject to such Exposure limits and minimum ratings as specified herein and/or otherwise as specified in the Regulations/ Directives/ Circulars. The same will also encompass Shariah compliant Transaction such as; principles of Bai-Mu'ajjal, Bai'-Mussawwama, Bai'- Salam, Istisna'a, Mudaraba, Murabaha and Musharakah or any other structure as approved by the Shariah Advisor from time to time.

Basic Features:

- a) **Term/ Duration of the allocation plan:** The duration of HBL Islamic Liquidity Plan -I will be perpetual. The Units of the Allocation Plan can be purchased at the prevailing NAV and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of said Allocation Plan.
- b) **Front-end Load:** Up to 2.00%
Back-end and Contingent Load (Deferred Sales Load) on withdrawal: NIL
- c) **Management Fee:** Up to 1.50%
- d) **Dividend Frequency:** Daily Dividend
- e) **Pricing Methodology:** Backward
- f) **Dividend Treatment:** All unit holders appearing in the register of Unit Holders will be entitled for dividend and the amount of dividend shall be reinvested at the ex-dividend NAV after deduction of all applicable taxes and charges, if any.

- g) **Allocation/Redemption of Units and Entitlement of Dividend:** Units of HBL Islamic Liquidity Plan-I shall be allocated on the basis of Purchase (Offer) Price applicable on the date of **realization of invested amount** into the bank account of the Plan. Whereas the units of the Plan shall be redeemed on the basis of Redemption Price applicable on receipt of redemption application during Business Hours on any Dealing Day.

2.1.12 Investment Policy – HBL Islamic Liquidity Plan-II:

Authorized Investments

No.	Description	Maximum Exposure	Minimum Exposure	Minimum Issuer/ Entity Rating
1	Cash and near cash instruments which include cash in bank accounts (excluding TDRs) with Islamic banks or Islamic financial institutions or with Islamic branches /windows of other banks or financial Institutions, excluding Term Deposits.	100%	10%	AA and above (except for Federal or Provincial Government)
2	Shariah compliant money market instruments such as Term Deposit Certificates (TDR), Certificate of Islamic Investments (COII), Certificate of Musharaka (COM), with Commercial banks and DFIs.	90%		
3	Any other Shariah compliant money market structure, instrument or security including but not limited to Certificate of Deposit (CoD), Certificate of Musharaka (CoM), Musharaka, Modaraba, Ijarah, Murabaha (including commodity Murabaha), Bi- muajjal, Salam, Istisna, etc provided by Federal Government, Provincial Government, Local Government, Government Agencies, Autonomous Bodies, public sector entities, private sector entities, licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and DFIs as per the guidelines of the Fund's Shariah Advisor.	30%	-	
4	Islamic Commercial Paper/Sukuk of Corporate Entities *	20%	-	
5	Shariah compliant bank deposits and money market placements such as Term Deposit Certificates (TDR), Certificate of Islamic Investments (COII), Certificate of Musharaka (COM), with Microfinance Banks, NBFC and Modarabas	25%	-	AAA for NBFC and Modarabas AA & Above for Microfinance banks

* Exposure of up to 20% of net assets of the plan is allowed in Islamic Commercial Paper and Short Term Sukuks as per directives of SECP.

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