

Press Release

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For immediate release

SECP approves PICIC Investment Fund & PICIC Growth Fund conversion into open-end funds

ISLAMABAD, July 12: The Securities and Exchange Commission of Pakistan (SECP) has approved the conversion of PICIC Investment Fund and PICIC Growth Fund being managed by HBL AMC into open-end funds. The SECP managed to bring this longstanding issue to a successful conclusion by closely working with HBL AMC and other stakeholders, including PSX, CDC and NCCPL.

The conversion will enable investors to capture the benefit of net asset value of unfrozen portfolio of the funds in case of redemption and allow exit mechanism to the investors of class A units representing frozen portfolio through PSX.

Consequently, the PICIC Investment Fund (PIF) and PICIC Growth Fund (PGF) were converted into open-end funds on July 2, 2018, in compliance with the condition imposed by the SECP for the merger of the PICIC AMC with and into HBL AMC. Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, required all closed-end funds to be converted into open-end schemes upon expiry of five years starting November 21, 2007.

However, PIF and PGF could not be converted into an open-end structure because of the frozen portfolio comprising shares of PSO and SNGPL as per the consent agreements with Government of Pakistan through Privatization Commission.

As per approved scheme, class A units are issued to the certificate holders of the PIF and PGF based on the market value of the frozen portfolio and related assets and liabilities as applicable on June 30, 2018. Class B units are issued to the certificate holders of PIC and PGF based on the NAV of the portfolio other than those attributed to class A units on June 30, 2018. Class A units of PIC and PGF shall remain listed on Pakistan Stock Exchange (PSX) and are tradable in the same manner as that of certificates of closed-end funds under the newly assigned security symbols of HIFA (HBL Investment Fund "A") and HGFA (HBL Growth Fund "A"). Investors

of class B units would be able to buy or sell units at price based on net asset value of the respective fund subject to back-end load as applicable.