

HBL

ASSET MANAGEMENT LTD.
ایسٹٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2+ by JCR-VIS



QUARTERLY REPORT 2019

For the period ended September 30, 2019

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Corporate Information</i>	04
<i>Report of The Directors of The Management Company</i>	05 - 14
HBL Income Fund	
<i>Fund Information</i>	16
<i>Condensed Interim Statement of Assets and Liabilities</i>	17
<i>Condensed Interim Income Statement</i>	18
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	19
<i>Condensed Interim Cash Flow Statement</i>	20
<i>Notes to the Condensed Interim Financial Information</i>	21 - 32
HBL Government Securities Fund	
<i>Fund Information</i>	34
<i>Condensed Interim Statement of Assets and Liabilities</i>	35
<i>Condensed Interim Income Statement</i>	36
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	37
<i>Condensed Interim Cash Flow Statement</i>	38
<i>Notes to the Condensed Interim Financial Information</i>	39 - 48
HBL Money Market Fund	
<i>Fund Information</i>	50
<i>Condensed Interim Statement of Assets and Liabilities</i>	51
<i>Condensed Interim Income Statement</i>	52
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	52
<i>Condensed Interim Cash Flow Statement</i>	53
<i>Notes to the Condensed Interim Financial Information</i>	54 - 61
HBL Cash Fund	
<i>Fund Information</i>	63
<i>Condensed Interim Statement of Assets and Liabilities</i>	64
<i>Condensed Interim Income Statement</i>	65
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	66
<i>Condensed Interim Cash Flow Statement</i>	67
<i>Notes to the Condensed Interim Financial Information</i>	68 - 80

TABLE OF CONTENTS

HBL Stock Fund

<i>Fund Information</i>	82
<i>Condensed Interim Statement of Assets and Liabilities</i>	83
<i>Condensed Interim Income Statement</i>	84
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	85
<i>Condensed Interim Cash Flow Statement</i>	86
<i>Notes to the Condensed Interim Financial Information</i>	87 - 97

HBL Equity Fund

<i>Fund Information</i>	
<i>Condensed Interim Statement of Assets and Liabilities</i>	99
<i>Condensed Interim Income Statement</i>	100
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	101
<i>Condensed Interim Cash Flow Statement</i>	102
<i>Notes to the Condensed Interim Financial Information</i>	103
	104 - 113

HBL Energy Fund

<i>Fund Information</i>	115
<i>Condensed Interim Statement of Assets and Liabilities</i>	116
<i>Condensed Interim Income Statement</i>	117
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	118
<i>Condensed Interim Cash Flow Statement</i>	119
<i>Notes to the Condensed Interim Financial Information</i>	120 - 129

HBL Multi Asset Fund

<i>Fund Information</i>	131
<i>Condensed Interim Statement of Assets and Liabilities</i>	132
<i>Condensed Interim Income Statement</i>	133
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	134
<i>Condensed Interim Cash Flow Statement</i>	135
<i>Notes to the Condensed Interim Financial Information</i>	136 - 145

TABLE OF CONTENTS

HBL Financial Planning Fund

<i>Fund Information</i>	147
<i>Condensed Interim Statement of Assets and Liabilities</i>	148
<i>Condensed Interim Income Statement</i>	149
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	150 - 153
<i>Condensed Interim Cash Flow Statement</i>	154
<i>Notes to the Condensed Interim Financial Information</i>	155 - 163

HBL Growth Fund

<i>Fund Information</i>	165
<i>Condensed Interim Statement of Assets and Liabilities</i>	166
<i>Condensed Interim Income Statement</i>	167
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	168
<i>Condensed Interim Cash Flow Statement</i>	169
<i>Notes to the Condensed Interim Financial Information</i>	170 - 181

HBL Investment Fund

<i>Fund Information</i>	183
<i>Condensed Interim Statement of Assets and Liabilities</i>	184
<i>Condensed Interim Income Statement</i>	185
<i>Condensed Interim Statement of Movement in Unit Holders' Fund</i>	186
<i>Condensed Interim Cash Flow Statement</i>	187
<i>Notes to the Condensed Interim Financial Information</i>	188 - 198

CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 29, 2019)

Chairman	Mr. Atif Aslam Bajwa	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)
	Mr. Aamir Hasan Irshad	(Non-Executive Director)

Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Atif Aslam Bajwa	(Independent Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Aamir Hasan Irshad	(Non-Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2+ (Positive Outlook)

Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,
Mandviwalla Chambers, C-15, Block-2, Clifton, Karachi.

Website

www.hblasset.com

Head Office & Registered Office

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

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2019

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Financial Planning Fund, HBL Growth Fund and HBL Investment Fund (the Funds) for the three months ended September 30, 2019.

ECONOMIC REVIEW:

Pakistan's macroeconomic landscape witnessed a huge shift over the past year as policymakers adopted multiple measures aimed at stabilization of the economy. During the quarter under review, most of the policy measures have started to bear fruits in the form of reduced Current Account deficit, stable FX reserves and stable currency. These results have come in at the cost of slowdown in GDP growth and higher inflation. However, there was a disappointment on the fiscal front as revised fiscal deficit figures for FY19 clocked in at whopping 8.9% of GDP compared to 6.6% in FY18.

In line with the recent trend, economic slowdown continued during the quarter as reflected in a 3.3% decline in LSM during Jul-19 compared to growth of 0.8% YoY during the same period last year. The currency remained stable during the quarter after signing of IMF agreement and the release of staff report. PKR appreciated by 2% during the quarter, taking REER to 92.7 in Aug-19. Trade balance data released by PBS sustained improvement as exports grew by 2.8% YoY while imports declined steeply by 20.6% 1QFY20 dragging trade deficit by 34.9% to USD 5.7bn. The current account deficit (CAD) for 2MFY20 clocked in at USD 1.3bn (2.8% of GDP) compared to USD 2.8bn (5.5% of GDP) during the same period last year. These changes in trade balance and CAD trend reflected lag impact on aggregate demand due to 49% PKR depreciation and steep monetary tightening (750bps increase in policy rate) during the past 18 months. Due to sustained CAD, foreign exchange reserves remained flat at USD 15.0bn while SBP reserves also remained flat at USD 7.3bn (less than 2 months of import cover). PKR depreciation and above-mentioned policy changes have also contributed to overall inflationary pressures. During the quarter under review, Pakistan Bureau of Statistics published CPI with a revised base year of FY16 where average CPI for 1QFY20 came down by ~100bps from 11.2% to 10.1%. Higher CPI was mainly due to transport prices (+18%YoY) and food price (+16% YoY) during Sep-19. Core inflation (urban) remained muted during the quarter increased by 8.4% YoY compared to 7.1% YoY during the same period last year. Given these factors and maintaining considerably higher real interest rates, the central bank increased the policy rate by 100bps in July MPS while maintained the status quo in September MPS.

Moving ahead, we foresee a tough economic environment to continue with sluggish business activities and inflationary pressures. The focus would remain on meeting FATF requirements, fiscal management and government compliance with the IMF quarterly targets.

STOCK MARKET REVIEW:

Pakistan equities continued to decline in the outgoing quarter as the benchmark KSE-100 index declined by 5.4% due to volatility on account of (1) heightened tension with neighbor country after it revoked the special status of Kashmir, (2) expectation of weak results by cyclical sectors and (3) concerns on FATF front with harsh actions in FATF review due in the next quarter. However, there were some positives during the quarter with the signing of Extended Fund Facility program (EFF) with the IMF and status quo on policy rate in Sep-19 monetary policy along with inverted yield curve in the secondary market indicating expected rate cut in the short term.

The benchmark KSE100 Index fell 1,823 points to close at 32,079 points (↓5.4%). Weak performance during the quarter was driven by the banking sector (eroding 550 points) as expectations of monetary easing dragged performance of mid-size banks (BAHL and MEBL). Consequently, the Cement and Power sector cause a combined attrition of 522 points. The Cement sector demand concerns persisted as the Government halted majority of public sector spending to curb fiscal deficit while overall economic slowdown also weighed on the sector's performance. The weak performance of the power sector was driven by the announcement of Right shares by leading IPP i.e. Hub Power Company. Oil & Gas Marketing Companies were also laggards with uncertainty around the issuance of Energy Sukuk II, with 11% and 6% decline in SNGP and PSO respectively. Foreigners turned buyers in the market, buying equities worth USD23mn during the quarter ended Sep-19.

Looking ahead, Pakistan equities are expected to gain further traction due to cheaper valuation and expected monetary easing in the near term. Moreover, market would closely watch any development on FATF, macroeconomic indicators and corporate earnings. We believe Pakistan equities offer a good entry opportunity for long term investors.

MONEY MARKET REVIEW:

SBP continued its policy of monetary tightening in 1QFY20 to anchor the rising current account deficit and increasing inflationary pressures. However, longer tenor yields dropped by 86-154 bps with yields of shorter tenor government securities increased by 62-136 bps (in line with a policy rate hike of Jul-19) leading to the inverted yield curve as market participants are eyeing peak of interest rates in the medium term. Secondary market yields of 3, 5 and 10-year PIBs dropped by 121, 158 and 154 bps respectively while yields of 3, 6 and 12-month T-Bills adjusted upwards by 100, 91 and 62 bps respectively. During the quarter under review, SBP conducted six T-bill auctions with a cumulative target of PKR 5,500bn against the maturity of PKR 4,577bn. The total accepted amount was PKR 5,092bn. SBP conducted Fixed Rate PIBs auction towards quarter end on September 18, 2019 with a target of PKR125bn against the maturity of PKR 63.2bn. Cumulative participation of PKR 698.1bn was received in 3, 5Y, 10 & 20 years tenor. The government accepted PKR 62.6bn, PKR 61.1bn and PKR 40.2bn in the 3, 5 and 10-year tenors, respectively while rejected all bids in 20 years tenor. The cut off yields were 12.9500%, 12.5000% and 12.2483% in the same order leading to an inverted yield curve. In the Floating Rate PIBs auction, the government accepted PKR 91.2bn and set spread at a cut-off of 65bps over the benchmark.

During the quarter, the Government shifted its borrowing from scheduled banks to SBP. The government raised PKR 1,717bn from scheduled banks against the retirement of PKR 1,433bn during the same period last year due to the borrowing limit from SBP under the IMF program. Meanwhile, Government borrowing from SBP reduced by PKR 1,394bn during the period against the borrowing of PKR 1,518bn during the same period last year. Towards the end of the quarter there was a net injection of PKR 1,970.8bn at 13.33% through Open Market Operations (OMO).

In the monetary policy held in July-19, SBP increased the policy rate by a further 100bps to 13.25%, bringing a calculative increase in the policy rate to 750bps. However, in monetary policy held in Sep-19 SBP maintained the status quo. Going forward, we expect that interest rates have peaked out and lower inflation under new methodology can lead to some cut in interest rates within this fiscal year.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 61.43 million and Rs. 51.71 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 106.1134 per unit as on June 30, 2019 which increased to Rs. 109.7457 per unit as on September 30, 2019, thereby giving an annualized return of 13.58%. During the same period, the benchmark (6 Month KIBOR) return was 13.86%. The size of Fund was Rs. 1.57 billion as on September 30, 2019 as compared to Rs. 1.51 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed A(f) Fund Stability Rating to the Fund.

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 102.33 million and Rs. 86.52 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 105.8419 per unit as on June 30, 2019 which increased to Rs. 109.6692 per unit as on September 30, 2019, thereby giving an annualized return of 14.35%. During the same period the benchmark (6 Month PKRV Rates) return was 13.70%. The size of Fund was Rs. 2.80 billion as on September 30, 2019 as compared to Rs. 2.12 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed A+(f) Fund Stability Rating to the Fund.

HBL Money Market Fund

The total income and net income of the Fund was Rs. 261.94 million and Rs. 232.59 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.2200 per unit as on June 30, 2019 which increased to Rs. 105.3580 per unit as on September 30, 2019, thereby giving an annualized return of 12.18%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 12.61%. The size of Fund was Rs. 8.32 billion as on September 30, 2019 as compared to Rs. 6.25 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed AA(f) Fund Stability Rating to the Fund.

HBL Cash Fund

The total income and net income of the Fund was Rs. 316.97 million and Rs. 289.31 million respectively during the period ended September 30, 2019. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 100.8886 per unit as on June 30, 2019. The NAV of the Fund was Rs 101.8625 per unit as on September 30, 2019 (after incorporating dividend of Rs. 2.1902 per unit); thereby giving an annualized return of 12.57%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 12.61%. The size of Fund was Rs 9.65 billion as on September 30, 2019 as compared to Rs.8.81 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed AA(f) Fund Stability Rating to the Fund.

HBL Stock Fund

The Fund incurred a total and net loss of Rs. 91.27 million and Rs. 110.50 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs 89.7221 per unit as on June 30, 2019. The NAV of the Fund was Rs. 84.8256 per unit as on September 30, 2019, thereby giving a negative return of 5.46%. During the same period, the benchmark KSE 30 index yielded a negative return of 3.71%. The size of Fund was Rs 1.91 billion as on September 30, 2019 as compared to Rs. 2.15 billion at the start of the year.

HBL Equity Fund

The Fund incurred a total and net loss of Rs. 10.14 million and Rs. 12.62 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 93.3868 per unit as on June 30, 2019. The NAV of the Fund was Rs. 88.7833 per unit as on September 30, 2019; thereby giving a negative return of 4.93%. During the same period, the benchmark KSE 100 index yielded a negative return of 5.38%. The size of Fund was Rs. 0.21 billion as on September 30, 2019 as compared to Rs. 0.25 billion at the start of the year.

HBL Energy Fund

The Fund incurred a total and net loss of Rs. 51.24 million and Rs. 57.24 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Fund was Rs. 11.1201 per unit as on June 30, 2019. The NAV of the Fund was Rs. 10.2619 per unit as on September 30, 2019, thereby giving a negative return of 7.72%. During the same period, the benchmark KSE 30 index yielded a negative return of 3.71%. The size of Fund was Rs. 0.67 billion as on September 30, 2019 as compared to Rs. 0.73 billion at the start of the year.

HBL Multi Asset Fund

The Fund earned and incurred a total income and net loss of Rs. 0.01 million and Rs. 1.65 million respectively during the period ended September 30, 2019. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 95.6506 per unit as on June 30, 2019. The NAV of the Fund was Rs 94.9332 per unit as on September 30, 2019, thereby giving a negative return of 0.75%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a negative return of 1.69%. The size of Fund was Rs 0.19 billion as on September 30, 2019 as compared to Rs. 0.20 billion at the start of the year.

HBL Financial Planning Fund

The Fund comprises of four sub funds (plans) namely Active allocation plan, Conservative allocation plan, Strategic allocation plan and Special income plan.

The Fund as a whole earned total and net income of Rs. 3.85 million and Rs. 3.06 million respectively during the period under review. The fund size of the fund stood at Rs. 448 million as on September 30, 2019 as compared to Rs. 339 million at the start of the year.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan incurred total and net loss of Rs. 0.70 million and Rs 0.88 million respectively. The net assets of the Active allocation plan stood at Rs. 75 million representing Net Asset Value (NAV) of Rs. 96.8617 per unit as at September 30, 2019 as compared to net assets of Rs. 103 million representing Net Asset Value (NAV) of Rs. 96.9864 at the start of the year. The plan posted a negative return of 0.13% for the period under review.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 0.65 million and Rs 0.50 million respectively. The net assets of the Conservative allocation plan stood at Rs. 51 million representing Net Asset Value (NAV) of Rs. 105.1629 per unit as at September 30, 2019 as compared to net assets of Rs. 67 million representing Net Asset Value (NAV) of Rs. 103.8264 at the start of the year. The plan earned a return of 1.29% for the period under review.

Strategic Allocation Plan

During the period under review, the Strategic allocation plan earned total and net income of Rs. 2.93 million and Rs 2.53 million respectively. The net assets of the Strategic allocation plan stood at Rs. 170 million representing Net Asset Value (NAV) of Rs. 100.5263 per unit as at September 30, 2019 as compared to net assets of Rs. 169 million representing Net Asset Value (NAV) of Rs. 99.0331 at the start of the year. The plan earned a return of 1.51% for the period under review.

Special Income Plan

HBL Financial Planning Fund – Special Income Plan launched its operations on September 16, 2019.

During the period under review, the Special income plan earned total and net income of Rs. 0.97 million and Rs 0.91 million respectively. The net assets of the Special income plan stood at Rs. 152 million representing Net Asset Value (NAV) of Rs. 100.6138 per unit as at September 30, 2019. The plan earned a return of 0.61% for the period under review.

HBL Growth Fund

The Fund as a whole incurred a total and net loss of Rs. 248.31 million and Rs. 317.04 million respectively during the period under review. The size of the fund stood at Rs. 7.23 billion as on September 30, 2019 as compared to Rs. 9.31 billion at the start of the year.

Performance review of each class is presented below:

HBL Growth Fund – Class ‘A’

HBL Growth Fund – Class ‘A’ earned and incurred a total income and net loss of Rs. 8.31 million and Rs. 26.50 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 15.7558 per unit as on September 30, 2019 as compared to Rs. 17.1016 as at June 30, 2019, thereby giving a negative return of 7.87%. During the same period the benchmark KSE 100 index yielded a negative return of 5.38%. The size of Class ‘A’ was Rs. 4.47 billion as on September 30, 2019 as compared to Rs. 4.48 billion at the start of the year.

HBL Growth Fund – Class ‘B’

HBL Growth Fund – Class ‘B’ incurred a total and net loss of Rs. 256.61 million and Rs. 290.54 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 15.1716 per unit as on September 30, 2019 as compared to Rs. 16.0884 as at June 30, 2019, thereby giving a negative return of 5.70%. During the same period the benchmark KSE 100 index yielded a negative return of 5.38%. The size of Class ‘B’ was Rs. 2.76 billion as on September 30, 2019 as compared to Rs. 4.46 billion at the start of the year.

HBL Investment Fund

The Fund as a whole incurred a total and net loss of Rs. 111.24 million and Rs. 142.87 million respectively during the period under review. The size of the fund stood at Rs. 3.45 billion as on September 30, 2019 as compared to Rs. 4.06 billion at the start of the year.

Performance review of each class is presented below:

HBL Investment Fund – Class ‘A’

HBL Investment Fund – Class ‘A’ earned and incurred a total income and net loss of Rs. 3.08 million and Rs. 9.77 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 5.5918 per unit as on September 30, 2019 as compared to Rs. 6.0597 as at June 30, 2019, thereby giving a negative return of 7.72%. During the same period the benchmark KSE 100 index yielded a negative return of 5.38%. The size of Class ‘A’ was Rs. 1.59 billion as on September 30, 2019 as compared to Rs. 1.72 billion at the start of the year.

HBL Investment Fund – Class ‘B’

HBL Investment Fund – Class ‘B’ incurred a total and net loss of Rs. 114.32 million and Rs. 133.10 million respectively during the period ended September 30, 2019. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 7.9384 per unit as on September 30, 2019 as compared to Rs. 8.4072 as at June 30, 2019, thereby giving a negative return of 5.58%. During the same period the benchmark KSE 100 index yielded a negative return of 5.38%. The size of Class ‘B’ was Rs. 1.86 billion as on September 30, 2019 as compared to Rs. 2.34 billion at the start of the year.

MANAGEMENT COMPANY RATING

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has maintained the management quality rating to ‘AM2+’ (AM Two Plus) to the Management Company and the outlook on the assigned rating has been assessed as ‘Positive’.

Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan as Trustee, the Pakistan Stock Exchange Limited and State Bank of Pakistan.

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the staff.

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

منجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

HBL ایسٹ منجمنٹ لمیٹڈ کے ڈائریکٹرز کا بورڈ HBL آف فنانس، HBL گورنمنٹ سیکورٹیز فنانس، HBL منی مارکیٹ فنانس، HBL کیش فنانس، HBL اسٹاک فنانس، HBL ایجوکیشنل فنانس، HBL انرجی فنانس، HBL ملٹی ایسٹ فنانس، HBL فنانشل پلاننگ فنانس، HBL گروٹھ فنانس اور HBL ٹوٹل فنانس (فنانس) کے مالیاتی گوشوارے بشمول اپنی رپورٹ برائے سہ ماہی ختم شدہ 30 ستمبر 2019، پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

اقتصادی جائزہ:

پاکستان کی معیشت کو مستحکم کرنے کے لیے پالیسی میکیز کی جانب سے اٹھائے جانے والے کئی اقدامات کے سبب ملکی معیشت میں گزشتہ سال سے بڑی تبدیلی دیکھی جا رہی ہے۔ زبردست جائزہ سہ ماہی کے دوران، ان اقدامات کے نتائج کارکنٹ اکاؤنٹ خسارے میں کمی، زرمبادلہ کے ذخائر میں استحکام اور کرنسی کی مستحکم پوزیشن کی صورت میں دیکھے گئے۔ ان اقدامات کے نتیجے میں جی ڈی پی کی ترقی میں سست روی اور مہنگائی میں اضافہ ہوا ہے۔ البتہ مالی سال 19 کا تازہ ترین مالیاتی خسارہ مالی سال 18 کے 6.6 فیصد کے مقابلے میں جی ڈی پی کے 8.9 فیصد کی خطرناک حد کو پہنچانا مایوس کن رہا۔

حالیہ صورتحال کے پیش نظر، سہ ماہی کے دوران معاشی سست روی کا رجحان جاری رہا جس کے نتیجے میں جولائی 19 کے دوران لارج اکیمل مینوفیکچرنگ میں 3.3 فیصد کمی ہوئی جو گزشتہ سال کی اسی مدت کے مقابلے میں 0.8 فیصد ترقی کے ساتھ جاری تھی۔ آئی ایم ایف کے ساتھ معاہدے پر دستخط اور اسٹاف رپورٹ کے اجراء کے بعد سہ ماہی کے دوران کرنسی مستحکم رہی۔ اس دوران پاکستانی روپے کی قدر دانی میں 2 فیصد اضافہ ہوا اور اگست 19 میں REER کی سطح 92.7 تک پہنچی۔ پی بی ایس کی جانب سے ٹریڈ بیلنس ڈیٹا کے اجراء نے ترقی کو استحکام بخشا اور برآمدات میں 2.8 فیصد اضافہ ہوا جبکہ 2019Q1 کے لیے درآمدات میں 20.6 فیصد کمی ہونے کے سبب تجارتی خسارہ 34.9 فیصد کی سطح پر 5.7 بلین امریکی ڈالرز رہا۔ کارکنٹ اکاؤنٹ خسارہ برائے 2019Q2 2MFY20 کم ہو کر 1.3 بلین امریکی ڈالر (جی ڈی پی کے 2.8 فیصد) رہ گیا جو گزشتہ سال کی اسی مدت کے دوران 2.8 بلین امریکی ڈالر (جی ڈی پی کے 5.5 فیصد) تھا۔ ٹریڈ بیلنس اور کارکنٹ اکاؤنٹ خسارے کی اس صورتحال سے مجموعی طلب میں سست روی دیکھی گئی کیونکہ گزشتہ 18 ماہ کے دوران 49 فیصد تک پاکستانی روپے کی ناقدری ہوئی اور مائیکرو سٹاکس (پالیسی ریٹ میں 750bps کا اضافہ) اٹھائے گئے۔ کارکنٹ اکاؤنٹ خسارے میں استحکام آنے سے زرمبادلہ کے ذخائر 15.0 بلین امریکی ڈالر کی سطح پر برقرار رہے جبکہ اسٹیٹ بینک آف پاکستان کے ذخائر بھی 7.3 بلین امریکی ڈالر کی سطح (امپورٹ کوڑے کے دوام کے علاوہ) پر برقرار رہے۔ پاکستانی روپے کی ناقدری اور پالیسی کی مذکورہ بالا تبدیلیوں نے مجموعی طور پر مہنگائی میں اضافہ کر دیا۔ زبردست جائزہ سہ ماہی کے دوران، پاکستان بیورو آف اسٹیٹسٹکس نے FY16 کے تبدیل کردہ بنیادی سال کے CPI شائع کئے جس کے مطابق 2019Q1 کے لیے اوسط CPI کم ہو کر 100bps، 11.2 فیصد سے 10.1 فیصد رہ گئی ہے۔ CPI میں اضافہ بنیادی طور پر ٹرانسپورٹ کی قیمتوں (18 فیصد سے زائد سالانہ اضافہ) اور کھانے پینے کی اشیاء کی قیمتوں (16 فیصد سے زائد سالانہ اضافہ) میں ستمبر 19 کے دوران اضافہ ہے۔ سہ ماہی کے دوران مہنگائی کی صورتحال (شہری) پر خاموشی رہی جو گزشتہ سال کی اسی مدت کے دوران 7.1 فیصد سالانہ کے مقابلے میں 8.4 فیصد ہو گئی۔ ان عوامل کی بدولت اور سود کی شرح میں اضافہ برقرار رکھ کر مرکزی بینک نے جولائی 2019 میں پالیسی ریٹ میں 100bps تک اضافہ کر دیا جو کہ ستمبر 2019 میں بھی برقرار رکھا گیا۔

بہر حال، ہم کاروباری سرگرمیوں میں سست روی اور مہنگائی کے دباؤ کے پیش نظر مشکل معاشی حالات دیکھ رہے ہیں۔ ایسی صورتحال میں حکومت کی جانب سے FATF کی ضروریات کی تکمیل، معاشی بہتری اور آئی ایم ایف کے سہ ماہی نارگس پورا کرنے پر توجہ دینی ہوگی۔

اسٹاک مارکیٹ کا جائزہ:

ختم ہونے والی سہ ماہی کے دوران پاکستانی ایکویٹیٹی میں کمی کا رجحان جاری رہا کیونکہ کاروباری اتار چڑھاؤ کے سبب شیئنگ مارکیٹ 100-KSE انڈیکس میں 5.4 فیصد کمی واقع ہوئی، اس اتار چڑھاؤ میں بڑی ملک کی جانب سے کشمیر کو خاص درجہ دینے کے بعد پیدا ہونے والی کشیدہ صورتحال، کاروباری شعبہ جات سے کمزور نتائج کی امید اور ایف اے ٹی ایف کے جائزہ کے دوران آئندہ سہ ماہی کے دوران سخت اقدامات کے خدشات نے اسٹاک مارکیٹ کو غیر مستحکم کئے رکھا۔ تاہم مذکورہ سہ ماہی کے دوران کچھ بہتری بھی سامنے آئی جس میں آئی ایم ایف کی جانب سے ایکٹیوٹیڈ فنانسنگ پروگرام (EFF) پر دستخط، ستمبر 19 کی مائیکرو پالیسی کو برقرار رکھنے کے ساتھ ساتھ سیکنڈری مارکیٹ کی بحالی کے سلسلے میں قلیل مدتی شرح میں متوقع کمی شامل ہے۔ شیئنگ مارکیٹ 100-KSE انڈیکس میں 32,079 پوائنٹس پر بند ہونے سے 1,823 پوائنٹس کمی واقع ہوئی (5.4 فیصد کمی)۔ زبردست جائزہ سہ ماہی کے دوران بینکنگ سیکٹور کمزور کارکردگی (550 پوائنٹس کا خاتمہ) کو دیکھنے میں آئی جس کے سبب مائیکرو سٹاکس پر کرنسی کی امیدوں سے درمیانے درجہ کے بینکوں (BAHL اور MEBL) کی کارکردگی کو سہارا دیا گیا۔ نتیجتاً سیٹھ اور پاور سیکٹور مجموعی طور پر 522 پوائنٹس کی تنزلی کا شکار ہوئے۔ سیٹھ کے شعبے کے خدشات تا حال موجود ہیں کیونکہ حکومت نے مالی خسارے پر قابو پانے کے لیے پبلک سیکٹور کا سرمایہ روک رکھا ہے جبکہ معاشی سست روی نے بھی شعبے کی کارکردگی کو متاثر کیا ہوا ہے۔ پاور سیکٹور کی کارکردگی ایک بڑے آئی پی، جب پاور کمپنی کی جانب سے رائٹ شیئر کے اعلان کے سبب کمزور ہوئی۔ آئل اور گیس مارکیٹنگ کمپنیاں بھی اجرائی سکوک II کے اجراء سے پیدا ہونے والی غیر یقینی کے سبب متاثر ہوئیں جس کے سبب SNGP اور پی ایس او میں بائز تیب 11 فیصد اور 6 فیصد کمی واقع ہوئی۔ غیر ملکی مارکیٹ میں خریدار بن گئے، اور ستمبر 19 میں ختم ہونے والی سہ ماہی کے دوران 23 بلین امریکی ڈالر کی ایکویٹیٹی خریدیں۔

مزید برآں، پاکستانی ایکویٹیٹی کی سستی قدر اور مستقبل قریب میں مائیکرو سٹاکس پر سہولیات کے پیش نظر بہتری کی امید ہے۔ اس کے ساتھ ساتھ مارکیٹ ایف اے ٹی ایف کی صورتحال، بیکرو اکنامک انڈیکس اور کارپوریٹ منافع کو نظر میں رکھے ہوئے ہے۔ ہم یقین رکھتے ہیں کہ پاکستان ایکویٹیٹی آفر طویل مدتی انویسٹرز کے لیے ایک بہترین موقع ثابت ہوں گی۔

منی مارکیٹ کا جائزہ:

اسٹیٹ بینک آف پاکستان نے کارکنٹ اکاؤنٹ خسارے اور بڑھتی ہوئی مہنگائی کے دباؤ کو کم کرنے کے لیے 2019Q1 میں بھی مائیکرو پالیسی پر سختی سے عمل درآمد جاری رکھا۔ تاہم طویل مدتی منافع میں 86-156bps کمی کے ساتھ قلیل مدتی حکومتی سیکورٹیز کے منافع 62-136bps تک بڑھ گئے (جولائی 19 میں پالیسی ریٹ میں اضافے کے مطابق) جس سے منافع کی صورتحال میں تبدیلی کے سبب مارکیٹ کے شراکت دار درمیانی مدت کے شرح سود میں تیزی دیکھ رہے ہیں۔ سیکندری مارکیٹ کے منافع برائے 5،3 اور 10 سالہ سرٹیفکیٹس میں 158، 121 اور 154bps کمی کا شکار ہوئے جبکہ 6،3 اور 12 ماہ پر مشتمل ٹی بلیز کی ایڈجسٹمنٹ میں بائز تیب 100، 91 اور 62bps تک تیزی واقع ہوئی۔ زبردست جائزہ سہ ماہی کے دوران، اسٹیٹ بینک آف پاکستان نے 4,577 بلین روپے کی مچھوٹی کمی کے بدلے 5,500 بلین روپے کے مجموعی ٹارگٹ کے لیے ٹی بلیز آکشن منعقد کئے۔ مجموعی طور پر وصول شدہ رقم 5,092 بلین روپے بنتی ہے۔ اسٹیٹ بینک نے 18 ستمبر 2019 کو سہ ماہی کے آخر میں 63.2 بلین روپے کی مچھوٹی کمی کے بدلے 125 بلین روپے کے ٹارگٹ کے ساتھ قلعہ ڈریٹ PIB آکشن منعقد کیا۔ 3،5،3 اور 10 سالہ مدت کے لیے مجموعی طور پر 698 بلین روپے کی شراکت داری حاصل ہوئی۔ حکومت نے 3،5 اور 10 سالہ مدت کے لیے بائز تیب 62.6 بلین روپے، 61.1 بلین روپے اور 40.2 بلین روپے وصول کئے جبکہ 20 سالہ مدت کی تمام بلیوں کو مسترد کر دیا۔ تبدیلی کردہ منافع کی صورتحال کے مطابق 12,950، 12,500، 12,483 اور 12,2483 فیصد کو اس ترتیب کے ساتھ منسوخ کر دیا گیا۔ فلوٹنگ ریٹ PIB آکشن میں، حکومت نے 91.2 بلین روپے وصول کئے اور شیئنگ مارکیٹ کی سطح کو وسیع کرتے ہوئے 65bps پر منقطع کیا گیا۔

سہ ماہی کے دوران، حکومت نے قرض لینے کے امور شیڈول بینکوں سے اسٹیٹ بینک آف پاکستان منتقل کر دیے ہیں۔ حکومت نے آئی ایم ایف پروگرام کے تحت ادھار لینے کی حد کے مطابق شیڈول بینکوں سے گزشتہ سال کی اسی مدت کے دوران 1433 ملین روپے ریٹائرمنٹ کے بدلے 1,717 ملین روپے حاصل کئے ہیں۔ اسی طرح حکومت کی اسٹیٹ بینک سے قرض لینے کی حد گزشتہ سال کی اسی مدت کے 1,518 ملین روپے سے کم ہو کر 1,394 ملین روپے ہے۔ سہ ماہی کے اختتام پر اوپن مارکیٹ آپریشنز (OMO) کے ذریعے 13,333 فیصد شرح کے ساتھ 1,970.8 ملین روپے کی مزید شمولیت بھی کی گئی۔

جولائی 19 میں مقرر ہونے والی مائٹری پالیسی میں، اسٹیٹ بینک آف پاکستان نے مزید 100bps تک پالیسی ریٹ میں 13.25 فیصد کا اضافہ کر دیا، جس سے مجموعی طور پر پالیسی ریٹ میں 750bps تک اضافہ ہو گیا۔ تاہم ستمبر 19 میں منعقد ہونے والی مائٹری پالیسی میں اسی صورتحال کو برقرار رکھا گیا۔ مزید براں، ہم امید کرتے ہیں کہ شرح سود میں اضافہ کو روکا جائے اور نئے طریقہ کار کے مطابق مہنگائی میں کمی آئندہ مالی سال میں شرح سود میں کمی لانے سے ہی ممکن ہے۔ فنڈز کی کارکردگی اور ادائیگیاں

HBL انکم فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی اور خالص آمدنی بالترتیب 61.43 ملین اور 51.71 ملین روپے تھی۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 106.1134 روپے سے بڑھ کر 30 ستمبر 2019 کے مطابق فی یونٹ 109.7457 روپے ہو گیا؛ اس طرح سالانہ منافع 13.58 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیٹھ مارک منافع (KIBOR ماہ 6) 13.86 فیصد تھا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 1.57 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 1.51 ملین روپے تھا۔ JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے فنڈ کے لیے مستحکم ریٹنگ اے (ایف) برقرار رکھی گئی ہے۔

HBL گورنمنٹ سیکورٹیز فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی اور خالص آمدنی بالترتیب 102.33 ملین اور 86.52 ملین روپے تھی۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 105.8419 روپے سے بڑھ کر 30 ستمبر 2019 کے مطابق فی یونٹ 109.6692 روپے ہو گیا؛ اس طرح سالانہ منافع 14.35 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیٹھ مارک منافع (PKRV ماہ 6) 13.70 فیصد تھا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 2.80 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 2.12 ملین روپے تھا۔ JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے فنڈ کے لیے مستحکم ریٹنگ اے پلس (ایف) برقرار رکھی گئی ہے۔

HBL منی مارکیٹ فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی اور خالص آمدنی بالترتیب 261.94 ملین اور 232.59 ملین روپے تھی۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 102.2200 روپے سے بڑھ کر 30 ستمبر 2019 کے مطابق فی یونٹ 105.3580 روپے ہو گیا؛ اس طرح سالانہ منافع 12.18 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیٹھ مارک منافع (70 PKRV ماہ 3 اور 30 فیصد 3M پاؤٹ ریٹس) 12.61 فیصد تھا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 8.32 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 6.25 ملین روپے تھا۔ JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے فنڈ کے لیے مستحکم ریٹنگ ڈبل اے (ایف) برقرار رکھی گئی ہے۔

HBL کیش فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کی مجموعی اور خالص آمدنی بالترتیب 316.97 ملین اور 289.31 ملین روپے تھی۔ فنڈ کا سابقہ ڈیویڈنڈ نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 100.8886 روپے تھا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 101.8625 روپے تھا (فی یونٹ 2.1902 کا منافع منقسمہ شامل کرنے کے بعد)؛ اس طرح سالانہ منافع 12.57 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیٹھ مارک منافع ((70 PKRV ماہ 3 اور 30 فیصد 3M پاؤٹ ریٹس)) 12.61 فیصد تھا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 9.65 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 8.81 ملین روپے تھا۔ JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے فنڈ کے لیے مستحکم ریٹنگ ڈبل اے (ایف) برقرار رکھی گئی ہے۔

HBL شاہک فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کا مجموعی اور خالص نقصان بالترتیب 91.27 ملین اور 110.50 ملین روپے رہا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 89.1221 روپے تھا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 84.8256 روپے تھا؛ اس طرح منفی منافع 5.46 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیٹھ مارک (KSE30 انڈیکس سے 3.71 فیصد منفی منافع ہوا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 1.91 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 2.15 ملین روپے تھا۔

HBL ٹیکنالوجی فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کا مجموعی اور خالص نقصان بالترتیب 10.14 ملین اور 12.62 ملین روپے رہا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 93.3668 روپے تھا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 88.7833 روپے تھا؛ اس طرح منفی منافع 4.93 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیٹھ مارک (KSE100 انڈیکس سے 5.38 فیصد منفی منافع ہوا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 0.21 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 0.25 ملین روپے تھا۔

HBL انرجی فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کا مجموعی اور خالص نقصان بالترتیب 51.24 ملین اور 57.24 ملین روپے رہا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 11.1201 روپے تھا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 10.2619 روپے تھا؛ اس طرح منفی منافع 7.72 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیسٹ مارک KSE30 انڈیکس سے 3.71 فیصد منفی منافع ہوا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 0.67 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 0.73 ملین روپے تھا۔

HBL ملٹی ایسیٹ فنڈ

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے فنڈ کا مجموعی اور خالص نقصان بالترتیب 0.01 ملین اور 1.65 ملین روپے رہا۔ فنڈ کا سابقہ یوڈنڈ نیٹ ایسیٹ ویلیو (NAV) 30 جون 2019 کے مطابق فی یونٹ 95.6506 روپے تھا۔ فنڈ کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 94.9332 روپے تھا؛ اس طرح منفی منافع 0.75 فیصد فراہم کیا گیا۔ اسی مدت کے لیے بیسٹ مارک انڈیکس (کے ایس ای 100 انڈیکس کے روزانہ منافع اور 6 ماہ کے PKRV رٹس کی بنیاد پر) سے 1.69 فیصد منفی منافع ہوا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 0.19 ملین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 0.20 ملین روپے تھا۔

HBL فنانشل پلاننگ فنڈ

HBL فنانشل پلاننگ فنڈ مزید چار سب فنڈز پر مشتمل ہے جن کے نام ایکٹو ایلیویشن پلان، کنزرویٹو ایلیویشن پلان، اسٹریٹجک ایلیویشن پلان اور اسٹیبل انکم پلان ہیں۔ زیر جائزہ مدت کے دوران اس فنڈ کی مجموعی طور پر ٹول اور خالص آمدنی بالترتیب 3.85 ملین روپے اور 3.6 ملین روپے رہی۔ فنڈ کا سائز سال کے آغاز میں 339 ملین روپے کے مقابلے میں 488 ملین روپے تھا۔ ان پلانز سے متعلق کارکردگی کا جائزہ درج ذیل ہے:

ایکٹو ایلیویشن پلان

زیر جائزہ مدت کے لیے ایکٹو ایلیویشن پلان کا مجموعی اور خالص نقصان بالترتیب 0.70 ملین اور 0.88 ملین روپے رہا۔ ایکٹو ایلیویشن پلان کے خالص اثاثہ جات 75 روپے رہے جو پلان کے نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 96.8617 روپے کے مقابلے میں سال کے آغاز پر 103 ملین روپے کے خالص اثاثہ جات کے ساتھ فی یونٹ 96.9864 روپے کے نیٹ ایسیٹ ویلیو کی نشاندہی کر رہے تھے۔ پلان کو زیر جائزہ مدت کے لیے 0.13 فیصد منفی منافع ہوا۔

کنزرویٹو ایلیویشن پلان

زیر جائزہ مدت کے لیے کنزرویٹو ایلیویشن پلان کی مجموعی اور خالص آمدنی بالترتیب 0.65 ملین اور 0.50 ملین روپے رہی۔ کنزرویٹو ایلیویشن پلان کے خالص اثاثہ جات 51 ملین روپے رہے جو پلان کے نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 105.1629 روپے کے مقابلے میں سال کے آغاز پر 67 ملین روپے کے خالص اثاثہ جات کے ساتھ فی یونٹ 103.8264 روپے کے نیٹ ایسیٹ ویلیو کی نشاندہی کر رہے تھے۔ پلان کو زیر جائزہ مدت کے لیے 1.29 فیصد منافع حاصل ہوا۔

اسٹریٹجک ایلیویشن پلان

زیر جائزہ مدت کے لیے اسٹریٹجک ایلیویشن پلان کی مجموعی اور خالص آمدنی بالترتیب 2.93 ملین اور 2.53 ملین روپے رہی۔ اسٹریٹجک ایلیویشن پلان کے خالص اثاثہ جات 170 ملین روپے رہے جو پلان کے نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 100.5263 روپے کے مقابلے میں سال کے آغاز پر 169 ملین روپے کے خالص اثاثہ جات کے ساتھ فی یونٹ 99.0331 روپے کے نیٹ ایسیٹ ویلیو کی نشاندہی کر رہے تھے۔ پلان کو زیر جائزہ مدت کے لیے 1.51 فیصد منافع حاصل ہوا۔

اسٹیبل انکم پلان

HBL فنانشل پلاننگ فنڈ - اسٹیبل انکم پلان نے اپنے آپریٹنگ کا آغاز 16 ستمبر 2019 کو کر دیا ہے۔ زیر جائزہ مدت کے لیے اسٹیبل انکم پلان کی مجموعی اور خالص آمدنی بالترتیب 0.97 ملین اور 0.91 ملین روپے رہی۔ اسٹیبل انکم پلان کے خالص اثاثہ جات 152 ملین روپے رہے جو پلان کے نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 100.6138 روپے کے مقابلے میں سال کے آغاز پر 3 کی نشاندہی کر رہے تھے۔ پلان کو زیر جائزہ مدت کے لیے 0.61 فیصد منافع حاصل ہوا۔

HBL گرگتھ فنڈ

زیر جائزہ مدت کے لیے فنڈ کا مجموعی اور خالص نقصان بالترتیب 248.31 ملین اور 317.04 ملین روپے رہا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 7.23 ملین روپے رہا جو کہ سال کے آغاز کے دوران 9.31 ملین روپے تھا۔ ہر کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا جا رہا ہے:

HBL گروتھ فنڈ - کلاس 'اے'

HBL گروتھ فنڈ - کلاس 'اے' کا 30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے مجموعی اور خالص نقصان بالترتیب 8.31 ملین اور 26.50 ملین روپے رہا۔ کلاس 'اے' کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 15.7558 روپے تھا جو کہ 30 جون 2019 کے مطابق فی یونٹ 17.1016 روپے تھا؛ اس طرح منفی منافع 7.87 فیصد فراہم کیا گیا۔ اسی مدت کے لیے شیئنگ مارک KSE100 انڈیکس سے 5.38 فیصد منفی منافع ہوا۔ کلاس 'اے' کا سائز 30 ستمبر 2019 کے مطابق 4.47 بلین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 4.48 بلین روپے تھا۔

HBL گروتھ فنڈ - کلاس 'بی'

HBL گروتھ فنڈ - کلاس 'بی' کا 30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے مجموعی اور خالص نقصان بالترتیب 256.61 ملین اور 290.54 ملین روپے رہا۔ کلاس 'بی' کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 15.1716 روپے تھا جو کہ 30 جون 2019 کے مطابق فی یونٹ 16.0884 روپے تھا؛ اس طرح منفی منافع 5.70 فیصد فراہم کیا گیا۔ اسی مدت کے لیے شیئنگ مارک KSE100 انڈیکس سے 5.38 فیصد منفی منافع ہوا۔ کلاس 'بی' کا سائز 30 ستمبر 2019 کے مطابق 2.76 بلین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 4.46 بلین روپے تھا۔

HBL انویسٹمنٹ فنڈ

HBL انویسٹمنٹ فنڈ کا زبردست کارکردگی کا جائزہ مدت کے لیے مجموعی اور خالص نقصان بالترتیب 111.24 ملین اور 142.87 ملین روپے رہا۔ فنڈ کا سائز 30 ستمبر 2019 کے مطابق 3.45 بلین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 4.06 بلین روپے تھا۔

ہر کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا جا رہا ہے:

HBL انویسٹمنٹ فنڈ - کلاس 'اے'

HBL انویسٹمنٹ فنڈ - کلاس 'اے' کا 30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے مجموعی اور خالص آمدنی بالترتیب 3.08 ملین اور 9.77 ملین روپے رہی۔ کلاس 'اے' کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 5.5918 روپے تھا جو کہ 30 جون 2019 کے مطابق فی یونٹ 6.0597 روپے تھا؛ اس طرح منفی منافع 7.72 فیصد فراہم کیا گیا۔ اسی مدت کے لیے شیئنگ مارک KSE100 انڈیکس سے 5.38 فیصد منفی منافع ہوا۔ کلاس 'اے' کا سائز 30 ستمبر 2019 کے مطابق 1.59 بلین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 1.72 بلین روپے تھا۔

HBL انویسٹمنٹ فنڈ - کلاس 'بی'

HBL انویسٹمنٹ فنڈ - کلاس 'بی' کا 30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے مجموعی اور خالص نقصان بالترتیب 114.32 ملین اور 133.10 ملین روپے رہا۔ کلاس 'بی' کا نیٹ ایسیٹ ویلیو (NAV) 30 ستمبر 2019 کے مطابق فی یونٹ 7.9384 روپے تھا جو کہ 30 جون 2019 کے مطابق فی یونٹ 8.4072 روپے تھا؛ اس طرح منفی منافع 5.58 فیصد فراہم کیا گیا۔ اسی مدت کے لیے شیئنگ مارک KSE100 انڈیکس سے 5.38 فیصد منفی منافع ہوا۔ کلاس 'بی' کا سائز 30 ستمبر 2019 کے مطابق 1.86 بلین روپے رہا جو کہ گزشتہ سال کے آغاز کے دوران 2.34 بلین روپے تھا۔

مینجمنٹ کمپنی کی ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) کی جانب سے مینجمنٹ کمپنی کے لیے 'اے ایم 2 پلس' (AM TWO Plus) سطح کی مینجمنٹ کوآپریٹنگ ریٹنگ برقرار رکھی گئی ہے اور تقویض کردہ ریٹنگ پر 'مثبت' آؤٹ لک سے نوازا گیا ہے۔

اظہار تشکر

بورڈ اس موقع پر اپنے قابل قدر یونٹ ہولڈرز کا ان کے تعاون اور اعتماد کے لیے شکر یہ ادا کرتا ہے۔ اس کے ساتھ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان کا سٹی کے طور پر، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے تعاون اور رہنمائی کے لیے بھی شکر یہ ادا کرتا ہے۔ اس کے ساتھ بورڈ اپنے اسٹاف کی انتھک محنت اور لگن کی قدر کرتے ہوئے ان کے لیے بھی ستائش کو ریکارڈ پر لانے کا خواہشمند ہے۔

از طرف بورڈ

HBL ایسیٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Income Fund

FUND INFORMATION

Name of Fund	HBL Income Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Askari Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Meezan Bank Limited NRSP Microfinance Bank Limited Industrial & Commercial Bank of China Limited First Microfinance Bank Limited U Microfinance Bank Limited
Rating	A(f) (JCR-VIS)

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2019

		September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Bank balances	4	837,645	552,761
Investments	5	735,341	1,008,166
Accrued mark-up		28,594	16,285
Advances, deposits and other receivables		30,580	30,639
Total assets		1,632,160	1,607,851
Liabilities			
Payable to Management Company	6	6,680	3,054
Payable to Central Depository Company of Pakistan Limited - Trustee	7	111	198
Payable to Securities and Exchange Commission of Pakistan		77	1,478
Accrued expenses and other liabilities	9	58,826	92,378
Total liabilities		65,694	97,108
Net assets		1,566,466	1,510,743
Unit holders' fund (as per statement attached)		1,566,466	1,510,743
Contingencies and commitments	10		
		(Number of units)	
Number of units in issue		14,273,567	14,237,061
		(Rupees)	
Net assets value per unit		109.7457	106.1134

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the three months ended September 30, 2019

	Note	Three Months ended September 30,	
		2019	2018
Income		----- (Rupees in '000) -----	
Mark-up on deposits with banks		25,135	20,620
Mark-up / return on investments		28,343	26,129
Capital gain / (loss) on sale of investments - net		9,013	(1,955)
Dividend Income		-	4,858
Unrealised (loss) / gain on revaluation of investments carried at fair value through profit or loss - held-for-trading		(1,061)	(10,131)
Other Income		-	6
		61,430	39,527
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds		-	4,638
		61,430	44,165
Expenses			
Remuneration of HBL Asset Management Limited - Management Company		3,898	8,558
Remuneration of Central Depository Company of Pakistan Limited - Trustee		328	805
Annual fee to Securities and Exchange Commission of Pakistan		77	439
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	851	586
Selling and marketing expenses		2,940	-
Settlement and bank charges		155	938
Auditors' remuneration		97	93
Other expenses		324	74
		8,670	11,493
Net income from operating activities		52,760	32,672
Provision for Sindh Workers' Welfare Fund	9.2	(1,055)	(763)
Net income for the period before taxation		51,705	31,909
Taxation	11	-	-
Net income for the period after taxation		51,705	31,909
Allocation of net income for the period:			
Income already paid on redemption of units		3,678	5,915
Accounting income available for distribution:			
-Relating to capital gains		7,684	-
-Excluding capital gains		40,343	25,994
		48,027	25,994
Net income for the period after taxation		51,705	31,909
Other comprehensive income for the period		-	-
Total comprehensive income for the period		51,705	31,909
Earnings per unit	12		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For the three months ended September 30, 2019

	Three Months ended September 30,					
	2019			2018		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	1,388,862	121,881	1,510,743	2,230,273	226,959	2,457,232
Issuance of 2,595,124 units (2018: 3,105,413 units)						
- Capital value (at net asset value per unit at the beginning of the period)	261,104	-	261,104	328,519	-	328,519
- Element of income	18,693	-	18,693	1,139	-	1,139
Total proceeds on issuance of units	279,797	-	279,797	329,658	-	329,658
Redemption of 2,558,618 units (2018: 7,237,108 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(257,431)	-	(257,431)	(765,607)	-	(765,607)
- Amount relating to element of income	-	(3,678)	(3,678)	-	(5,915)	(5,915)
- Relating to net income for the period after taxation	(14,671)	-	(14,671)	(13)	-	(13)
Total payment on redemption of units	(272,102)	(3,678)	(275,780)	(765,620)	(5,915)	(771,535)
Total comprehensive income for the period	-	51,705	51,705	-	31,909	31,909
Refund of Capital	-	-	-	(13,463)	-	(13,463)
Distribution during the period	-	-	-	-	(107,938)	(107,938)
Total comprehensive income for the period less distribution	-	51,705	51,705	(13,463)	(76,029)	(89,492)
Net assets at the end of the period	1,396,557	169,908	1,566,465	1,780,848	145,015	1,925,863
Undistributed income brought forward						
- Realised		125,538			224,607	
- Unrealised		(3,657)			2,352	
		121,881			226,959	
Accounting income available for distribution		48,027			25,994	
Distribution during the period		-			(107,938)	
Undistributed income carried forward		169,908			145,015	
Undistributed income carried forward						
- Realised		170,969			155,146	
- Unrealised		(1,061)			(10,131)	
		169,908			145,015	
				(Rupees)		
Net assets value per unit at beginning of the period			106.1134			111.289
Net assets value per unit at end of the period			109.7457			107.3005

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2019

	Three Months ended September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	51,705	31,909
Adjustments		
Capital (gain) / Loss on sale of investments - net	(9,013)	1,955
Unrealised Loss / (gain) on revaluation of investments carried at fair value through profit or loss	1,061	10,131
	43,753	43,995
Decrease / (increase) in assets		
Investments - net	280,777	225,350
Accrued mark-up	(12,309)	349
Advances, deposits, and other receivables	59	27,201
Receivable against sale of investments	-	(203,079)
	268,527	49,821
(Decrease) / Increase in liabilities		
Payable to HBL Asset Management Limited - Management Company	3,626	(1,197)
Payable to Central Depository Company of Pakistan Limited - Trustee	(87)	(27)
Payable to Securities and Exchange Commission of Pakistan	(1,401)	(2,303)
Accrued expenses and other liabilities	(33,552)	1,543
Payable against purchase of investment	-	(43,789)
	(31,414)	(45,773)
Net cash generated from operating activities	280,866	48,043
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	279,797	329,658
Payment against redemption of units	(275,780)	(771,535)
Distributions paid	-	(121,253)
Net cash Generated from / (used in) financing activities	4,017	(563,130)
Net Increase / (decrease) in cash and cash equivalents	284,883	(515,087)
Cash and cash equivalents at beginning of the period	552,761	1,242,036
Cash and cash equivalents at end of the period	837,644	726,949

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

For the three months ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Income Fund (the Fund) was established under a Trust Deed, dated September 06, 2006, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on July 25, 2006.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at par from March 15, 2007 to March 17, 2007.

The principal activity of the Fund is to make investments in fixed income securities. Other avenues of investments include ready future arbitrage in listed securities and transactions under Continuous Funding System.

JCR-VIS Credit Rating Agency has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company and the fund stability rating of A(f) to the fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

4 BANK BALANCES

		(Unaudited) September 30, 2019	(Audited) June 30, 2019
	Note	(Rupees in '000)	
Balances with bank in:			
- Saving accounts	5.1	837,645	552,761
		<u>837,645</u>	<u>552,761</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 11.28% - 14.75% per annum.

		(Unaudited) September 30, 2019	(Audited) June 30, 2019
	Note	(Rupees in '000)	
5 INVESTMENTS			
Financial assets at Fair value through profit or loss			
- Term finance certificates and sukuk bonds - listed	5.1.1	63,507	84,325
- Term finance certificates and sukuk bonds - unlisted	5.1.2	608,858	755,925
- Investment in ready / future - spread transaction	5.4.1	-	-
Investment in government securities			
- Treasury bills		-	-
- Pakistan investment bonds		43,800	-
		<u>716,165</u>	<u>840,250</u>
Financial assets at amortised cost			
- Commercial paper	6.5	19,176	-
		<u>735,341</u>	<u>840,250</u>

5.1 Fair value through profit or loss

All Term Finance Certificates and Sukuk bonds have a face value of Rs. 5,000 each unless stated otherwise.

5.1.1 Term Finance Certificates and Sukuk bonds - Listed

Name of the Investee Company	Number of certificates			As at September 30, 2019	Market value / Carrying value* as at June 30, 2019 - Rupees in '000 -	Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Financial Services							
Saudi Pak Leasing Company Limited - note 6.1.3	2,000	-	-	2,000	-	-	-
	2,000	-	-	2,000	-	-	-
Fixed Line Telecommunication							
Worldcall Telecom Limited - note 6.1.4	23,750	-	-	23,750	-	-	-
	23,750	-	-	23,750	-	-	-
Commercial Banks							
Soneri Bank Limited	27,100	-	27,100	-	-	-	-
	27,100	-	27,100	-	-	-	-
Fertilizer							
Fatima Fertilizer Company Limited	17,517	-	-	17,517	-	-	-
Dawood Hercules Corporation Limited*	940	-	230	710	63,507	8.64%	4.05%
	18,457	-	230	18,227	63,507	8.64%	4.05%
Total	71,307	-	27,330	43,977	63,507	8.64%	4.05%
Cost of investments at September 30, 2019					63,690		

5.1.2 Term Finance Certificates and Sukuk bonds - Unlisted

Investment Companies							
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	56,455	7.68%	3.60%
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	49,676	6.76%	3.17%
	25,100	-	-	25,100	106,131	14.43%	6.78%
Chemicals							
Ghani Gases Limited	200	-	-	200	11,754	1.60%	0.75%
Agritech Limited - note 6.1.7	2,000	-	-	2,000	-	-	-
	2,200	-	-	2,200	11,754	1.60%	0.75%
Commercial Banks							
JS Bank Limited	7,450	-	-	7,450	37,374	5.08%	2.39%
JS Bank Limited	1,900	-	36	1,864	184,518	25.09%	11.78%
Bank of Punjab*	2,050	-	-	2,050	152,429	20.73%	9.73%
	11,400	-	36	11,364	374,321	50.90%	23.90%
Power Generation and Distribution							
Hub Power Company Limited	36,600	-	36,600	-	-	-	-
Hub Power Company Limited*	-	1,000	-	1,000	100,000	13.60%	6.38%
	36,600	1,000	36,600	1,000	100,000	13.60%	6.38%

Name of the Investee Company	Number of certificates			As at September 30, 2019	Market value / Carrying value* as at June 30, 2019 - Rupees in '000 -	Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Technology and Communication							
TPL Corporation Limited*	500	-	-	500	16,652	2.26%	1.06%
	500	-	-	500	16,652	2.26%	1.06%
Others							
New Allied Electronics Industries (Pvt) Limited - note 6.1.8	9,000	-	-	9,000	-	-	-
New Allied Electronics Industries (Pvt) Limited - Sukuk - note 6.1.8	9,000	-	-	9,000	-	-	-
	18,000	-	-	18,000	-	-	-
Total	93,800	1,000	36,636	58,164	608,858	82.80%	38.87%
Cost of investments at September 30, 2019					609,658		

* Face value of Rs 100,000

** In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities market value / valuation by MUFAP is not available.

5.1.3 Saudi Pak Leasing Company Limited defaulted towards payment falling due in September 2010. Accordingly, the exposure was classified as non-performing and provision was recognised in accordance with the SECP's provisioning guidelines.

Subsequently, on the request of the Issuer, TFC holders approved the restructuring of the facility by extending repayment period from 5 years to 9 years and by reducing mark-up rate to 6% for 24 months from restructuring date and 8% for next 24 months and thereafter fixing the mark-up rate at 1 month KIBOR. Further, half of the accrued mark-up is to be paid in cash and the balance is being deferred.

Debt security can be classified as performing once all arrears (principal & mark-up) have been received in cash and debt security is regular on all payments for the next two instalments. The above exposure had been classified as performing by the MUFAP as arrears due on the date of restructuring were rescheduled and the investee company has settled the next two instalments.

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non performing exposure. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made.

5.1.4 Worldcall Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million equivalent to 100% of the amount outstanding has been made.

Issuer repaid part of principle payment amounting to Rs. 7.576 million, after incorporating the same the remaining provision left was amounting to Rs 40.191 million.

5.1.5 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.

5.1.6 The Term Finance Certificates and Sukuk bonds held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage / pledge of fixed assets of the issuer.

5.1.7 Instalments amounting to Rs. 1.998 million became due for payment of the following TFCs / sukus.

	(Unaudited) September 30, 2019	(Audited) June 30, 2019
	(Rupees in '000)	
Agritech Limited	1,998	1,998
	1,998	1,998

5.2 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at September 30, 2019 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates - Listed				
Dawood Hercules Chemical Limited	90,000	3 Month KIBOR + 1%	16-Nov-17	16-Nov-22
Term Finance Certificates and Sukuk bonds - Unlisted				
Bank of Punjab	99,900	6 Month KIBOR + 1%	23-Feb-16	23-Feb-26
JS Bank Limited	4,995	6 Month KIBOR + 1.40%	14-Dec-16	16-Dec-23
JS Bank Limited	99,940	6 Month KIBOR + 1.40%	29-Dec-17	29-Dec-24
Jahangir Siddiqui & Company Limited	5,000	6 Month KIBOR + 1.40%	06-Mar-18	06-Mar-23
Jahangir Siddiqui & Company Limited	3,750	6 Month KIBOR + 1.40%	18-Jul-17	18-Jul-22
TPL Corporation Limited	33,333	3 Month KIBOR + 1.50%	19-Dec-17	19-Dec-19
Hub Power Company Limited	100,000	3 Month KIBOR + 1.90%	22-Aug-19	22-Aug-23

5.3 Investment in Government Securities - Held-for-trading

Issue Date	Tenure	Face value As at July 1, 2019	Purchases during the year	Sales / Matured during the year	As at September 30, 2019	Carrying Value as at September 30, 2019	Market Value as at September 30, 2019	Unrealised Gain/ (Loss)	Market Value as a percentage of	
----- (Rupees in '000) -----										
									Total Investments	Net Assets
Treasury bill										
September 12, 2019	12 months	-	500,000	500,000	-	-	-	-	-	-
September 26, 2019	12 months	-	500,000	500,000	-	-	-	-	-	-
Total - as at September 30, 2019		-	1,000,000	1,000,000	-	-	-	-	-	-
Total - as at June 30, 2019		-	3,945,000	3,945,000	-	-	-	-	-	-
Pakistan Investment Bonds										
July 12, 2018	10 Years	-	75,000	75,000	-	-	-	-	-	-
September 19, 2019	10 Years	-	50,000	-	50,000	43,877	43,800	-	-	-
July 12, 2018	5 Years	-	371,900	371,900	-	-	-	-	-	-
September 19, 2019	5 Years	-	200,000	200,000	-	-	-	-	-	-
July 12, 2018	3 Years	-	575,000	575,000	-	-	-	-	-	-
September 19, 2019	3 Years	-	150,000	150,000	-	-	-	-	-	-
Total - as at September 30, 2019		-	1,421,900	1,371,900	50,000	43,877	43,800	-	-	-
Total - as at June 30, 2019		-	1,561,145	1,561,145	-	-	-	-	-	-
Grand total- as at September 30, 2019		-	2,421,900	2,371,900	50,000	43,877	43,800	-	-	-
As at June 30, 2019		-	5,506,145	5,506,145	-	-	-	-	-	-

6 PAYABLE TO MANAGEMENT COMPANY

(Unaudited)
September 30,
2019
(Audited)
June 30, 2019
(Rupees in '000)

Management fee	6.1	1,647	1,660
Sindh Sales Tax	6.2	214	216
Sales load payable		1,361	558
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	518	124
Selling and marketing expenses payable	6.4	2,940	496
		<u>6,680</u>	<u>3,054</u>

6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 10% of the gross earning of the scheme, calculated on a daily basis subject to a cap of 1.5% and a floor of 1% of the average daily net asset of the scheme. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 0.6% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 1.3080% of the average daily net assets of the fund. The fee is payable monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.3% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.1% of the average daily net assets of the fund.

6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "selling and marketing expenses" to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 1% of the average daily net assets of the Fund effective from July 8, 2019 till August 31, 2019.

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.075% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.075% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

9 ACCRUED EXPENSES AND OTHER LIABILITIES

(Unaudited)
September 30,
2019

(Audited)
June 30, 2019

(Rupees in '000)

Auditors' remuneration		392	295
Brokerage payable		172	-
Federal Excise Duty payable	9.1	27,578	27,578
Capital gain tax payable		229	293
Withholding tax payable		86	9,624
Provision for Sindh Workers' Welfare Fund	9.2	25,582	24,527
Dividend payable		4,434	29,735
Other payables		353	326
		58,826	92,378

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 27.57 million (June 30, 2019: Rs.27.57 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2019 would have been higher by Rs. 1.932 (June 30, 2019: Rs. 1.937) per unit.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The fund, as a matter of abundant caution, recognised provision of SWWF amounting 25.582 million for the quarter ended September 30, 2019 in the condensed interim financial information, had the provision not been made, net asset value per unit at September 30, 2019 would have been higher by Rs. 1.792 per unit (June 30, 2019 Rs 1.723 per unit)

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no contingencies or commitments outstanding as at September 30, 2019 and June 30, 2019.

11 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

12 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.63% (0.10% representing Government Levies, and SECP Fee).

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of the connected persons and persons having 10% or more beneficial ownership of the units of the Fund. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively. Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

		Three Months ended	
		September 30,	
		2019	2018
		----- (Rupees in '000) -----	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Issuance of Nil units (2018: 55,226 units)	-	5,842
	Redemption of Nil units (2018: 1,211,327 units)	-	129,374
	Dividend paid	-	6,359
	Refund of capital	-	2,917
	Management fee	3,898	8,558
	Allocation of expenses related to registrar services, accounting, operation and valuation services	851	586
	Selling and marketing expenses	2,940	-
	Habib Bank Limited - Sponsor		
	Issuance of Nil units (2018: 493,384 units)	-	52,195
	Redemption of Nil units (2018: 3,365,558 units)	-	360,000
	Profit on bank deposits earned	1,175	188
	Profit received on bank deposits	698	188
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	328	805

		Three Months ended September 30,	
		2019	2018
		----- (Rupees in '000) -----	
Directors and Executives of the Management Company and their relatives			
Executives and their relatives			
	Issuance of Nil units (2018: 3,220 units)	-	341
	Redemption of 5,165 units (2018: Nil units)	551	-
	Dividend paid	-	389
MCB FSL Trustee - HBL Financial Planning Fund Strategic Allocation Plan - Associate			
	Issuance of Nil units (2018: 30,098 units)	-	3,184
	Dividend paid	-	3,184
	Refund of capital	-	3,184
CDC Trustee - HBL Government Securities Fund Sale of The Bank of Punjab- TFC			
		50,201	-
CDC Trustee - HBL Cash Fund			
	Sale of The Hub Power Company Limited- SUKUK	136,320	-
	Sale of The Hub Power Company Limited- SUKUK	50,702	-
		September 30,	June 30,
		2019	2019
		(Rupees in '000)	
14.2	Balances outstanding as at period end		
HBL Asset Management Limited - Management Company			
	Investment held by the management company in the fund: Nil units (June 30, 2019 : Nil units)	-	-
	Management fee	1,647	1,660
	Sindh Sales Tax	214	216
	Sales Load payable	1,361	558
	Allocation of expenses related to registrar services, accounting, operation and valuation services	518	124
	Selling and marketing expenses payable	2,940	496
Habib Bank Limited - Sponsor			
	Investment held by HBL in the Fund: 2,000,000 units (June 30, 2019: 2,000,000 units)	219,492	212,227
	Bank balances with HBL	50	20,735
The First Microfinance Bank - Associate			
	Bank balances	10	10
MCB FSL Trustee - HBL Financial Planning Fund Strategic Allocation Plan - Associate			
	Investment held in the Fund: 745,068 units (June 30, 2019: 748,068 units)	81,768	79,062

	September 30, 2019	June 30, 2019
	(Rupees in '000)	
MCB FSL Trustee - HBL Financial Planning Fund		
Active Allocation Plan - Associate		
Investment held in the Fund: 77,566 units (June 30, 2019: 77,566 units)	8,513	8,231
Directors and Executives of the Management Company and their relatives		
Executives and their relatives		
Investment held in the Fund: 79,488 units (2019: 84,654 units)	8,724	8,983
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	95	175
Sindh Sales tax	12	23
Security deposit	100	100
CDC charges payable	4	-

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date.

The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	September 30, 2019							
		Financial assets at Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Fair Value			Total
						Level 1	Level 2	Level 3	
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Term Finance Certificates and Sukuk bonds - Listed		63,507	-	-	63,507	-	63,507	-	63,507
- Term Finance Certificates and Sukuk bonds - Unlisted		608,858	-	-	608,858	-	608,858	-	608,858
- Investment in ready / future - spread transaction		-	-	-	-	-	-	-	-
		<u>672,365</u>	<u>-</u>	<u>-</u>	<u>672,365</u>	<u>-</u>	<u>672,365</u>	<u>-</u>	<u>672,365</u>
Financial assets not measured at fair value									
Bank balances	15.1	-	837,645	-	837,645				
Investments									
- Placements	15.1	-	19,176	-	19,176				
Accrued mark-up		-	28,594	-	28,594				
Advances, deposits and other receivables		-	5,385	-	5,385				
		<u>-</u>	<u>890,800</u>	<u>-</u>	<u>890,800</u>				
Financial liabilities not measured at fair value									
Payable to Management Company	15.1	-	-	6,680	6,680				
Payable to Trustee		-	-	111	111				
Accrued expenses and other liabilities		-	-	5,351	5,351				
		<u>-</u>	<u>-</u>	<u>12,142</u>	<u>12,142</u>				
----- (Rupees in '000) -----									
June 30, 2019									
		Fair value through profit or loss	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Term Finance Certificates and Sukuk bonds		84,325	-	-	84,325	-	84,325	-	84,325
- Investment in ready / future - spread transaction		-	-	-	-	-	-	-	-
		<u>84,325</u>	<u>-</u>	<u>-</u>	<u>84,325</u>	<u>-</u>	<u>84,325</u>	<u>-</u>	<u>84,325</u>
Financial assets not measured at fair value									
Bank balances		-	552,761	-	552,761				
Accrued mark-up		-	16,285	-	16,285				
Deposits and other receivables		-	5,385	-	5,385				
		<u>-</u>	<u>574,431</u>	<u>-</u>	<u>574,431</u>				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	3,054	3,054				
Payable to Trustee		-	-	198	198				
Accrued expenses and other liabilities		-	-	30,356	30,356				
		<u>-</u>	<u>-</u>	<u>33,608</u>	<u>33,608</u>				

15.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

16 DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to make disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2017, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
------(Rupees in '000)-----						
New Allied Electronics Industries (Private) Limited	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	Sukuk	44,149	44,149	-	-	-
Agritech Limited	TFC	9,991	9,991	-	-	-
Saudi Pak Leasing Company Limited	TFC	5,550	5,550	-	-	-
Worldcall Telecom Limited	TFC	43,130	43,130	-	-	-

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2019.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Government Securities Fund

FUND INFORMATION

Name of Fund	HBL Government Securities Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Zarai Taraqiati Bank Limited United Bank Limited Soneri Bank Limited Sindh Bank Limited Dubai Islamic Bank Faysal Bank Limited

HBL Government Securities Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
As At September 30, 2019

	Un-audited September 30, 2019	Audited June 30, 2019
Note	----- (Rupees in '000) -----	
ASSETS		
Bank balances	4 1,953,118	2,013,539
Investments	5 1,456,984	1,127,529
Receivable against Marginal Trading System	-	-
Profit receivable	22,191	23,146
Deposits, prepayments and other receivables	2,223	1,718
Total assets	<u>3,434,516</u>	<u>3,165,932</u>
LIABILITIES		
Payable to Management Company	6 12,696	10,329
Payable to the Trustee	7 159	224
Payable to Securities and Exchange Commission of Pakistan	8 122	670
Payable against redemption of units	247	20,774
Accrued expenses and other liabilities	9 625,268	1,017,653
Total liabilities	<u>638,492</u>	<u>1,049,650</u>
NET ASSETS	<u>2,796,024</u>	<u>2,116,282</u>
Unit Holders' Funds (As per statement attached)	<u>2,796,024</u>	<u>2,116,282</u>
CONTINGENCIES AND COMMITMENTS		
	10	
	----- (Number of Units) -----	
Number of units in issue	<u>25,495,057</u>	<u>19,994,755</u>
	----- (Rupees) -----	
Net asset value per unit	<u>109.6692</u>	<u>105.8419</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Income Statement And Comprehensive Income (Unaudited)
For The Three Months Ended September 30, 2019

	Note	Three Months ended September 30,	
		2019	2018
		----- (Rupees in 000's) -----	
INCOME			
Capital gain on sale of investments - net		19,322	872
Income from Government Securities		32,660	400
Income from term finance certificates and sukuk bonds		4,865	-
Income from Money Market Placements		677	403
Income from Margin Trading System		-	15
Profit on bank deposits		45,237	9,440
Unrealised (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss'-net		(430)	-
Total income		102,331	11,130
EXPENSES			
Remuneration of the Management Company		5,503	1,312
Sindh sales tax on remuneration of the Management Company		716	171
Remuneration of the Trustee		447	201
Annual fee to the Securities and Exchange Commission of Pakistan		122	89
Fund operations, accounting and related costs		1,574	118
Selling & Marketing expense		4,540	-
Auditors' remuneration		112	112
Fees and subscription		76	111
Securities transaction cost		806	204
Bank charges		151	15
Printing charges		-	-
Total expenses		14,047	2,333
Net income from operating activities		88,284	8,797
Provision for Sindh Workers' Welfare Fund	9.1	(1,766)	(176)
Net income for the quarter before taxation		86,518	8,621
Taxation	11	-	-
Net income for the quarter after taxation		86,518	8,621
Allocation of net income for the quarter:			
Income already paid on redemption of units		11,994	2,572
Accounting income available for distribution:			
-Relating to capital gains		17,240	587
-Excluding capital gains		57,284	5,462
		74,524	6,049
Net income for the quarter after taxation		86,518	8,621
Other comprehensive income		-	-
Total comprehensive income for the quarter		86,518	8,621
Earnings per unit	12		

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For The Three Months Ended September 30, 2019

Note	2019			2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the quarter	2,041,657	74,625	2,116,282	2,031,780	84,502	2,116,282
Issuance of 14,689,147 units (2018: 3,725,565 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	1,554,727	-	1,554,727	376,624	-	376,624
- Element of income	30,672	-	30,672	19,924	-	19,924
Total proceeds on issuance of units	1,585,399	-	1,585,399	396,548	-	396,548
Redemption of 9,188,845 units (2018: 2,364,589 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	(972,565)	-	(972,565)	239,041	-	239,041
- Amount paid out of element of income	(7,616)	-	(7,616)	-	(2,572)	(2,572)
- Income already paid on redemption of units	-	(11,994)	(11,994)	(489,694)	-	(489,694)
Total payments on redemption of units	(980,181)	(11,994)	(992,175)	(250,653)	(2,572)	(253,225)
Total comprehensive income for the quarter	-	86,518	86,518	-	8,621	8,621
Refund of Capital	-	-	-	(196)	-	(196)
Distribution during the quarter	-	-	-	-	(13,295)	(13,295)
Net income for the quarter less distribution	-	86,518	86,518	(196)	(4,674)	(4,870)
Net assets at end of the quarter	2,646,875	149,149	2,796,024	2,177,479	77,256	2,254,735
Undistributed income brought forward						
- Realised		74,625			84,502	
- Unrealised		-			-	
		<u>74,625</u>			<u>84,502</u>	
Accounting income available for distribution						
- Relating to capital gains		17,240			587	
- Excluding capital gains		57,284			5,462	
		<u>74,524</u>			<u>6,049</u>	
Distribution during the quarter		-			(13,295)	
Undistributed income carried forward		<u>149,149</u>			<u>77,256</u>	
Undistributed income carried forward						
- Realised		149,579			77,256	
- Unrealised		(430)			-	
		<u>149,149</u>			<u>77,256</u>	
					(Rupees)	
Net assets value per unit at beginning of the quarter			<u>105.8419</u>			<u>105.8419</u>
Net assets value per unit at end of the quarter			<u>109.6692</u>			<u>107.6081</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
For The Three Months Ended September 30, 2019

	Three Months ended	
	September 30,	
Note	2019	2018
	(Rupees in 000's)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	86,518	8,621
Adjustments for:		
Capital (gain) on sale of investments - net	(19,322)	(872)
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'-net	430	-
	(18,892)	(872)
	67,626	7,749
(Increase) / Decrease in assets		
Investments - net	(310,563)	(54,275)
Receivable against Marginal Trading System	-	(9,851)
Profit receivable	955	1,572
Deposits, prepayments and other receivables	(505)	60
	(310,113)	(62,494)
(Decrease) in liabilities		
Payable to Management Company	2,367	235
Payable to the Trustee	(65)	52
Payable to Securities and Exchange Commission of Pakistan	(548)	(425)
Accrued expenses and other liabilities	(392,385)	582
	(390,631)	444
Net cash used in operating activities	(633,118)	(54,301)
Cash flows from Financing Activities		
Receipts from issue of units	1,585,399	396,548
Payment against redemption of units	(1,012,702)	(242,186)
Distributions paid	-	(13,491)
Net cash generated financing activities	572,697	140,871
Net (decrease) / increase in cash and cash equivalents	(60,421)	86,570
Cash and cash equivalents at the beginning of the period	2,013,539	332,785
Cash and cash equivalents at the end of the period	1,953,118	419,355
CASH AND CASH EQUIVALENTS		
Bank balances	1,953,118	419,355
Term deposit receipt	-	-
	1,953,118	419,355

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For The Three Months Ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Government Securities Fund (formerly PICIC income Fund) ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC-II/DD/PICICIF/199 dated March 10, 2010 and the Trust Deed was executed on March 17, 2010.

SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. After the merger, trust deed was revised on February 17, 2017.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an open-ended sovereign income scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio.

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company and a stability rating of 'A+(f)' to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2019.

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

4	BANK BALANCES	<i>Note</i>	September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
	In savings accounts	4.1	1,953,116	2,009,536
	In current account		2	4,003
			<u>1,953,118</u>	<u>2,013,539</u>

4.1 Profit rates on these savings accounts range between 8.0% to 14.4% per annum (June 30, 2019: 8.00% to 13.60% per annum).

5	INVESTMENTS	<i>Note</i>	September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
	Financial assets at 'fair value through profit or loss'			
	Investments in Government securities:			
	Market Treasury Bills	5.1	1,220,925	984,996
	Pakistan Investment Bonds	5.2	43,800	89
			<u>1,264,725</u>	<u>985,085</u>
	Term Finance Certificate & Sukuk Bonds	5.3	192,259	43,120
			<u>1,456,984</u>	<u>1,028,205</u>
	Loans and receivables - at amortized cost	5.4	-	99,324
			<u>1,456,984</u>	<u>1,127,529</u>

5.1 Investment in Government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face value				Balance as at September 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at September 30, 2019	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
Market Treasury Bills										
April 25, 2019	3 Month	-	4,000,000	4,000,000	-	-	-	-	-	-
May 23, 2019	3 Month	1,000,000	2,150,000	3,150,000	-	-	-	-	-	-
July 18, 2019	3 Month	-	15,145,000	13,920,000	1,225,000	1,220,888	1,220,925	37	43.67%	83.80%
August 29, 2019	12 Month	-	3,000,000	3,000,000	-	-	-	-	-	-
September 12, 2019	12 Month	-	7,000,000	7,000,000	-	-	-	-	-	-
September 26, 2019	12 Month	-	5,000,000	5,000,000	-	-	-	-	-	-
Total - As at September 30, 2019		1,000,000	36,295,000	36,070,000	1,225,000	1,220,888	1,220,925	37	43.67%	83.80%
Total - As at June 30, 2019		-	50,704,400	49,704,400	1,000,000	984,910	984,996	86	46.54%	87.36%

5.1.1 T-Bills with face value aggregating to Rs. Nil (June 30, 2019: Rs. Nil) have been pledged with the National Clearing Company of Pakistan (NCCPL) as collateral against trading facility in Margin Trading System (MTS).

5.1.2 The effective yield on market treasury bills is 13.5375% (June 30, 2019: 12.7%).

5.2 Pakistan Investment Bonds

July 12, 2018	3 Years	100	1,675,000	1,675,100	-	-	-	-	-	-
September 19, 2019	3 Years	-	200,000	200,000	-	-	-	-	-	-
July 12, 2018	5 Years	-	2,056,400	2,056,400	-	-	-	-	-	-
September 19, 2019	5 Years	-	550,000	550,000	-	-	-	-	-	-
July 12, 2018	10 Years	-	75,000	75,000	-	-	-	-	-	-
September 19, 2019	10 Years	-	50,000	-	50,000	43,877	43,800	(77)	1.57%	3.01%
July 25, 2019	10 Years F	-	1,000,000	1,000,000	-	-	-	-	-	-
Total - As at September 30, 2019		100	5,606,400	5,556,500	50,000	43,877	43,800	(77)	1.57%	3.01%
Total - As at June 30, 2019		-	6,939,500	6,939,400	100	91	89	2	0.004%	0.008%

5.2.1 The effective yield on Pakistan Investment bonds range from 12.18% (June 30, 2019: 11.9%).

5.3 GOP Ijara Sukuk Certificates:

Issue details	Tenor	Face value				Balance as at September 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at September 30, 2019	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
GOP Ijarah 19	3 Years	-	410,000	410,000	-	-	-	-	-	-
Total - As at September 30, 2019		-	410,000	410,000	-	-	-	-	-	-
Total - As at June 30, 2019		-	665,200	665,200	-	-	-	-	-	-

5.3.1 This carries semi annual coupon at the rate of Nil per annum (June 30, 2019: Nil)

5.4 Term Finance Certificate and Sukuk Bonds:

Issue details	Tenor	Units				Balance as at September 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at September 30, 2019	Carrying value	Market value	Appreciation / (diminution)		
Term finance certificate - unlisted										
Askari Bank Limited	10 Years	7,000	-	-	7,000	34,143	34,143	-	1.22%	2.34%
The Bank of Punjab	10 Years	-	500	-	500	49,451	49,171	(280)	1.76%	3.37%
Sukuk bonds - unlisted										
The Hub Power Company Limited	3 Years	-	1,000	-	1,000	100,000	100,000	-	3.58%	6.86%
Sukuk bonds - listed										
Dawood Hercules Corporation Limited*	5 Years	100	-	-	100	8,970	8,945	(25)	0.32%	0.61%
Total - As at September 30, 2019		7,100	1,500	-	8,600	192,564	192,259	(305)	6.88%	13.20%
Total - As at June 30, 2019		-	-	-	-	49,990	49,136	(854)	2.32%	5.36%

* Related party (associated company) due to common directorship

5.4.1 These term finance certificates and sukuk bonds carry mark-up at the rate ranging from 14.06% to 15.10% per annum (June 30, 2019: 12.30% to 12.67%).

5.4.2 Significant terms and conditions of Term Finance Certificates and Sukuk Bonds as at September 30, 2019 are as follows

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity Date
Term finance certificate - unlisted				
Askari Bank Limited	4,990	6 months KIBOR + 1.20%	30-Sep-14	30-Sep-24
The Bank of Punjab	99,900	6 months KIBOR + 1.00%	23-Dec-16	23-Dec-26
Sukuk bonds - unlisted				
The Hub Power Company Limited	100,000	3 months KIBOR + 1.90%	22-Aug-19	22-Aug-23
Sukuk bonds - listed				
Dawood Hercules Corporation Limited	90,000	3 months KIBOR + 1.00%	16-Nov-17	16-Nov-22

5.4	Loans and receivables - at amortized cost	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
	Commercial Paper	5.4.1	-	99,324
			-	99,324

5.4.1 This commercial paper carries a profit rate of nil (June 30, 2019: 12.11%) per annum.

6	PAYABLE TO THE MANAGEMENT COMPANY	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
	Management fee	6.1	2,704	2,233
	Sindh Sales Tax on Management Company's remuneration	6.2	352	290
	Sales load payable		4,023	6,684
	Fund operations, accounting and related costs	6.3	1,077	179
	Selling & Marketing expense payable	6.4	4,540	943
			12,696	10,329

6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 12.5% of the gross earning of the scheme, calculated on a daily basis subject to a cap of 1% and a floor of 1.25% of the average daily net asset of the scheme. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 0.45% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 1.25% of the average daily net assets of the fund. The fee is payable monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2018: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.3% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.2220% of the average daily net assets of the fund.

6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 1% of the average daily net assets of the Fund effective from July 8, 2019 till August 31, 2019.

7 PAYABLE TO TRUSTEE

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

"Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.075% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Workers' Welfare Fund	9.1	-	-
Provision for Sindh Workers' Welfare Fund	9.1	9,413	5,964
Provision for Federal Excise Duty and additional sales tax on management fee	9.2	15,531	15,531
Withholding tax		1,147	10
Auditors' remuneration		109	312
Printing charges		181	216
Payable against purchase of Investment		597,965	-
Zakat Payable		232	142
Dividend Payable		52	-
Others		638	9
		625,268	22,184
9.1 Provision for Sindh workers' welfare fund			

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 9.413 million for the quarter ended September 30, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 0.37 per unit (June 30, 2019: Rs. 0.3825 per unit).

9.2 Provision for federal excise duty and additional sales tax

The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal which was filed by tax authorities against the order passed by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2019 would have been higher by Rs. 0.6092 per unit (June 30, 2019: Rs. 0.7767 per unit).

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2018.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2019 (June 2019: Nil).

11 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the period, as reduced by capital gains, is distributed amongst the certificate holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year as reduced by capital gains, to its certificate holders.

12 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of management determination of cumulative weighted average number of outstanding units is not practicable.

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total expense ratio (TER) 0.65%. (0.11% representing Government Levies, WWF and SECP Fee).

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Habib Asset Management Limited being the Management Company, Habib Bank Limited being the holding company of the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and term determined in accordance with the market rates.

Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them other than those disclosed elsewhere in these financial statements, as at year end, are as follows:

Transactions during the period	(Unaudited)	(Unaudited)
	Three months ended	
	September 30,	
	2019	2018
	(Rupees in '000)	
Remuneration of Management Company	5,503	1,312
Sindh Sales Tax on remuneration of Management Company	716	171
Reimbursement of fund operations, accounting and related costs	1,574	118
Sales load Paid	6,704	-
Issue of Nil units (2018: 269,891) units	-	28,702
Redemption of Nil units (2018: 1,186,764 Units)	-	127,048
Dividend Income	-	4,355

	(Unaudited) Three months ended September 30, 2019	(Unaudited) 2018
	(Rupees in '000)	
Habib Bank Limited Sponsor		
Bank charges paid	122	6
Profit on bank deposits	1,671	39
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	447	201
CDS charges	34	-
Executives of the Management Company		
Issue of 33,833 units (2018: Nil units)	3,620	-
Redemption of 13,072 units (2018: Nil units)	1,401	-
CDC Trustee - HBL Income Fund		
Purchase of Bank of Punjab - TFC	50,201	-
HBL Financial Planning Fund - Strategic Allocation Plan - Fund under common management		
Issue of 345,994 units (2018: Nil units)	36,967	-
HBL Financial Planning Fund - Special Income Plan - Fund under common management		
Issue of 1,220,437 units (2018: Nil units)	133,000	-
	September 30, 2019	June 30, 2019
	(Un-Audited)	(Audited)
	(Rupees in '000)	
Balance outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	2,704	2,233
Sindh Sales Tax on remuneration of Management Company	352	290
Sales Load Payable	4,023	6,684
Allocation of expenses related to registrar services accounting, operation and valuation services	1,077	179
Selling & Marketing expense payable	4,540	943
Investment held in the fund: Nil units (June 30, 2019: Nil units)	-	-
Habib Bank Limited Sponsor		
Bank balances	1,164,056	144,445
Profit Receivable	1,042	343
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	159	221
CDC Charges Payable	-	3
Security Deposit	100	100
Director and Executives of the Management Company		
Investment held 40,643 (June 30, 2019: 23,111) units	4,457	2,446

	(Unaudited) Three months ended September 30, 2019	(Unaudited) 2018
	(Rupees in '000)	
HBL Financial Planning Fund - Strategic Allocation Plan		
- Fund under common management		
658,073 units held (June 30, 2019: 312,079) units	72,170	33,031
HBL Financial Planning Fund - Special Income Plan		
- Fund under common management		
1,220,437 units held (June 30, 2019: Nil) units	133,844	-

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 29, 2019 by the Board of Directors of the Management Company.

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

18 GENERAL

Figures have been rounded off to the nearest thousand Rupees..

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Money Market Fund

FUND INFORMATION

Name of Fund	HBL Money Market Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited United Bank Limited
Fund Rating	AA(f) (JCR-VIS)

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2019

	Note	September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Bank balances	4	7,922,137	5,485,942
Investments	5	420,964	1,423,742
Accrued mark-up		84,387	55,136
Advance , Deposit and prepayments		344	117
Total assets		8,427,832	6,964,937
Liabilities			
Payable to Management Company	6	14,560	5,843
Payable to Trustee	7	1,005	1,038
Payable to Securities and Exchange Commission of Pakistan	8	386	5,486
Payable againts purchase of investment		-	492,454
Accrued expenses and other liabilities	9	92,077	207,378
Total liabilities		108,028	712,199
Net assets		8,319,804	6,252,738
Unit holders' fund (as per statement attached)		8,319,804	6,252,738
Cotingencies and commitments	10.	-	-
		(Number of units)	
Number of units in issue		78,966,963	61,169,427
		(Rupees)	
Net assets value per unit		105.3580	102.2200

The annexed notes 1 to 17 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)
For the three months ended September 30, 2019

	Note	Three months ended September 30, 2019 2018 (Rupees in '000)	
Income			
Mark-up / return on investments		76,972	87,837
Mark-up on deposits with banks & TDRs		185,788	76,891
(Loss) on sale of investments - net		(821)	(471)
		261,939	164,257
Expenses			
Remuneration of Management Company		14,667	18,935
Remuneration of Trustee		1,415	1,994
Annual fee of Securities and Exchange Commission of Pakistan		386	1,576
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	3,046	2,101
Selling and Marketing expenses		4,647	-
Auditors' remuneration		153	150
Fees & Subscription		76	63
Settlement and bank charges		107	146
Securities transaction cost		108	9
Legal Charges		-	5
		24,605	24,979
		237,334	139,278
Provision for Workers' Welfare Fund	9.2	(4,747)	(2,786)
Net income for the period before taxation		232,587	136,492
Taxation	12	-	-
Net income for the period after taxation		232,587	136,492
Allocation of net income for the period:			
Income already paid on redemption of units		18,724	11,881
Accounting income available for distribution:			
-Relating to capital gains		-	-
-Excluding capital gains		213,863	124,611
		213,863	124,611
Net income / (loss) for the period after taxation		232,587	136,492
-Other comprehensive income		-	-
Total comprehensive income for the period		232,587	136,492
Earning Per Unit	13		

The annexed notes 1 to 17 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Statement of Movement in Unit Holders' Fund
For the period ended September 30, 2019

	Three months ended September 30,					
	2019			2018		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	6,192,950	59,788	6,252,738	7,033,537	215,965	7,249,502
Issuance of 31,696,692 units (2018: 37,657,194 units)						
- Capital Value (at net asset value per unit at the beginning of the period)	3,240,036	-	3,240,036	3,842,423	-	3,842,423
- Element of income	39,814	-	39,814	19,883	-	19,883
Total proceeds on issuance of units	3,279,850		3,279,850	3,862,306		3,862,306
Redemption of 13,899,156 units (2018: 21,128,008 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,420,772)	-	(1,420,772)	(2,155,836)	-	(2,155,836)
- Amount paid out of element of income						
Relating to net income for the period after taxation	(5,875)	(18,724)	(24,599)	(3,329)	(11,881)	(15,210)
Total payment on redemption of units	(1,426,647)	(18,724)	(1,445,371)	(2,159,165)	(11,881)	(2,171,046)
Total comprehensive income for the period	-	232,587	232,587	-	136,492	136,492
Refund of Capital	-	-	-	(181,739)	-	(181,739)
Distribution during the period	-	-	-	-	(166,578)	(166,578)
Net income for the period less distribution	-	232,587	232,587	(181,739)	(30,086)	(211,825)
Net assets at the end of the period	8,046,153	273,651	8,319,804	8,554,939	173,998	8,728,937
Undistributed income brought forward						
- Realised		59,788			215,965	
- Unrealised		-			-	
		59,788			215,965	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		213,863			124,611	
		213,863			124,611	
Distribution during the period		-			(166,578)	
Undistributed income carried forward		273,651			173,998	
Undistributed income carried forward						
- Realised		273,651			173,998	
- Unrealised		-			-	
		273,651			173,998	
Net assets value per unit at beginning of the period			102.2200			107.1869
Net assets value per unit at end of the period			105.3580			103.7142

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2019.

	Three months ended September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	232,587	136,492
(Increase) / decrease in assets		
Investments - net	1,002,778	-
Accrued mark-up	(29,251)	(23,273)
Advances, deposits and other receivables	(227)	(219)
	973,300	(23,492)
Increase / (decrease) in liabilities		
Payable to HBL Asset Management Limited - Management Company	8,717	1,894
Payable to Central Depository Company of Pakistan Limited - Trustee	(33)	137
Payable to Securities and Exchange Commission of Pakistan	(5,100)	(2,488)
Payable against purchase of investment	(492,454)	-
Accrued expenses and other liabilities	(115,301)	2,863
	(604,171)	2,406
Net cash generated from operating activities	601,716	115,406
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	3,279,850	3,862,306
Payment against redemption of units	(1,445,371)	(2,171,046)
Cash dividend paid	-	(348,317)
Net cash generated from financing activities	1,834,479	1,342,943
Net increase in cash and cash equivalents	2,436,195	1,458,349
Cash and cash equivalents at beginning of the period	5,485,942	7,298,928
Cash and cash equivalents at end of the period	7,922,137	8,757,277

The annexed notes 1 to 17 form an integral part of these financial statements.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2019.

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market Fund was established under a Trust Deed, dated March 18, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund has been authorised by the Securities and Exchange Commission of Pakistan (the SECP) as a unit trust scheme on April 9, 2010.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription 'at par from July 12, 2010 to July 14, 2010.

The principal activity of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2 +' positive outlook to the Management Company and the fund stability rating of AA(f) to the fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4	BANK BALANCES	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
	Balances with bank in:			
	- PLS saving deposit accounts under mark-up arrangements	4.1	6,947,137	2,185,942
	- Term deposit receipts		975,000	600,000
	- Call deposit receipts		-	2,700,000
			<u>7,922,137</u>	<u>5,485,942</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 6.00% - 14.40% per annum (June 30, 2019: 4.00% - 13.60% per annum).

5.	INVESTMENTS	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
	Financial asset at fair value through profit or loss			
	- Government Securities	5.1	-	492,498
	Financial assets at amortized cost			
	- Term deposit receipts	5.2	-	-
	- Commercial Paper	5.3	420,964	931,244
			<u>420,964</u>	<u>1,423,742</u>

5.1 Investment in Government Securities - At fair value through profit or loss

Issue Date	Tenor	Face value			Market Value as at September 30, 2019	Market value as a percentage of	
		As at July 1, 2019	Purchases during the period	Sales / Matured during the period		Total Investments	Net Assets
		----- (Rupees in '000) -----					
Treasury bills							
May 23, 2019	3 month	500,000	1,200,000	1,700,000	-	-	-
July 18, 2019	3 month	-	12,085,000	12,085,000	-	-	-
August 1, 2019	3 month	-	962,500	962,500	-	-	-
Total		500,000	14,247,500	14,747,500	-	-	-

5.2 At amortized cost - Trem Deposit Receipt

	As at July 01, 2019	Placements made during the period	Matured during the period	As at September 30, 2019	Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) -----						
Zarai Taraqiat Bank Ltd.	-	1,350,000	(1,350,000)	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	1,611,000	(1,611,000)	-	-	-
Saudi Pak Ind & Agri Investment Co. (Pvt) Ltd.	-	450,000	(450,000)	-	-	-
	-	3,411,000	(3,411,000)	-	-	-

5.3 This include Rs 450 million placed with K-Electric Limited, having average rate of return is 14.77% .

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30, 2019	June 30, 2019
		(Un-Audited)	(Audited)
----- (Rupees in '000) -----			
Management fee	6.1	6,765	4,714
Sindh Sales Tax	6.2	879	613
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	2,054	501
Sales load payable to management company		215	15
Selling and marketing expense	6.4	4,647	-
		14,560	5,843

6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 7.5% of the gross earning of the scheme, calculated on a daily basis subject to a cap of 1% and a floor of 0.75% of the average daily net asset of the scheme. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 0.45% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 0.9810% of the average daily net assets of the fund. The fee is payable monthly in arrears

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES

As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.2% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.1% of the average daily net assets of the fund.

6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.5% of the average daily net assets of the Fund effective from July 8, 2019 till August 31, 2019.

		September 30, 2019	June 30, 2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
7	PAYABLE TO TRUSTEE	<i>Note</i>	
	Trustee's remuneration	7.1	1,005

7.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

		September 30, 2019	June 30, 2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	<i>Note</i>	
	Annual fee	8.1	386

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.075% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

		September 30, 2019	June 30, 2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
9	ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	
	Auditors' remuneration	609	456
	Brokerage payable	165	-
	Withholding tax payable	60	30,995
	Dividend Payable	8,814	101,223
	Federal Excise Duty	9.1	41,211
	Capital gain tax payable	1,839	2,296
	Advance againts units to be issued	2,500	2,500
	Provision for Sindh Workers' Welfare Fund	9.2	29,123
	Other payable	7,756	4,321
		92,077	207,378

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 41.21 million (June 30, 2018 Rs. 41.211 million). Had the provision not been made, the Net Asset Value per unit as at September 30, 2019 would have been higher by Re. 0.522 (June 30, 2019: Re. 0.674) per unit.

9.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Woekers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is a loss for the three months ended September 30, 2019, therefore, no provision for SWWF has been made recognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2019 would have been higher by Re. 0.369 (June 30, 2019 Re. 0.398) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2019 and June 30, 2019.

11. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.38% (0.09% representing Government Levies, and SECP Fee).

12. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

13. EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company and directors of connected persons.

Transactions with connected persons are in the normal course of business, at contracted rates and terms

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

		Three months ended September 30,	
		2019	2018
		(Rupees in '000)	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Management fee	14,667	18,935
	Allocation of expenses related to registrar services, accounting, operation and valuation services	3,046	2,101
	Selling and Marketing expenses	4,647	
	Investment of 11,446 units (2018: 44,538 units)	1,195	5,930
	Dividend	-	4,545
	Habib Bank Limited - Sponsor		
	Bank charges paid	25	76
	Mark-up earned during the period	24,362	11,551
	Investment of Nil units (2018: 419,810 units)	-	75,957
	Dividend	-	42,836
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	1,415	1,994
	Directors, Executives and Key Management personnel		
	Investment of 43 Units (2018: 547 units)	5	58
	Redemption of 59 units (2018: 374 units)	6	38
	Dividend	-	2
	Fauji Fertilizer Company Limited - More than 10% Holding		
	Investment of 17,963,374 units (2018: 9,682,824 units)	1,860,000	992,000
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Redemption of 156,531 units (2018: Nil units)	16,277	-
		September 30,	June 30,
		2019	2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
14.2	Amounts outstanding as at period end		
	HBL Asset Management Limited - Management Company		
	Management Fee	6,765	4,714
	Sindh Sales Tax	879	613
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,054	501
	Sale load payable	215	15
	Selling and Marketing Payable	4,647	-
	Investment held in the Fund : 32,556 units (June 30, 2018: 21,109 units)	3,430	2,158
	Habib Bank Limited - Sponsor		
	Investment held in the Fund : 8,737,508 units (June 30, 2018: 8,737,508 units)	920,566	893,148
	Bank balances	1,631,522	503,798
	Sale load payable	7,234	3,833

	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 382,894 units (June 30, 2018: 539,425 units)	40,341	55,140
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,005	1,038
Sindh Sales tax	45	-
Directors, Executives and Key Management personnel		
Investment held in the Fund :13,171 units (June 30, 2018: 13,197 units)	1,388	1,349
Fauji Fertilizer Company Limited - More than 10% Holding		
Investment held in the Fund : 17,983,931 units	1,894,751	-

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	September 30, 2019						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)						
Financial assets measured at fair value							
Investments							
- Government Securities	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Bank balances	-	7,922,137	7,922,137				
Accrued mark-up	-	84,387	84,387				
Advances, deposits and other receivables	-	100	100				
	-	8,006,624	8,006,624				
Financial liabilities not measured at fair value							
Payable to Management Company	-	13,681	27,362				
Payable to Trustee	-	889	1,778				
Accrued expenses and other liabilities	-	11,030	22,060				
	-	25,600	51,200				

	June 30, 2019						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)						
Financial assets not measured at fair value							
Bank balances	-	1,423,742	1,423,742				
Investment - Government Securities	492,498	-	492,498				
Accrued mark-up	-	55,136	55,136				
Deposits	-	100	100				
	492,498	1,478,978	1,971,476				
Financial liabilities not measured at fair value							
Payable to Management Company	-	5,843	5,843				
Payable to Trustee	-	1,038	1,038				
Payable againsts purchase of investments	-	492,454	492,454				
Accrued expenses and other liabilities	-	4,777	4,777				
	-	504,112	504,112				

15.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice frequently. Therefore, their carrying amounts are reasonable approximation of fair value.

16. **DATE OF AUTHORISATION FOR ISSUE**

of the Management Company on October 29, 2019.

17. **GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Cash Fund

FUND INFORMATION

Name of Fund	HBL Cash Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited MCB Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited Faysal Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
Assets			
Bank balances	5	8,916,817	7,064,377
Investments	6	703,301	2,693,870
Accrued markup on bank balances and investments		96,437	104,600
Deposits and prepayments		1,120	3,384
Total assets		9,717,675	9,866,231
Liabilities			
Payable to Management Company	7	14,027	7,387
Payable to the Trustee	8	567	809
Payable to the Securities and Exchange Commission of Pakistan	9	466	8,887
Payable against purchase of investment		-	984,910
Accrued expenses and other liabilities	10	49,216	55,177
Dividend payable		-	138
Total liabilities		64,276	1,057,308
Net assets		9,653,399	8,808,923
Unit holders' fund (as per statement attached)		9,653,399	8,808,923
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		94,768,878	87,313,394
		(Rupees)	
Net assets value per unit		101.8625	100.8886

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Three Months ended	
		2019	2018
		------(Rupees in '000)-----	
Income			
Capital (loss) on sale of investments - net		(1,139)	(348)
Income from government securities		86,609	124,319
Income from money market placements		53,270	36,546
Profit on bank deposits		178,229	93,265
		316,969	253,782
Expenses			
Remuneration of the Management Company	7.1	8,439	19,121
Sindh Sales Tax on remuneration of Management Company	7.2	1,097	2,486
Remuneration of the Trustee	8	1,713	2,854
Annual fee to the Securities and Exchange Commission of Pakistan	9	466	2,448
Selling & marketing expense		5,707	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	3,724	3,264
Auditors remuneration		107	111
Fee & Subscription charges		75	74
Settlement and bank charges		432	325
Total operating expense		21,760	30,683
Net income for the period from operating activities		295,209	223,099
Workers' Welfare Fund	8.1	(5,904)	(4,462)
Net income for the period before taxation		289,305	218,637
Taxation	12	-	-
Net income for the period after taxation		289,305	218,637
Allocation Of Net Income For The Period			
Income already paid on redemption		7,645	29,641
Accounting income available for distribution			
-Realtg to capital gain		-	-
-Excuding capital gain		281,660	188,996
		281,660	188,996
Net income for the period after taxation		289,305	218,637
Other comprehensive income for the period		-	-
Total comprehensive income for the period		289,305	218,637

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Statement Of Movement In Unitholders' Fund
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the year	8,764,853	44,070	8,808,923	11,727,212	312,522	12,039,734
Issuance of 25,448,800 units (2018: 69,242,385 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,579,044	-	2,579,044	6,976,316	-	6,976,316
- Element of income	3,055	-	3,055	34,414	-	34,414
Total proceeds on issuance of units	2,582,099	-	2,582,099	7,010,730	-	7,010,730
Redemption of 17,993,361 units (2018: 59,767,210 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(1,815,320)	-	(1,815,320)	(6,021,672)	-	(6,021,672)
- Income already paid on redemption	-	(7,645)	(7,645)	-	(29,641)	(29,641)
- Element of income	(2,702.52)	-	(2,703)	(12,374)	-	(12,374)
Total payment on redemption of units	(1,818,023)	(7,645)	(1,825,668)	(6,034,046)	(29,641)	(6,063,687)
Total comprehensive income for the year	-	289,305	289,305	-	218,637	218,637
Refund of capital	(11,550)	-	(11,550)	(277,114)	-	(277,114)
Distribution during the year	-	(189,710)	(189,710)	-	(319,181)	(58,477)
Total comprehensive income for the year less distribution	(11,550)	99,595	88,045	(277,114)	(100,544)	(377,658)
Net assets at the end of the year	9,517,380	136,020	9,653,399	5,428,426	211,978	12,609,119
Undistributed income brought forward						
- Realised		44,070			312,522	
- Unrealised		-			-	
		44,070			312,522	
Element of income and capital gains included in prices of units issued less those in units redeemed		-			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		281,660			188,996	
		281,660			188,996	
Distribution during the year		-			-	
Undistributed income carried forward		325,730			501,518	
Undistributed income carried forward						
- Realised		325,730			501,518	
- Unrealised		-			-	
		325,730			501,518	
				(Rupees)		
Net assets value per unit at beginning of the year			100.8886			100.4888
Net assets value per unit at end of the year			101.8625			106.0021

The annexed notes 1 to 18 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Three Month ended September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	289,305	218,637
Adjustments		
Capital loss on sale of investments-net	1,139	348
Operating cash inflow before working capital changes	290,444	218,985
(Increase) / Decrease in assets		
Investments - net	1,989,430	475,416
Profit Receivable	8,163	(17,999)
Prepayments and advances	2,264	46
	1,999,857	457,463
(Decrease) in liabilities		
Payable to the Management Company	6,640	468
Payable to Trustee	(242)	(63)
Payable to Securities and Exchange Commission of Pakistan	(8,421)	(5,473)
Payable against purchase of investment	(984,910)	-
Accrued expenses and other liabilities	(5,961)	(7,733)
Dividend payable	(138)	-
	(993,032)	(12,801)
Net cash generated from / (used in) operating activities	1,297,269	663,647
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	2,582,099	7,010,730
Payments on redemption of units	(1,825,668)	(6,034,046)
Dividend paid	(201,260)	(596,295)
Net payments from issuance and redemptions of units	555,172	380,389
Net cash generated from financing activities	555,172	380,389
Net increase in cash and cash equivalents	1,852,441	1,044,036
Cash and cash equivalents at the beginning of the period	7,064,377	10,899,252
Cash and cash equivalents at the end of the period	8,916,817	11,943,287

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

FOR THREE MONTHS ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Cash Fund (the Fund) was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/NBFC-II/DD/PCF/844/2010 dated November 11, 2010 and the Trust Deed was executed on October 22, 2010.

Through an order dated August 31, 2016, SECP approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an open-ended money market scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as a money market scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' to the Management Company and a stability rating of AA(f) to the Fund as at December 28, 2018 and December 26, 2018, respectively.

Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
5 BANK BALANCES			
In savings accounts	5.1	5,691,817	5,464,377
Call deposit receipts	5.2	2,700,000	1,600,000
Term deposit receipts	5.3	525,000	-
		<u>8,916,817</u>	<u>7,064,377</u>

5.1 These accounts carry mark-up at rates ranging between 10.28% and 14.4% (2019: 8% and 13.6%) per annum

5.2 This carry return of 14.35% (June 30,2019: 13.3%) per annum.

5.3 This carry return of 14.50% (June 30,2019: Nil) per annum.

6	INVESTMENTS	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
Financial assets				
	At fair value through profit or loss	6.1	-	984,996
	At amortized cost	6.2	703,301	1,708,874
			703,301	2,693,870

6.1 Financial assets at fair value through profit or loss

Market treasury bills	6.1.1	-	984,996
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6.1.1 Financial assets at fair value through profit or loss: - Market treasury bills

Issue date	Tenor	As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at September 30, 2019	Balance as at September 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
May 23, 2019	3 months	-	43,500,000	43,500,000	-	-	-	-	-	-
June 10, 2019	3 months	-	5,700,000	5,700,000	-	-	-	-	-	-
July 18, 2019	3 months	-	183,620,000	183,620,000	-	-	-	-	-	-
August 16, 2019	3 months	-	9,120,000	9,120,000	-	-	-	-	-	-
July 18, 2019	6 months	-	500,000	500,000	-	-	-	-	-	-
Total - As at September 30, 2019			242,440,000	242,440,000						
Total - June 30, 2019					1,000,000	984,910	984,996	86		

6.2	Financial assets at amortized cost	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
	Commercial Paper	6.2.1	420,333	1,308,874
	Letter of Placement	6.2.2	-	400,000
	SUKUK	6.2.3	282,968	-
			703,301	1,708,874

6.2.1 These carry return of 15.23% (June 2019: 11.75% & 12.11%) per annum.

6.2.2 These carry return of NIL(June 2019: 11.35%) per annum.

6.2.3 Lised SUKUK's certificates-

Name of investee Company	As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at September 30, 2019	Market value as at June 30,2019 (Rs in '000)	Market value as percentage of	
						Total Investment	Net Assets
------(Rupees in '000)-----							
Hub Power Company Limited	-	56,600	-	56,600	282,968	40%	2.93%
		56,600		56,600	282,968	40%	2.93%
Cost of investment					282,933		

Significant terms & condition of SUKUK bonds outstanding as at September 30,2019 are as follows

Names of Security	Remaining Principal (Per Sukuk)	Mark-up rate (per annum)	Date of Issue	Maturity Date
Hub Power Company Limited	5,000	3 Months KIBOR + 1.00%	27-Feb-19	27-Nov-19

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
7 PAYABLE TO MANAGEMENT COMPANY			
Management fee	7.1	5,256	5,628
Sindh sales tax payable	7.2	683	732
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	2,381	889
Selling & marketing payable	7.4	5,707	-
sales load payable		-	138
		<u>14,027</u>	<u>7,387</u>

7.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 5% of the gross earning of the scheme, calculated on a daily basis subject to a cap of 1% and a floor of 0.5% of the average daily net asset of the scheme. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 0.15% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 0.6810% of the average daily net assets of the fund. The fee is payable monthly in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2019: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

7.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.2% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.1% of the average daily net assets of the fund.

7.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "selling and marketing expenses" to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.5% of the average daily net assets of the Fund effective from July 8, 2019 till August 31, 2019.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
8 PAYABLE TO THE TRUSTEE			
Trustee fee payable	7.1	<u>567</u>	<u>809</u>

8.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.065% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

		September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	SECP fee payable	8.1	466
			8,887

9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.075% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

		September 30, 2019 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	
	Provision for Sindh Workers' Welfare Fund	10.2	39,401
	Provision for Federal Excise Duty and additional sales tax on management fee	10.1	7,528
	Withholding tax payable		550
	Sales load - payable to related parties		13,711
	Auditors' remuneration		1,562
	Printing charges		104
	Brokerage payable		13
	Zakat Payable		7
			51
			50
			49,216
			55,177

10.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund as a matter of abundant caution, recognized provision for SWWF amounting to 39.401 million as at September 30, 2019 in this condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2019 would have been higher by Rs. 0.42 per unit (June 30, 2019: 0.38 per unit).

10.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2018 would have been higher by Rs. 0.09 per unit (June 30, 2019: 0.09 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2019 and June 30, 2019.

12 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. Furthermore, as per regulation no. 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of net accounting income other than capital gains/loss to unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13 EARNING PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

14.1	Transaction during the period	Note	Three Months ended	
			2019	2018
			September 30,	
			----- (Rupees in '000) -----	
Management Company				
	Remuneration of the Management Company		8,439	19,121
	Sindh Sales Tax on remuneration of the Management Company		1,097	2,486
	Allocation of expenses related to registrar services, accounting, operation and valuation services		3,724	3,264
	Selling & marketing expense		5,707	-
	Issue of 676,097 units (2018: 389,957 units)		68,554	39,319
	Redemption of 226,211 units (2018: 1,229,005 units)		23,000	125,175
	Dividend paid		1,424	4,405
Central Depository Company Of Pakistan Limited - Trustee				
	Remuneration for the period		1,713	2,854
	CDS connection charges		180	2
Habib Bank Limited - Sponsor				
	Profit on bank deposits		36,413	14,824
CDC Trustee HBL Income Fund				
	Purchase of The hub power Company Limited- SUKUK certificates		136,320	-
	Purchase of The hub power Company Limited- SUKUK certificates		50,702	-
CDC Trustee HBL Islamic Asset Allocation Fund				
	Purchase of The hub power Company Limited- SUKUK certificates		101,404	-
Directors and Executives of the Management Company				
	Issue of 11,029 units (2018: 72,442 units)		1,116	7,341
	Redemption of 8,012 units (2018: 22,760 units)		810	2,315
	Dividend paid		22	2,569
Financial Planning Fund - Active Allocation Plan - Associated Company				
	Issue of 65,846 units (2018: 64,140 units)		6,668	6,462
	Redemption of 227,051 units (2018: 757,460 units) units		23,039	76,742
	Dividend paid		868	6,462

	Three Months ended September 30, 2019 2018 ------(Rupees in '000)-----	
Financial Planning Fund - Conservative Allocation Plan - Associated Company		
Issue of Nil units (2018: 52,107 units)	-	5,250
Redemption of Nil units (2018: 61,194 units) units	-	6,224
Dividend paid	-	5,250
Financial Planning Fund - Strategic Allocation Plan - Associated Company		
Issue of 3,721 units (2018: 19,803 units)	375	1,995
Redemption of 15,673 units (2018: 244,023 units) units	1,585	24,910
Dividend paid	375	1,995
Financial Planning Fund - Special Income Plan - Associated Company		
Issue of 45,223 units (2018: Nil units)	4,600	-
Connected Person due to holding of more than 10% units		
Fauji Fertilizer Company Limited		
Issue of 6,787,275 units (2018: 17,451,573 units)	691,145	1,775,000
Redemption of 4,858,690 units (2018: 1,953,789 units) units	494,000	-
Dividend paid	40,892	-
Interloop Holdings Pvt Limited		
Issue of 188,190 units (2018: Nil units)	18,986	-
Redemption of NIL units (2018: Nil units) units	-	-
Dividend paid	22,337	-

14.2 Balances outstanding at the period / year end	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Management Company		
Outstanding 769,515 units (June 2019 : 319,629)	78,385	32,247
Remuneration of the Management Company	5,256	5,628
Sindh Sales Tax on remuneration of the Management Company	683	732
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,381	889
Selling & marketing payable	5,707	-
Sales load payable	1,562	138
Central Depository Company Of Pakistan Limited - Trustee		
Trustee fee payable	567	809
Security deposit held	100	100
Habib Bank Limited - Sponsor		
Bank balances	3,276,251	1,333,678
Profit Receivable	24,377	7,131
Sales load payable	-	56
Directors and Executive of the Management Company		
13,293 units held (June 2019: 305,217 units)	1,354	30,793
Financial Planning Fund - Active Allocation Plan - Associated Company		
340,964 units held (June 2019: 502,169 units)	34,731	50,663
Financial Planning Fund - Conservative Allocation Plan - Associated Company		
Nil units held (June 2019: Nil units)	-	-
Financial Planning Fund - Strategic Allocation Plan - Associated Company		
165,090 units held (June 2019: 177,042 units)	16,817	17,862
Financial Planning Fund - Special Income Plan - Associated Company		
45,223 units held (June 2019: Nil units)	4,607	-

	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Connected person due to holding of more than 10% units		
Fauji Fertilizer Company Limited		
22,152,902 units held (June 2019: 20,224,317 units)	2,256,550	2,040,402
Interloop Holdings (Private) Limited		
10,340,012 units held (June 2019: 10,151,822 units)	1,053,259	1,024,203

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As per the requirements of IFRS 7 (Financial Instrument: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurement using Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Fair value measurement inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Fair value measurement inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		September 30, 2019						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
	15.1							
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets not measured at fair value								
	15.2							
		-	8,916,817	8,916,817				
		-	96,437	96,437				
		-	703,301	703,301				
		-	100	100				
		-	9,716,555	9,716,555				
Financial liabilities not measured at fair value								
	15.2							
		-	14,027	14,027				
		-	567	567				
		-	1,686	1,686				
		-	16,280	16,280				

		June 30, 2019						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amotized Cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
15.1	Market treasury bills	984,996	-	984,996	-	984,996.00	-	984,996
		<u>984,996</u>	<u>-</u>	<u>984,996</u>	<u>-</u>	<u>984,996</u>	<u>-</u>	<u>984,996</u>
Financial assets not measured at fair value								
15.2	Bank balances	-	7,064,377	7,064,377				
	Accrued markup	-	104,600	104,600				
	Investments	-	1,708,874	1,708,874				
	Deposits	-	100	100				
		<u>-</u>	<u>8,877,851</u>	<u>8,877,851</u>				
Financial liabilities not measured at fair value								
15.2	Payable to Management Company	-	7,387	7,387				
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	809	809				
	Accrued expenses and other liabilities	-	391	391				
		<u>-</u>	<u>8,587</u>	<u>8,587</u>				

15.1 Valuation Techniques

For level 2 investments at fair value through fair value profit or loss- investment in respect of Treasury Bills, Fund uses rates which are derived from PKRV rates at reporting date per certificate multiplied by the number of certificate held as at period end.

15.2 The fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

15.3 During the period ended september 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the three month ended September 30, 2019 is 0.30% (YTD) which includes 0.08% representing government levy and SECP fee.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management company on October 29, 2019.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Stock Fund

FUND INFORMATION

Name of Fund	HBL Stock Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2019

	Note	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	261,905	236,034
Investments	5	1,697,945	1,967,158
Dividend receivable and accrued mark-up	6	24,049	4,340
Receivable against sale of investments		27,657	36,022
Advance, deposits and other receivables		3,054	3,029
Total assets		2,014,609	2,246,583
Liabilities			
Payable to Management Company	8	8,394	7,124
Payable to Trustee		277	302
Payable to Securities and Exchange Commission of Pakistan	11	100	4,181
Payable against purchase of investments		17,860	13,603
Accrued expenses and other liabilities	9	76,105	74,856
Total liabilities		102,736	100,066
Net assets		1,911,873	2,146,517
Unit holders' fund (as per statement attached)		1,911,873	2,146,517
Contingencies and commitments	9.3		
(Number of units)			
Number of units in issue		22,538,858	23,924,062
(Rupees)			
Net assets value per unit		84.8256	89.7221

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)

For The Three Months Ended September 30, 2019

	Note	Three months ended September 30,	
		2019	2018
------(Rupees in '000)-----			
Income			
Dividend income		27,209	64,342
Mark-up on deposits with banks		8,150	15,417
Unrealized (dumination) on re-measurements of investments		(107,154)	(121,314)
Capital (loss) / gain on sale of investments - net		(19,471)	11,103
		(91,266)	(30,451)
Expenses			
Remuneration of Management Company	9.1 & 9.2	10,261	34,221
Remuneration of Trustee		894	2,143
Annual fee to Securities and Exchange Commission of Pakistan		100	1,441
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	1,770	1,514
Selling & Marketing Expense	8.4	3,588	6,056
Settlement, Bank Charges & Other Expenses		170	227
Auditors' remuneration		80	223
Securities Transaction Cost		2,369	4,236
		19,233	50,060
Net (loss) / income from operating activities		(110,499)	(80,511)
Provision for Workers' Welfare Fund	9.2	-	-
Net (loss) / income for the period before taxation		(110,499)	(80,511)
Taxation	12	-	-
Net (loss) / income for the period after taxation		(110,499)	(80,511)
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(110,499)	(80,511)
Earning per unit	13		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Statement Of Movement In Unitholders' Fund
For The Three Months Ended September 30, 2019

	For the year ended						
	2019			2018			
	(Rupees in '000)						
Capital value	Undistributed income	Unrealized Gain/ (Loss)	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period	3,154,963	(1,008,446)	-	2,146,517	-	-	5,958,370
Issuance of 2,525,643 units (2018: 3,915,491 units)							
- Capital value (at net asset value per unit at the beginning of the period)	226,606	-		226,606	-	-	
- Element of Income	(26,181)	-		(26,181)	-	-	
Total proceeds on issuance of units	200,425	-		200,425	-	-	419,837
Redemption of 3,910,848 units (2018: 1,975,936 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(350,889)	-		(350,889)	-	-	
- Amount relating to element of loss							
Relating to net income for the year after taxation	26,319	-		26,319	-	-	
Total payment on redemption of units	(324,570)	-		(324,570)	-	-	(206,441)
Total comprehensive income for the year less distribution	-	(110,499)	-	(110,499)	-	-	(80,511)
Net assets at the end of the period	3,030,818	(1,118,945)	-	1,911,873	-	-	6,091,255
Undistributed income brought forward							
- Realised		(1,008,446)			(378,651)		
- Unrealised		-			-		
		(1,008,446)			(378,651)		
Accounting (loss) / income available for distribution		(110,499)			(80,511)		
Distribution during the period		-			-		
Undistributed income carried forward		(1,118,945)			(459,162)		
Undistributed income carried forward							
- Realised		(1,011,791)			(337,848)		
- Unrealised		(107,154)			(121,314)		
		(1,118,945)			(459,162)		
				(Rupees)			
Net assets value per unit at beginning of the period				89.7221			107.0620
Net assets value per unit at end of the period				84.8256			105.7638

The annexed notes 1 to 18 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For The Three Months Ended September 30, 2019

	Three Months ended	
	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(110,499)	(80,511)
Adjustments		
Capital (loss) / gain on sale of investments - net	19,471	(11,103)
Dividend Income	(27,209)	(64,342)
Profit on bank deposit	(8,150)	(15,417)
Unrealized diminution on re-measurements of investments	107,154	121,314
	(19,233)	(50,060)
(Increase) / decrease in assets		
Investments - net	142,588	(99,074)
Receivable against sale of investments	8,365	31,292
Advances, deposits, prepayments and other receivables	(25)	(18)
	150,928	(67,800)
Increase / (decrease) in liabilities		
Payable to Management Company	1,270	(6,198)
Payable to Trustee	(25)	(5)
Payable to Securities and Exchange Commission of Pakistan	(4,081)	(4,106)
Payable against purchase of investments	4,257	19,670
Accrued expenses and other liabilities	1,249	4,303
	2,670	13,664
Mark-up on bank deposits received	8,269	15,092
Dividend received	7,380	19,563
	150,015	(69,541)
Net cash used in / (generated from) operating activities	150,015	(69,541)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	200,425	419,837
Payment against redemption of units	(324,570)	(206,441)
Net cash generated from / (used in) financing activities	(124,145)	213,396
Net increase in cash and cash equivalents	25,870	143,855
Cash and cash equivalents at beginning of the period	236,034	577,518
Cash and cash equivalents at end of the period	4 261,905	721,371

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

For The Three Months Ended September 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on August 21, 2007.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Lahore Stock Exchange. The units of the Fund were initially offered for public subscription at par August 29, 2007 to August 31, 2017

The principal activity of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equities related instruments.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2' (Positive outlook) to the Management Company.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

2.1.2 Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.1.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2019.

2.1.4 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

		(Un-Audited) September 30, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
4	BANK BALANCE		
	Savings accounts	261,901	236,034
	Current accounts	5	-
		<u>261,905</u>	<u>236,034</u>

4.1 Markup rates on these accounts range between 10.28% to 13.99% p.a (June 30, 2019: 8% - 13.6% p.a)

5 INVESTMENTS

	Held For Trading		
	- Listed equity securities	5.1	
		1,697,945	1,967,158
		<u>1,697,945</u>	<u>1,967,158</u>

5.1 Listed Equity Securities

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares				As at September 30, 2019	Market value as at	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period		September 30, 2019	Total Investments	Net Assets	
INSURANCE									
Adamjee Insurance Co Ltd	661,000	13,000	-	-	674,000	18,906	1.11%	0.99%	0.19%
	661,000	13,000	-	-	674,000	18,906	1.11%	0.99%	
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	-	309,500	-	72,000	237,500	11,267	0.66%	0.59%	0.07%
Interloop Limited	751,250	139,000	-	272,500	617,750	27,138	1.60%	1.42%	7.11%
Kohinoor Textile Mills Ltd	331,000	-	-	331,000	-	-	0.00%	0.00%	0%
Nishat Mills Ltd	496,500	354,200	-	277,000	573,700	48,191	2.84%	2.52%	0.16%
	1,578,750	802,700	-	952,500	1,428,950	86,596	5.10%	4.53%	
CEMENT									
Kohat Cement Ltd	199,500	108,500	-	107,000	201,000	9,250	0.54%	0.48%	0.16%
Lucky Cement Ltd	143,650	26,000	-	71,500	98,150	33,580	1.98%	1.76%	0.03%
Maple Leaf Cement Factory Ltd	-	1,000,000	-	1,000,000	-	-	0.00%	0.00%	0%
	343,150	1,134,500	-	1,178,500	299,150	42,830	2.52%	2.24%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	1,667,863	313,000	-	361,500	1,619,363	114,570	6.75%	5.99%	0.12%
K-Electric Limited	4,530,000	1,550,000	-	512,000	5,568,000	19,766	1.16%	1.03%	0.02%
Nishat Chunian Power Ltd	588,500	9,000	-	50,000	547,500	9,499	0.56%	0.50%	0.15%
Pakgen Power Limited	788,000	168,000	-	114,000	842,000	9,843	0.58%	0.51%	0.23%
	7,574,363	2,040,000	-	1,037,500	8,576,863	153,678	9.05%	8.04%	
ENGINEERING									
Mughal Iron & Steel Inds Ltd	18,165	-	-	-	18,165	508	0.03%	0.03%	0.25%
	18,165	-	-	-	18,165	508	0.03%	0.03%	
TRANSPORT									
Pakistan National Shipping Corp Ltd	66,500	99,000	-	8,500	157,000	9,913	0.58%	0.52%	0.12%
	66,500	99,000	-	8,500	157,000	9,913	0.58%	0.52%	
PHARMACEUTICALS									
AGP Limited	193,000	63,000	-	96,500	159,500	10,304	0.61%	0.54%	0.01%
Highnoon Laboratories Limited	5,000	-	-	5,000	-	-	0.00%	0.00%	0%
The Searle Company Ltd	88,681	10,000	-	36,000	62,681	8,664	0.51%	0.45%	0.03%
	286,681	73,000	-	137,500	222,181	18,967	1.12%	0.99%	
PAPER & BOARD									
Century Paper & Board Mills Ltd	190,500	-	-	38,000	152,500	4,194	0.25%	0.22%	0.10%
	190,500	-	-	38,000	152,500	4,194	0.25%	0.22%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	134,658	33,000	-	25,540	142,118	127,787	7.53%	6.68%	0.13%
Oil & Gas Development Co Ltd	1,247,100	330,000	-	389,600	1,187,500	146,098	8.60%	7.64%	0.03%
Pakistan Oilfields Ltd	221,410	7,300	-	74,000	154,710	58,774	3.46%	3.07%	0.07%
Pakistan Petroleum Ltd	806,745	399,400	-	385,000	821,145	111,700	6.58%	5.84%	0.04%
	2,409,913	769,700	-	874,140	2,305,473	444,360	26.17%	23.24%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	469,368	176,500	-	270,000	375,868	59,195	3.49%	3.10%	0.12%
Sui Northern Gas Pipeline Ltd	485,400	165,000	-	171,000	479,400	29,531	1.74%	1.54%	0.08%
	954,768	341,500	-	441,000	855,268	88,726	5.23%	4.64%	
COMMERCIAL BANKS									
Allied Bank Ltd	670,300	113,100	-	-	783,400	67,976	4.00%	3.56%	0.07%
Bank Al-Falah Ltd	2,562,600	615,500	-	496,000	2,682,100	109,805	6.47%	5.74%	0.17%
Bank Al-Habib Limited	951,500	380,000	-	200,000	1,131,500	75,596	4.45%	3.95%	0.10%
Bank of Punjab Ltd	4,711,000	1,600,000	-	2,565,000	3,746,000	32,665	1.92%	1.71%	0.71%
Faysal Bank Limited	26,018	-	-	-	26,018	417	0.02%	0.02%	0%
Habib Bank Ltd*	916,219	332,400	-	448,500	800,119	94,550	5.57%	4.95%	0.05%
MCB Bank Ltd	295,300	61,500	-	116,900	239,900	40,680	2.40%	2.13%	0.02%
National Bank of Pakistan Ltd	492,500	40,000	-	532,500	-	-	0.00%	0.00%	0%
United Bank Limited	577,200	239,000	-	142,500	673,700	93,126	5.48%	4.87%	0.06%
	11,202,637	3,381,500	-	4,501,400	10,082,737	514,814	30.32%	26.93%	

Name of the Investee Company	Number of shares				As at September 30, 2019	Market value as at September 30, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
FERTILIZER									
Engro Corporation Ltd	495,150	46,500	-	190,200	351,450	93,798	5.52%	4.91%	0.07%
Engro Fertilizers Limited	1,133,000	326,000	-	344,500	1,114,500	76,042	4.48%	3.98%	0.08%
Fauji Fertilizer Co Ltd	730,000	-	-	730,000	-	-	0.00%	0.00%	0%
	<u>2,358,150</u>	<u>372,500</u>	<u>-</u>	<u>1,264,700</u>	<u>1,465,950</u>	<u>169,841</u>	<u>10.00%</u>	<u>8.88%</u>	
CHEMICAL									
Engro Polymer & Chemicals Ltd	1,686,579	1,102,000	-	897,500	1,891,079	46,426	2.73%	2.43%	0.21%
Lotte Chemical Pakistan Ltd	748,500	1,565,000	-	275,000	2,038,500	27,805	1.64%	1.45%	0.13%
Sitara Chemical Industries Limited	13,700	25,800	-	-	39,500	10,140	0.60%	0.53%	0.18%
	<u>2,448,779</u>	<u>2,692,800</u>	<u>-</u>	<u>1,172,500</u>	<u>3,969,079</u>	<u>84,371</u>	<u>4.97%</u>	<u>4.41%</u>	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	204,800	89,400	-	43,100	251,100	59,907	3.53%	3.13%	0.31%
	<u>204,800</u>	<u>89,400</u>	<u>-</u>	<u>43,100</u>	<u>251,100</u>	<u>59,907</u>	<u>3.53%</u>	<u>3.13%</u>	
TECHNOLOGY & COMMUNICATION									
Systems Limited	-	28,000	-	24,000	4,000	333	0.02%	0.02%	0%
	<u>-</u>	<u>28,000</u>	<u>-</u>	<u>24,000</u>	<u>4,000</u>	<u>333</u>	<u>0.02%</u>	<u>0.02%</u>	
	<u>30,298,156</u>	<u>11,837,600</u>	<u>-</u>	<u>11,673,340</u>	<u>30,462,416</u>	<u>1,697,945</u>	<u>100.00%</u>	<u>88.81%</u>	
Cost of investments at September 30, 2019						<u>1,805,099</u>			

*Sponsor of the Management Company

5.2 Investments include shares having market value aggregating to Rs. 265.9295 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.1 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 2.40 million at Sep 30, 2019 (June 30, 2019: Rs. 2.59 million) and not yet deposited on CDC account of department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6	DIVIDEND RECEIVABLE AND ACCRUED MARK-UP	(Un-Audited)	(Audited)
		September 30, 2019	June 30, 2019
		----- (Rupees in '000) -----	
	Dividend receivable	21,416	1,588
	Mark-up accrued on deposits with banks	2,633	2,752
		<u>24,049</u>	<u>4,340</u>

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
7	ADVANCE, DEPOSITS AND OTHER RECEIVABLES		
	Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Advance tax	429	429
	Advance against subscription of Term Finance Certificates (TFC)	25,000	25,000
	Prepayments	25	-
		<u>28,054</u>	<u>28,029</u>
	Less: Provision in respect of advance against subscription of term finance certificates	7.1 <u>25,000</u>	<u>25,000</u>
		<u>3,054</u>	<u>3,029</u>

7.1 The Fund had subscribed towards the term finance certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer as at September 30, 2017. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at September 30, 2017, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management fee	8.1 3,261	3,701
	Sindh Sales Tax	8.2 424	481
	Sales load payable	69	160
	Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 1,051	185
	Selling & Marketing payable	8.4 3,589	2,597
		<u>8,394</u>	<u>7,124</u>

8.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged aforementioned expense to the extent of 2% of the average daily net assets of the Fund till July 7, 2019. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 1.7% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 2% of the average daily net assets of the fund. The fee is payable monthly in arrears.

8.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

8.3 **ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES**

As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.5% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.161% of the average daily net assets of the fund.

8.4 ALLOCATION OF EXPENSES RELATED TO SELLING AND MARKETING

As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.75% of the average daily net assets of the Fund effective from July 8, 2019 till onwards.

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
9	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	539	459
	Federal Excise Duty	37,838	37,838
	Provision for Sindh Workers' Welfare Fund	34,381	34,381
	Payable to brokers	1,023	558
	Withholding tax payable	814	838
	Other payables	1,511	782
		<u>76,105</u>	<u>74,856</u>

9.1 PROVISION FOR FEDERAL EXCISE DUTY AND ADDITIONAL SALES TAX ARISING AS A RESULT OF IMPOSITION THEREOF

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 37.838 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2018 would have been higher by Re. 1.68 (June 30, 2019: Re. 1.58) per unit.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 34.381 million (June 30, 2019 Rs. 34.381 million) in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2019 would have been higher by Re. 1.53 (June 30, 2019 Rs. 1.44) per unit.

9.3 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2019.

10 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.97% (0.07% representing Government Levies, and SECP Fee).

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
11	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Fee Payable	100	4,181

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

12 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

13 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

14.1 Transactions during the period	(Un-Audited)	
	Three months ended	
	September 30,	
	2019	2018
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Management Fee	10,261	34,221
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,770	1,514
Selling & Marketing Expense	3,588	6,056
Habib Bank Limited - Sponsor		
Bank charges paid	6	6
Profit on bank deposits earned	337	686
Dividend income earned	1,145	1,982

		(Un-Audited)	
		Three months ended	
		September 30,	
		2019	2018
		(Rupees in '000)	
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	894	2,143
	Directors, Executives and their relatives		
	Issuance of 71 units (2018: 348 Units)	6	37
	Redemption of Nil units (2018: 8,890 Units)	-	940
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
	Issue of 122,937 units (2018: 161,838 units)	9,000	17,119
	Redemption of 226,763 units (2018: 704,388 units)	18,637	74,507
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
	Issue of 24,534 units (2018: 15,232 units)	2,012	1,611
	Redemption of 44,883 units (2018: 18,647 units)	3,568	1,972
	MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - Associate		
	Issue of Nil units (2018: 218,957 units)	-	23,160
	Redemption of 440,522 units (2018: Nil units)	36,967	-
		(Un-Audited)	(Audited)
		September 30,	June 30,
		2019	2019
		(Rupees in '000)	
14.2	Balances outstanding as at period end		
		Note	
	HBL Asset Management Limited - Management Company		
	Management fee	3,261	3,701
	Sindh Sales Tax	424	481
	Sales load payable	69	160
	Selling & Marketing Expense	3,589	2,597
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,051	185
	Habib Bank Limited - Sponsor		
	Investment held in the fund: 8,616,219 units (June 30, 2019: 8,616,219 units)	730,876	773,065
	Mark-up accrued on deposits with bank	50	238
	Directors and Executives of the Management Company and their relatives		
	Investment held in the Fund: 6,579 units (June 30, 2019: 6,508 units)	558	584
	HBL Employees Provident Fund - Associated Entity		
	Investment held in the Fund: 7,125,389 units (June 30, 2019: 7,125,389 units)	604,415	639,305
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
	Investment held in the Fund : 354,240 units (June 30, 2019: 468,065 units)	30,049	41,996

	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 121,416 units (June 30, 2019: 141,765 units)	10,299	12,719
MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - Associate		
Investment held in the Fund : Nil units (June 30, 2019: 440,522 units)	-	39,525
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	245	267
Sindh Sales Tax	32	35
Security deposit	100	100

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date.

The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	September 30, 2019							
	Carrying amount				Fair Value			
	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	1,697,945	-	-	1,697,945	1,697,945	-	-	1,697,945
	<u>1,697,945</u>	<u>-</u>	<u>-</u>	<u>1,697,945</u>	<u>1,697,945</u>	<u>-</u>	<u>-</u>	<u>1,697,945</u>
Financial assets not measured at fair value	-							
Bank balances	-	261,905	-	261,905				
Receivable against sale of investments	-	27,657	-	27,657				
Dividend receivable and accrued mark-up	-	24,049	-	24,049				
Advances, deposits and other receivables	-	3,054	-	3,054				
	<u>-</u>	<u>316,664</u>	<u>-</u>	<u>316,664</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	8,394	8,394				
Payable to Trustee	-	-	277	277				
Payable against purchase of investments	-	-	13,603	13,603				
Accrued expenses and other liabilities	-	-	3,886	3,886				
	<u>-</u>	<u>-</u>	<u>26,161</u>	<u>26,161</u>				

	June 30, 2019							
	Carrying amount				Fair Value			
	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	1,967,158	-	-	1,967,158	1,967,158	-	-	1,967,158
	<u>1,967,158</u>	<u>-</u>	<u>-</u>	<u>1,967,158</u>	<u>1,967,158</u>	<u>-</u>	<u>-</u>	<u>1,967,158</u>
Financial assets not measured at fair value	-							
Bank balances	-	236,034	-	236,034				
Dividend receivable and accrued mark-up	-	4,340	-	4,340				
Receivable against sale of investments	-	36,022	-	36,022				
Deposits	-	2,600	-	2,600				
	<u>-</u>	<u>278,996</u>	<u>-</u>	<u>278,996</u>				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	7,124	7,124				
Payable to Trustee	-	-	656	656				
Payable against purchase of investments	-	-	13,603	13,603				
Accrued expenses and other liabilities	-	-	1,799	1,799				
	<u>-</u>	<u>-</u>	<u>23,182</u>	<u>23,182</u>				

15.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

16 DISCLOURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment creteria. As at September 30, 2019, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
(Rupees in '000)						
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

17 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2019.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Equity Fund

FUND INFORMATION

Name of Fund	HBL Equity Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited Soneri Bank Limited HBL Bank Limited JS Bank Limited

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2019

	Note	Unaudited September 30, 2019	Audited June 30, 2019
(Rupees in '000')			
ASSETS			
Balances with banks	4	27,915	28,239
Investments	5	186,970	217,781
Dividend and profit receivable		2,089	956
Deposits and prepayments and Other receivable		2,812	2,791
Receivable against sale of Investment		-	6,012
Total assets		219,786	255,779
LIABILITIES			
Payable to the Management Company	6	900	746
Payable to the Trustee	7	39	70
Payable to Securities and Exchange Commission of Pakistan	8	11	275
Payable against redemption of units		-	82
Accrued expenses and other liabilities	9	8,978	9,009
Payable against purchase of Investment		357	-
Total liabilities		10,285	10,182
NET ASSETS		209,501	245,597
Unit Holders' Funds (As per statement attached)		209,501	245,597
CONTINGENCIES & COMMITMENTS			
	10	Number of units	
Number of units in issue		2,359,686	2,629,886
		(Rupees)	
Net asset value per unit		88.7833	93.3868

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Three months ended September 30, 2019 2018 (Rupees in '000')	
INCOME			
Capital Gain / (loss) on sale of investments - net		(2,878)	887
Dividend income		2,809	3,295
Profit on bank deposits		819	917
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(10,894)	(6,625)
Total income		(10,144)	(1,526)
EXPENSES			
Remuneration to Management Company		1,002	1,538
Sindh Sales Tax on remuneration of management company		130	200
Provision for Federal Excise Duty and additional sales tax on the Management Fee	9.2	-	-
Remuneration to Trustee		124	199
Annual fee - Securities and Exchange Commission of Pakistan		11	73
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	198	77
Selling and marketing expenses	6.4	396	308
Auditors' Remuneration		112	107
Securities transaction costs, settlement charges and bank charges		497	390
Fees and Subscription		6	47
Printing and postage expenses		-	-
Total expenses		2,476	2,939
Net loss from operating activities		(12,620)	(4,465)
Provision for Workers' Welfare Fund	9.1	-	-
Net loss for the period before taxation		(12,620)	(4,465)
Taxation	11	-	-
Net loss for the period after taxation		(12,620)	(4,465)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(12,620)	(4,465)
Earnings per unit	12		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Statement Of Movement In Unitholders' Fund
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Three months ended September 30,					
	2019			2018		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Net assets at the beginning of the period	247,193	(1,596)	245,597	249,396	44,772	294,168
Issuance of 84,819 units (2018: 1,055,926 units)						
- Capital value (at net asset value per unit at the beginning of the period)	7,921	-	7,921	59,932	-	59,932
- Element of loss	(636)	-	(636)	777	-	777
Total proceeds on issuance of units	7,285	-	7,285	60,709	-	60,709
Redemption of 355,020 units (2018: 2,154,122 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(33,155)	-	(33,155)	(36,169)	-	(36,169)
- Amount relating to element of loss	2,394	-	2,394	413	-	413
Relating to net loss for the period after taxation	-	-	-	-	-	-
Total payment on redemption of units	(30,761)	-	(30,761)	(35,756)	-	(35,756)
Total comprehensive income for the period	-	(12,620)	(12,620)	-	(4,465)	(4,465)
Distribution during the period	-	-	-	-	-	-
Total comprehensive income for the period less distribution	-	(12,620)	(12,620)	-	(4,465)	(4,465)
Net assets at the end of the period	223,717	(14,216)	209,501	274,349	40,307	314,656
Undistributed income brought forward						
- Realised		29,469			56,123	
- Unrealised		(31,065)			(11,351)	
		(1,596)			44,772	
Accounting (loss) / income available for distribution		(12,620)			(4,465)	
Distribution during the year		-			-	
Undistributed income carried forward		(14,216)			40,307	
Undistributed income carried forward						
- Realised		(3,322)			46,932	
- Unrealised		(10,894)			(6,625)	
		(14,216)			40,307	
				(Rupees)		
Net assets value per unit at beginning of the period			93.3868			110.4602
Net assets value per unit at end of the period			88.7833			109.3227

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Three months ended September 30,	
	2019	2018
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	(12,620)	(4,465)
Adjustments		
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	10,894	6,625
Capital loss / (gain) on sale of investments - net	2,878	(887)
Operating cash inflows before working capital changes	1,152	1,273
Decrease / (Increase) in assets		
Investments	17,039	(30,324)
Dividend and profit receivable	(1,133)	(2,895)
Deposits and prepayments	(21)	(31)
Receivable against sale of investments	6,012	-
	21,897	(33,250)
Increase / (Decrease) in liabilities		
Payable to the Management Company	154	(325)
Payable to the Trustee	(31)	(4)
Payable to Securities and Exchange Commission of Pakistan	(264)	(241)
Accrued expenses and other liabilities	(82)	(254)
Payable against redemption of units	(31)	-
Payable against purchase of investments	357	2,518
	103	1,694
Net cash generated from / (used in) operating activities	23,152	(30,283)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issuance of units	7,285	24,953
Cash paid on redemption of units	(30,761)	-
Net cash (used in) / generated from financing activities	(23,476)	24,953
Net decrease in cash and cash equivalents during the period	(324)	(5,330)
Cash and cash equivalents at the beginning of the period	28,239	43,148
Cash and cash equivalents at the end of the period	27,915	37,818

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Equity Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/NBFC-II/PSF/249/2011 dated June 1, 2011 and the trust deed was executed on June 14, 2011.

During the year, the Securities and Exchange Commission of Pakistan approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 through an order dated August 31, 2016. Effective from September 1, 2016 HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. Accordingly, the trust deed was revised on February 17, 2017. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. During the year, the office of the Management Company shifted to 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an open-ended mutual Fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to the public for subscription at par value of Rs 100 per unit from September 24, 2011 to September 26, 2011. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferrable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The investment objective of the Fund is to provide investors a diversified equity portfolio with a primary objective of maximizing risk-adjusted returns over longer investment horizon through a combination of capital gains and dividend income.

Title to the assets of the Fund is held in the name of CDC as trustee of the Fund.

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+ (AM2 Plus)' to the Management Company.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2019.

2.1.3 This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

	Note	Unaudited September 30, 2019	Audited June 30, 2019
4		(Rupees in '000')	
		1,137	1,092
In current accounts		26,778	27,147
In saving accounts	4.1	27,915	28,239

4.1 Mark-up rates on these accounts range between 11.28% - 13.99% per annum (June 30, 2019: 13.5% per annum).

5	INVESTMENTS	Note	Unaudited September 30, 2019	Audited June 30, 2019
	Financial assets 'at fair value through profit or loss'			
	Listed equity securities	5.1	186,970	217,781
			<u>186,970</u>	<u>217,781</u>

5.1 Investment in listed equity securities at 'fair value through profit or loss - held-for-trading'

Shares of listed companies - Fully paid up ordinary / preference shares of Rs 10 each unless stated otherwise

Name of the Investee Company	----- Number of shares -----					Market value as at September 30, 2019 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at July 1, 2019	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2019				
	-----Number of shares-----						-----Percentage-----		
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited (Par value of Rs 5 per share)									
	20,400	4,500	-	-	24,900	5,941	3.18	2.84	0.03
	20,400	4,500	-	-	24,900	5,941	3.18	2.84	
INSURANCE									
Adamjee Insurance Company Limited									
	66,000	73,000	-	66,000	73,000	2,048	1.10	0.98	0.02
	66,000	73,000	-	66,000	73,000	2,048	1.10	0.98	
CEMENT									
Kohat Cement Limited									
	22,000	19,000	-	19,000	22,000	1,012	0.54	0.48	0.02
Lucky Cement Limited									
	16,400	10,500	-	11,600	15,300	5,235	2.80	2.50	-
	38,400	29,500	-	30,600	37,300	6,247	3.34	2.98	
CHEMICAL									
Engro Polymer & Chemicals Limited									
	183,596	123,000	-	100,000	206,596	5,072	2.71	2.42	0.02
Lotte Chemical Pakistan Limited									
	90,000	215,000	-	94,500	210,500	2,871	1.54	1.37	0.01
Sitara Chemical Industries Limited									
	2,000	2,300	-	-	4,300	1,104	0.59	0.53	0.02
	275,596	340,300	-	194,500	421,396	9,047	4.84	4.32	
COMMERCIAL BANKS									
Allied Bank Limited									
	72,000	15,500	-	-	87,500	7,592	4.06	3.62	0.01
Bank Al-Falah Limited									
	281,550	45,500	-	34,000	293,050	11,997	6.42	5.73	0.02
Bank Al-Habib Limited									
	110,000	50,500	-	38,000	122,500	8,184	4.38	3.91	0.01
Bank of Punjab Limited									
	545,000	240,000	-	416,000	369,000	3,218	1.72	1.54	0.07
Faysal Bank Limited									
	1,800	-	-	-	1,800	29	0.02	0.01	-
Habib Bank Limited (6.1.1)*									
	106,600	95,500	-	114,500	87,600	10,352	5.54	4.94	0.01
MCB Bank Limited (6.1.1)**									
	35,300	5,300	-	16,500	24,100	4,087	2.19	1.95	-
United Bank Limited									
	65,200	17,000	-	6,500	75,700	10,464	5.60	4.99	0.01
	1,217,450	469,300	-	625,500	1,061,250	55,923	30	27	
FERTILIZERS									
Engro Corporation Limited									
	55,930	6,000	-	23,700	38,230	10,203	5.46	4.87	0.01
Engro Fertilizers Limited									
	124,000	30,500	-	32,500	122,000	8,324	4.45	3.97	0.01
	179,930	36,500	-	56,200	160,230	18,527	9.91	8.84	
TRANSPORT									
Pakistan National Shipping corporation Limited									
	4,000	13,000	-	-	17,000	1,073	0.57	0.51	0.01
	4,000	13,000	-	-	17,000	1,073	0.57	0.51	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited									
	14,459	1,000	-	-	15,459	13,900	7.43	6.63	0.01
Oil & Gas Development Company Limited									
	139,700	166,000	-	176,700	129,000	15,871	8.49	7.58	-
Pakistan Oilfields Limited									
	24,940	-	-	8,300	16,640	6,322	3.38	3.02	0.01
Pakistan Petroleum Limited									
	91,042	83,500	-	84,000	90,542	12,316	6.59	5.88	-
	270,141	250,500	-	269,000	251,641	48,409	25.89	23.11	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited									
	52,276	59,000	-	71,500	39,776	6,264	3.35	2.99	0.01
Sui Northern Gas Pipeline Limited									
	52,000	4,000	-	5,000	51,000	3,142	1.68	1.50	0.01
	104,276	63,000	-	76,500	90,776	9,406	5.03	4.49	
PHARMACEUTICALS									
AGP Limited									
	19,500	18,500	-	20,000	18,000	1,163	0.62	0.56	-
The Searle Company Limited									
	8,774	-	-	2,000	6,774	936	0.50	0.45	-
	28,274	18,500	-	22,000	24,774	2,099	1.12	1.01	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited									
	188,188	19,000	-	30,000	177,188	12,536	6.70	5.98	0.01
K-Electric Limited (Par value of Rs 3.5 per share)									
	616,000	70,000	-	75,500	610,500	2,167	1.16	1.03	-
Pakgen Power Limited									
	90,000	-	-	4,500	85,500	999	0.53	0.48	0.02
	894,188	89,000	-	110,000	873,188	15,703	8.39	7.49	

Name of the Investee Company	----- Number of shares -----					Market value as at September 30, 2018 (Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the Investee Company
	As at July 1, 2018	Purchases during the year	Bonus / right issues	Sales during the year	As at September 30, 2018				
TECHNOLOGY & COMMUNICATION									
Systems Limited	2,750	175,000	-	154,000	23,750	1,977	1.06	0.94	0.02
	2,750	175,000	-	154,000	23,750	1,977	1.06	0.94	
PAPER & BOARD									
Century Paper & Board Mills Limited	25,000	-	-	5,500	19,500	536	0.29	0.26	0.01
	25,000	-	-	5,500	19,500	536	0.29	0.26	
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Limited	-	49,500	-	5,000	44,500	2,111	1.13	1.01	0.01
Interloop Limited	85,436	9,000	-	35,500	58,936	2,589	1.38	1.24	0.68
Nishat Mills Limited	53,000	41,000	-	30,500	63,500	5,334	2.85	2.55	0.02
	138,436	99,500	-	71,000	166,936	10,034	5.36	4.80	
As at September 30, 2019	3,264,841	1,661,600	-	1,680,800	3,245,641	186,970	100.08	89.57	
Carrying value as at September 30, 2019						197,864			

* Sponsor of the management company

** Related party due to holding more than 10% of units

5.1.1 The above investments include shares with market value aggregating to Rs. 22.941 million (June 2019: Rs. 15.054 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.28 million at September 30, 2019 (June 30, 2019: Rs. 0.33 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	Note	Unaudited September 30, 2019	Audited June 30, 2019
6 PAYABLE TO MANAGEMENT COMPANY			
		(Rupees in '000')	
Management fee	6.1	344	415
Sindh Sales Tax	6.2	45	54
Sales load payable		-	1
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	115	21
Selling and Marketing expenses	6.4	396	255
		900	746

- 6.1 As per the offering document of the Fund, the Management Company may charge a fee at the rate of 2% of the average daily net asset of the scheme. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 1.7% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 2% of the average daily net assets of the fund. The fee is payable monthly in arrears.
- 6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.
- 6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “registrar services, accounting, operation and valuation services related to , Collective Investment Scheme”. During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.2% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.1% of the average daily net assets of the fund.
- 6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.75% of the average daily net assets of the Fund effective from July 8, 2019 till August 31, 2019.

7 PAYABLE TO THE TRUSTEE

The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.2% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

	Note	Unaudited September 30, 2019	Audited June 30, 2019
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
		(Rupees in '000')	
Provision for Sindh Workers' Welfare Fund	9.1	2,768	2,768
Provision for federal excise duty and additional sales tax on Management Fee	9.2	5,685	5,685
Dividend payable		-	-
Brokerage payable		174	71
Auditors' remuneration		91	264
Printing and other related costs		153	154
Withholding tax payable		69	36
Other payables		38	31
		8,978	9,009

9.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is loss for the period ended September 30, 2019, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the above provision not been maintained, the net assets value per unit of the Fund as at September 30, 2019 would be higher by Rs. 1.173 (June 30, 2019: Re 1.053) per unit.

9.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at September 30, 2019 would have been higher by Rs. 2.409 (June 30, 2019: Rs. 2.162) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019 and June 30, 2019.

11 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

13 TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 1.13% (0.09% of TER representing Government Levies, and SECP Fee).

14 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, HBL Group Being the Holding Group, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and term determined in accordance with the market rates.

Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them other than those disclosed elsewhere in these condensed interim financial statements, as at period end, are as follows:

		(Unaudited) Quarter ended September 30,	
		2019	2018
14.1	Transaction during the period		
	Management Company		
	Remuneration of Management Company	1,002	1,538
	Sindh Sales tax on remuneration of the Management Company	130	200
	Issuance of Nil units (2018: 177,047) units	-	20,000
	Redemption of Nil units (2018: 180,942) units	-	20,000
	Habib Bank Limited - Associated Company		
	Dividend income	104	104
	MCB Bank Limited		
	Connected Person due to holding more than 10% holding		
	Return on bank deposit accounts	-	32
	Dividend income	357	357
	Bank Charges	-	1
	Central Depository Company Of Pakistan Limited - Trustee		
	Remuneration for the period	124	199
	CDS Charges	11	10
	Directors and Executives of the Management Company		
	Issue of 2,386 units (2018: 2,835) units	200	310
	Redemption of -- units (2018: Nil) units	-	-
		Unaudited	Audited
		September	June 30,
		30, 2019	2019
14.2	Amounts outstanding at the period / year end	(Rupees in '000')	
	Management Company		
	Units held: 398,757 units (June 30, 2019: 398,757) units	35,403	37,239
	Remuneration payable to the Management Company	344	415
	Sindh sales tax on remuneration of the Management Company	45	54
	Allocation of expenses related to registrar services, accounting, operation and valuation services	115	21
	Selling and Marketing reimbursement	396	255
	Sales load payable	-	1
	Habib Bank Limited - Associated Company		
	Shares held: 814,872 (June 30, 2017: Nil)	-	-
	MCB Bank Limited		
	Connected Person due to holding more than 10% holding		
	Bank balance in savings account	198	256
	Profit receivable	-	-
	Units held: 1,022,050 units (June 30, 2019: 1,022,050) units	90,741	95,446

	Unaudited September 30, 2019	Audited June 30, 2019
	(Rupees in '000')	
Central Depository Company Of Pakistan Limited - Trustee		
Trustee fee payable	39	70
CDS charges payable	10	5
Security deposit	100	100
CDS charges payable	2,500	4
Habib Bank Limited - Sponsor		
Bank balance	10,635	5,175
Directors and Executives of the Management Company		
Units held: 8,208 (June 30, 2019: 36,471) units	729	3,406

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		September 30, 2019							
		Carrying amount			Fair Value				
Note	Fair value through profit and loss	At Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
	Investments								
	- Listed equity securities	186,970	-	-	186,970	186,970	-	-	186,970
		186,970	-	-	186,970	186,970	-	-	186,970
Financial assets not measured at fair value									
15.1	Bank balances	-	27,915	-	27,915	-	-	-	
	Dividend and profit receivable	-	2,089	-	2,089	-	-	-	
	Deposits	-	2,600	-	2,600	-	-	-	
		-	32,604	-	32,604	-	-	-	
Financial liabilities not measured at fair value									
15.1	Payable to the Management Company	-	-	900	900	-	-	-	
	Payable to the Trustee	-	-	39	39	-	-	-	
	Accrued expenses and other liabilities	-	-	456	456	-	-	-	
	Payable for equity settlement	-	-	357	357	-	-	-	
		-	-	1,752	1,752	-	-	-	
		June 30, 2019							
		Carrying amount			Fair Value				
	Fair value through profit and loss- Held for trading	At amortized cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
	Investments								
	- Listed equity securities	217,781	-	-	217,781	217,781	-	-	217,781
		217,781	-	-	217,781	217,781	-	-	217,781
Financial assets not measured at fair value									
15.1	Bank balances	-	28,239	-	28,239	-	-	-	
	Dividend and profit receivable	-	956	-	956	-	-	-	
	Deposits	-	2,600	-	2,600	-	-	-	
	Receivable against sale of Investment	-	6,012	-	6,012	-	-	-	
		-	37,807	-	37,807	-	-	-	
Financial liabilities not measured at fair value									
15.1	Payable to the Management Company	-	-	692	692	-	-	-	
	Payable to the Trustee	-	-	63	63	-	-	-	
	Accrued expenses and other liabilities	-	-	505	505	-	-	-	
	Payable against redemption of units	-	-	82	82	-	-	-	
		-	-	1,342	1,342	-	-	-	

15.1 The company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 30, 2019 by the board of directors of the Management company.

17 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Energy Fund

FUND INFORMATION

Name of Fund	HBL Energy Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited Soneri Bank Limited Habib Bank Limited JS Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	85,343	61,148
Investments	5	621,594	698,072
Dividend and profit receivable		5,134	680
Deposits and prepayments		2,928	2,893
Total assets		714,999	762,793
Liabilities			
Payable to Management Company	6	2,672	2,311
Payable to the Trustee		117	148
Payable to the Securities and Exchange Commission of Pakistan	12	32	868
Payable against purchase of Investment		18,657	-
Accrued expenses and other liabilities	7	19,524	19,736
Unclaimed dividend		5,389	5,389
Total liabilities		46,391	28,452
Net assets		668,608	734,341
Unit holders' fund (as per statement attached)		668,608	734,341
Contingencies and commitments	8		
		(Number of units)	
Number of units in issue		65,154,705	66,037,528
		(Rupees)	
Net assets value per unit		10.2619	11.1201

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-audited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Three months ended September 30, Un-Audited	
		2019 ------(Rupees in '000)-----	2018
Income			
Capital gain on sale of investments - net		(9,443)	(1,447)
Dividend income		5,889	8,213
Profit on bank deposits		1,757	2,379
		(1,797)	9,145
Unrealised appreciation / (diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(49,444)	(29,036)
		(51,241)	(19,891)
Expenses			
Remuneration of Management Company	6.1 & 6.2	3,337	5,814
Remuneration of the Trustee		366	575
Annual fee to the Securities and Exchange Commission of Pakistan		32	244
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	579	257
Allocation of expenses related to Selling and Marketing,	6.4	1,166	1,029
Settlement and bank charges		117	145
Auditors' remuneration		-	237
Fee & Subscription		3	142
Securities transaction costs		402	360
		6,002	8,803
Net income / (loss) from operating activities		(57,243)	(28,694)
Provision for Workers' Welfare Fund / Sindh Workers' Welfare Fund	7.2	-	-
Net income / (loss) for the period before taxation		(57,243)	(28,694)
Taxation	9	-	-
Net (loss) for the period after taxation		(57,243)	(28,694)
Other comprehensive income for the period		-	-
Total comprehensive income / (loss) for the period		(57,243)	(28,694)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Three Months Ended September 30,					
	2019			2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the year	720,150	14,191	734,341	803,982	257,047	1,061,029
Issuance of 1,151,349 units (2018: 31,752,589 units)						
- Capital value (at net asset value per unit at the beginning of the year)	32,621	-	32,621	16,908	-	16,908
- Element of loss	(1,318)	-	(1,318)	(664)	-	(664)
Total proceeds on issuance of units	31,303	-	31,303	16,244	-	16,244
Redemption of 3,040,783 units (2018: 58,329,805 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(41,680)	-	(41,680)	44,656	-	44,656
- Amount relating to element of loss	1,887	-	1,887	(87,633)	-	(87,633)
Relating to net loss for the year after taxation						
Total payment on redemption of units	(39,793)	-	(39,793)	(42,977)	-	(42,977)
Total comprehensive income for the year	-	(57,243)	(57,243)	-	(28,694)	(28,694)
Distribution during the year	-	-	-	-	-	-
Total comprehensive income for the year less distribution	-	(57,243)	(57,243)	-	(28,694)	(28,694)
Net assets at end of the year	711,660	(43,052)	668,608	777,249	228,353	1,005,602
Undistributed income brought forward						
- Realised		191,887			240,997	
- Unrealised		(177,696)			16,050	
		14,191			257,047	
Element of loss and capital losses included in prices of units issued less those in units redeemed		-			-	
Accounting (loss) / income available for distribution		(57,243)			(28,694)	
Distribution during the year		-			-	
Undistributed income carried forward		(43,052)			228,353	
Undistributed income carried forward						
- Realised		6,392			257,389	
- Unrealised		(49,444)			(29,036)	
		(43,052)			228,353	
Net assets value per unit at beginning of the period			11.1201			14.6857
Net assets value per unit at end of the period			10.2619			14.2922

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Three Months Ended September 30,	
		2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period		(57,243)	(28,694)
Adjustments			
Capital loss / (gain) on sale of investments - net		9,443	1,447
Dividend income		(5,889)	(8,213)
Profit on bank deposits		(1,757)	(2,379)
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss- held-for-trading - net		49,444	29,036
		(6,002)	(8,803)
(Increase) / decrease in assets			
Investments - net		17,591	53,720
Dividend and profit receivable		3,192	5,844
Receivable against sale of investments		-	-
Deposits and prepayments		(35)	(22)
		20,748	59,542
Increase / (decrease) in liabilities			
Payable to Management Company		361	(1,261)
Payable to Central Depository Company of Pakistan Limited - Trustee		(31)	(7)
Payable to Securities and Exchange Commission of Pakistan		(836)	(666)
Payable against purchase of investments		18,657	-
Accrued expenses and other liabilities		(212)	217
		17,939	(1,717)
Net cash generated from operations		32,685	49,022
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received on issue of units		31,303	16,244
Payment against redemption of units		(39,793)	(42,977)
Dividend Paid		-	-
Net cash used in financing activities		(8,490)	(26,733)
Net decrease in cash and cash equivalents		24,195	22,289
Cash and cash equivalents at beginning of the period		61,148	100,388
Cash and cash equivalents at end of the period	4	85,343	122,677

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Energy Fund (Formerly PICIC Energy Fund) ("the Fund") was established in 2006 as a closed-end scheme under a Trust Deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

In accordance with clause 65(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a meeting of the certificate holders of the Fund was held on January 31, 2013 whereby the conversion of the Fund into an open-end scheme was duly approved through a resolution passed by the majority of the certificate holders present in the meeting who were entitled to vote. The Securities and Exchange Commission of Pakistan accorded its final approval for conversion of the Fund into an open-end scheme through its letter dated May 3, 2013. The second supplemental Trust Deed and replacement Offering Document were approved by SECP vide its letter no SCD/PRDD/AMCW/PEF/567/2013 dated May 31, 2013 and letter no SCD/PRDD/AMCW/PEF/606/2013 dated June 24, 2013 respectively. The conversion of the Fund from a closed end fund to an open-end fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/PRDD/AMCW/PEF/607/2013 dated June 24, 2013. The Fund converted into an open end scheme on the effective date i.e. June 25, 2013. The certificates of the closed-end fund were cancelled on the effective date and were exchanged with the units of the open-end scheme in the swap ratio of 1:1. Each certificate holder was allotted units according to their respective holdings as at that date on the basis of a ratio of 1 certificate to 1 unit. Accordingly 100,000,000 units were issued on the date of conversion.

Since the effective date of conversion, the certificates of the closed-end scheme were de-listed from Pakistan Stock Exchange. Units of the open-end scheme are listed on the Pakistan Stock Exchange Limited. The units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

Through an order dated August 31, 2016, SECP approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

The core objective of the Fund is to invest in securities of the energy sector in Pakistan so as to provide investors an access to high quality blue chip stocks in the energy sector. The eligible stocks comprise of investment in shares of companies engaged in the following activities:

- Oil and Gas Exploration
- Oil and Gas Marketing
- Oil Refining
- Power Generation and Distribution

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+ (Positive outlook)' to the Management Company.

Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
4 BANK BALANCES			
In saving accounts	5.1	<u>85,343</u>	<u>61,148</u>
4.1	Mark-up rates on these accounts range between 10.28% to 13.99% per annum (June 30, 2019: 8% to 13.5% per annum).		
5 INVESTMENTS		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Financial assets 'at fair value through profit or loss' - held-for-trading			
Listed equity securities	5.1	<u>621,594</u>	<u>698,072</u>
		<u>621,594</u>	<u>698,072</u>

5.1 Investment in listed equity securities - financial assets 'at fair value through profit or loss' - held-for-trading

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares				Market value				Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at September 30, 2019	As at September 30, 2019 (Rupees in '000)	As a percentage of total Investments	As a percentage of net Assets	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	951,398	342,000	-	166,000	1,127,398	79,763	12.83%	11.93%	0.09%
K-Electric Limited	8,799,500	273,500	-	1,650,000	7,423,000	26,352	4.24%	3.94%	0.03%
Pakgen Power Limited	1,114,000	159,500	-	174,500	1,099,000	12,847	2.07%	1.92%	0.30%
	<u>10,864,898</u>	<u>775,000</u>	<u>-</u>	<u>1,990,500</u>	<u>9,649,398</u>	<u>118,962</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	109,618	15,500	-	2,500	122,618	110,253	17.74%	16.49%	0.11%
Oil & Gas Development Co Limited	987,000	46,000	-	133,800	899,200	110,629	17.80%	16.55%	0.02%
Pakistan Oilfields Limited	191,574	-	-	45,700	145,874	55,418	8.92%	8.29%	0.06%
Pakistan Petroleum Limited	738,610	103,000	-	39,000	802,610	109,179	17.56%	16.33%	0.04%
	<u>2,026,802</u>	<u>164,500</u>	<u>-</u>	<u>221,000</u>	<u>1,970,302</u>	<u>385,478</u>			
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	43,690	77,600	-	40,700	80,590	24,822	3.99%	3.71%	0.10%
Hascol Petroleum Limited	2,000	125,000	-	63,500	63,500	1,291	0.21%	0.19%	0.05%
Hi-Tech Lubricants Limited	624,500	-	-	624,500	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	369,496	34,000	-	107,000	296,496	46,695	7.51%	6.98%	0.09%
Sui Northern Gas Pipeline Limited	736,400	3,000	-	19,500	719,900	44,346	7.13%	6.63%	0.11%
	<u>1,776,086</u>	<u>239,600</u>	<u>-</u>	<u>855,200</u>	<u>1,160,486</u>	<u>117,154</u>			
Total September 30, 2019	<u>14,667,786</u>	<u>1,179,100</u>	<u>-</u>	<u>3,066,700</u>	<u>12,780,186</u>	<u>621,594</u>			
Carrying value of investment at September 30, 2019						<u><u>671,038</u></u>			

5.2 Investments include shares having market value aggregating to Rs. 64.12 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.3 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.314 million at September 30, 2019 (June 30, 2019: 0.337 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

6	PAYABLE TO MANAGEMENT COMPANY	Note	September 30,	June 30,
			2019 (Un-Audited)	2019 (Audited)
			(Rupees in '000)	
	Management fee	6.1	1,033	1,282
	Sindh Sales Tax	6.2	134	167
	Sales load payable		1	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	338	64
	Selling and marketing expenses	6.4	1,166	798
			2,672	2,311

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged aforementioned expense to the extent of 2% of the average daily net assets of the Fund till July 7, 2019. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 1.7% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 2% of the average daily net assets of the fund. The fee is payable monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2019: 13 percent) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.5% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.161% of the average daily net assets of the fund.

6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "selling and marketing expenses" to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.75% of the average daily net assets of the Fund effective from July 8, 2019 till onwards.

		September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty	7.1	13,920	13,920
Provision for Sindh Workers' Welfare Fund	7.2	4,985	4,985
Auditors' remuneration		-	293
Securities transaction cost		255	200
Withholding tax payable		83	56
Printing charges payable		76	77
Zakat Payable		205	205
		19,524	19,736

7.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.920 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2019 would have been higher by Re. 0.21 (June 30, 2019: Re. 0.21) per unit.

7.2 PROVISION WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is a loss for the three months ended September 30, 2019, therefore, no provision for SWWF has been made recognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2019 would have been higher by Re. 0.08 (June 30, 2019 Re. 0.08) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2019 and June 30, 2019.

9 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of net accounting income other than capital gains/loss to unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

10 EARNING PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

11 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the three months ended September 30, 2019 is 0.93% which includes 0.18% representing government levy and SECP fee.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	September 30,	June 30,
		2019	2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
Fee Payable	12.1	<u>32</u>	<u>868</u>

12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited, being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim

		Three months ended September 30, Un-Audited	
13.1	Transactions during the period	2019	2018
		------(Rupees in '000)-----	
HBL Asset Management Limited - Management Company			
	Remuneration of the Management Company	2,953	5,145
	Sindh Sales Tax on remuneration of the Management Company	384	669
	Allocation of expenses related to registrar services, accounting, operation and valuation services	579	257
	Allocation of expenses related to Selling and Marketing,	1,166	1,029
	Redemption of Nil units (2018: 895,280 units)	-	13,000
Central Depository Company of Pakistan Limited - Trustee			
	Trustee remuneration	366	575
	Central Depository Service charges	10	16
Habib Bank Limited - Sponsor			
	Bank Charges	2	-
Directors of the Management Company			
	Issue of 14,284 units (2018: Nil units)	140	-
		September 30,	June 30,
		2019	2019
13.2	Balances outstanding as at period / year end	(Un-Audited)	(Audited)
		(Rupees in '000)	
HBL Asset Management Limited - Management Company			
	Management fee	1,033	1,282
	Sindh Sales Tax	134	167
	Sales load payable	1	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	338	64
	Allocation of expenses related to Selling and Marketing,	1,166	798
	Outstanding 2,197,777 units (June 30, 2019: 2,197,777 units)	22,553	24,440
Habib Bank Limited - Sponsor			
	Bank Balance	14,050	1,886
	Outstanding 19,690,192 units (June 30, 2019: 19,690,192 units)	202,059	218,957
Directors of the Management Company			
	Outstanding 37,530 units (June 30, 2019: 449,955 units)	385	5,004
Central Depository Company of Pakistan Limited - Trustee			
	Remuneration payable	117	145
	CDC charges payable	3	3
	Security deposit	300	300

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Note	September 30, 2019							
	Carrying amount				Fair Value			
	Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	621,594	-	-	621,594	621,594	-	-	621,594
	621,594	-	-	621,594	621,594	-	-	621,594
Financial assets not measured at fair value								
14.1				-				
Bank balances	-	85,343	-	85,343	-	-	-	-
Dividend and profit receivable	-	5,134	-	5,134	-	-	-	-
Security deposits	-	2,800	-	2,800				
	-	93,277	-	93,277	-	-	-	-
Financial liabilities not measured at fair value								
14.1								
Payable to Management Company	-	-	2,672	2,672	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	117	117	-	-	-	-
Payable against purchase of investments	-	-	18,657	18,657	-	-	-	-
Accrued expenses and other liabilities	-	-	19,524	19,524	-	-	-	-
	-	-	40,970	40,970	-	-	-	-
----- (Rupees in '000) -----								
June 30, 2019								
Note	Carrying amount				Fair Value			
	Fair value through profit or loss- held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	698,072	-	-	698,072	698,072	-	-	698,072
	698,072	-	-	698,072	698,072	-	-	698,072
Financial assets not measured at fair value								
14.1								
Bank balances	-	61,148	-	61,148	-	-	-	-
Dividend and profit receivable	-	680	-	680	-	-	-	-
Security deposits	-	2,800	-	2,800				
	-	64,628	-	64,628	-	-	-	-
Financial liabilities not measured at fair value								
14.1								
Payable to Management Company	-	-	2,311	2,311	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	148	148	-	-	-	-
Accrued expenses and other liabilities	-	-	19,736	19,736	-	-	-	-
	-	-	22,195	22,195	-	-	-	-

14.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2019.

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees.

16.2 Corresponding figures have been rearranged and reclassified, wherever necessary for better presentation and disclosure.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Multi Asset Fund

FUND INFORMATION

Name of Fund	HBL Multi Asset Fund
Name of Auditor	KPMG Taseer Hadi & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited HBL Bank Limited JS Bank Limited Zarai Taraqati Bank Limited Allied Bank Limited Sindh Bank Limited Soneri Bank Limited

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2019

	Note	September 30, 2019 (Un-Audited)	June 30, 2019 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	69,522	60,225
Investments	5	130,128	148,196
Dividend receivable and accrued mark-up		2,726	1,134
Receivable Against Sale of Investment		2,513	2,631
Advances, deposits and other receivables		3,500	3,480
Total assets		208,389	215,666
Liabilities			
Payable to Management Company	6.	636	541
Payable to Trustee	7.	36	65
Payable to Securities and Exchange Commission of Pakistan	8	10	234
Accrued expenses and other liabilities	9.	11,795	11,672
Total liabilities		12,477	12,512
Net assets		195,912	203,154
Unit holders' fund (as per statement attached)		195,912	203,154
Contingencies And Commitments	10	(Number of units)	
Number of units in issue		2,063,688	2,123,916
		(Rupees)	
Net assets value per unit		94.9332	95.6506

The annexed notes 1 to 18 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the three months ended September 30, 2019

	Note	Three months ended	
		September 30,	
		2019	2018
		----- (Rupees in '000) -----	
Income			
Dividend income		2,019	1,889
Mark-up on deposits with banks & Term deposit		2,223	2,232
Mark-up / return on investments - net		1,041	648
Capital gain on sale of investments - net		(771)	452
Other Income		14	2
		4,526	5,223
Unrealised appreciation /(diminution) on re-measurement of investments at "fair value through profit or loss - held-for-trading" - net		(4,511)	(4,860)
		15	363
Expenses			
Remuneration of Management Company		937	1,746
Remuneration of Trustee		110	199
Annual fee of Securities and Exchange Commission of Pakistan		10	66
Allocation of expenses related to registrar services, accounting, operation and valuation services		164	78
Selling and Marketing Expense		183	99
Settlement and bank charges		48	119
Auditors' remuneration		100	100
Fee and Subscription		7	27
Securities transaction costs		108	109
		1,667	2,543
Net loss from operating activities		(1,652)	(2,180)
Provision for Sindh Workers' Welfare Fund	9.2	-	-
Net loss for the period before taxation		(1,652)	(2,180)
Taxation	11.	-	-
Net income for the period after taxation		(1,652)	(2,180)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(1,652)	(2,180)
Earning per unit	12.		

The annexed notes 1 to 18 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Statement of Movement in Unitholders' Fund (Un-Audited)
For the three months ended September 30, 2019

Three months ended
September 30,

	2019				2018			
	(Rupees in '000)							
	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
Net assets at the beginning of the period	252,548	(49,394)	-	203,154	350,396	(32,325)	6,052	324,123
Adoption of IFRS 9						6,052	(6,052)	
Issuance of 11,132 units (2018: 63,756 units)								
- Capital value (at net asset value per unit at the beginning of the	1,065	-	-	1,065	6,698	-	-	6,698
- Element of loss	(25)	-	-	(25)	(19)	-	-	(19)
	1,040			1,040	6,679	-	-	6,679
Redemption of 71,359 units (2018: 260,906 units)								
- Capital value (at net asset value per unit at the beginning of the	(6,826)	-	-	(6,826)	(27,409)	-	-	(27,409)
- Amount paid out of element of income	196	-	-	196	(328)	-	-	(328)
Relating to net income for the period after taxation	(6,630)			(6,630)	(27,737)	-	-	(27,737)
Net (loss) / income for the period after taxation	-	(1,652)	-	(1,652)	-	(2,180)	-	(2,180)
Distribution during the period	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(1,652)	-	(1,652)	-	(2,180)	-	(2,180)
Net assets at the end of the period	246,958	(51,046)	-	195,912	329,338	(28,453)	-	300,885
Undistributed income brought forward								
- Realised		(28,595)				(30,133)		
- Unrealised		(20,799)				(2,192)		
		(49,394)				(32,325)		
Adoption of IFRS 9		-				6,052		
Net Loss For The Period		(1,652)				(2,180)		
Undistributed income carried forward		(51,046)				(28,453)		
Undistributed income carried forward								
- Realised		(46,535)				(23,593)		
- Unrealised		(4,511)				(4,860)		
		(51,046)				(28,453)		

----- (Rupees) -----

Net assets value per unit at beginning of the period	105.0519	112.0924
Net assets value per unit at end of the period	94.9332	102.4910

The annexed notes 1 to 18 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended September 30, 2019

	Three months ended	
	September 30,	
	2019	2018
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	(1,652)	(2,180)
(Increase) / decrease in assets		
Investments - net	18,186	10,107
Dividend receivable and accrued mark-up	(1,592)	(994)
Advances, deposits and other receivables	(20)	3,196
	16,574	12,309
Increase / (decrease) in liabilities		
Payable to Management Company	95	2
Payable to Trustee	(29)	-
Payable to Securities and Exchange Commission of Pakistan	(224)	(444)
Accrued expenses and other liabilities	122	1,575
	(36)	1,133
Net cash generated from operating activities	14,886	11,262
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received on issue of units	1,040	6,679
Payment against redemption of units	(6,630)	(27,737)
Net cash generated from financing activities	(5,590)	(21,058)
Net increase cash and cash equivalents	9,297	(9,796)
Cash and cash equivalents at beginning of the period	60,225	118,090
Cash and cash equivalents at end of the period	69,522	108,294

The annexed notes 1 to 18 form an integral part of this condensed interim financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on September 28, 2007.

HBL Asset Management Limited is the Management Company of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange.

The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes, such as equity securities, government securities, fixed income securities, continuous funding system, derivatives, money market instruments and other asset classes / securities / instruments.

JCR-VIS Credit Rating Agency (JCR-VIS) has assigned management quality rating of 'AM2+' to the Management Company.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

		September 30, 2019	June 30, 2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
4. Bank Balances	<i>Note</i>		
Savings accounts	4.1	<u>69,522</u>	<u>60,225</u>
		<u>69,522</u>	<u>60,225</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 8.00%-13.99% per annum (2019:4.00% - 13.50%) p.a).

		September 30, 2019	June 30, 2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
5. INVESTMENTS	<i>Note</i>		
At Fair Value Through Profit or Loss			
Term Finance Certificates	5.1	28,939	118,637
Listed equity securities	5.2	<u>101,189</u>	<u>29,559</u>
		<u>130,128</u>	<u>148,196</u>

5.1 Term Finance Certificates

All Term Finance Certificates and Sukuk bonds have a face value of Rs. 5,000 & 100,000 each unless stated otherwise.

Name of the Investee Company	Number of certificates			As at September 30, 2019	Market value / Carrying value* as at September 30, 2019 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Saudi Pak Leasing Company Limited - (Note 6.2.1)	6,000	-	-	6,000	-	-	-
The Bank Of Punjab	135	-	-	135	13,276	6.60%	4.41%
Dawood Hercules Corporation Ltd*	175	-	-	175	15,663	7.79%	5.21%
	6,310	-	-	6,310	28,939	14.39%	9.62%
Cost of investments at September 30, 2019					29,058		

* Related party due to common directorship

* In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities, market value / valuation by MUFAP is not available.

5.1.1 Saudi Pak Leasing Company Limited defaulted towards payment falling due in September 2010. Accordingly, the exposure was classified as non-performing and provision was recognised in accordance with the SECP's provisioning guidelines.

Subsequently, on the request of the Issuer, TFC holders approved the restructuring of the facility by extending repayment period from 5 years to 9 years and by reducing mark-up rate to 6% for 24 months from restructuring date and 8% for next 24 months and thereafter fixing the mark-up rate at 1 month KIBOR. Further, half of the accrued mark-up is to be paid in cash and the balance is being deferred.

The Issuer defaulted again in the payment of principal and mark-up due on September 13, 2011. In accordance with the requirements of Circular No. 33 of 2012 dated October 24, 2012 issued by the Securities Exchange Commission of Pakistan (SECP), the exposure has been classified as non-performing and no further mark-up is being accrued after classification as non-performing exposure. Accordingly, the exposure has been fully provided.

5.1.2 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding at September 30, 2019 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Saudi Pak Leasing Company Limited	2,533	6% Fixed Rate	13-Mar-08	13-Mar-17
The Bank Of Punjab	99,980	6 month KIBOR + 0.50%	19-Feb-16	19-Feb-26
Dawood Hercules Corporation Ltd	100,000	3 Month KIBOR + 1.0%	1-Mar-18	1-Mar-23

5.2 Listed equity securities - At fair value through profit or loss - Held for trading

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares				As at September 30, 2019	Market value as at September 30, 2019	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
(Rupees in '000)									
Personal Goods (Textile)									
Interloop Limited	34,250	-	-	-	34,250	1,504	1.16%	0.77%	0.39%
Nishat Mills Limited	14,700	5,000	-	3,000	16,700	1,403	1.08%	0.72%	0.00%
	48,950	5,000	-	3,000	50,950	2,907	2.23%	1.48%	
Commercial Banks									
Allied Bank Limited	30,000	-	-	-	30,000	2,603	2.00%	1.33%	0.00%
Bank Al-falah Ltd	145,100	-	-	1,000	144,100	5,899	4.53%	3.01%	0.01%
Bank Al-Habib Limited	64,000	22,000	-	6,500	79,500	5,311	4.08%	2.71%	0.01%
Bank Of Punjab Ltd	132,000	-	-	-	132,000	1,151	0.88%	0.59%	0.02%
Faysal Bank Limited	2,250	-	-	-	2,250	36	0.03%	0.02%	0.00%
Habib Bank Limited*	71,971	-	-	15,000	56,971	6,732	5.17%	3.44%	0.00%
MCB Bank Limited	30,500	-	-	7,000	23,500	3,985	3.06%	2.03%	0.00%
National Bank of Pakistan Limited	39,500	-	-	39,500	-	-	-	-	-
United Bank Limited	47,300	2,000	-	-	49,300	6,815	5.24%	3.48%	0.00%
	562,621	24,000	-	69,000	517,621	32,532	25.00%	16.61%	
Cement									
Kohat Cement Ltd	13,000	-	-	13,000	-	-	-	-	-
Lucky Cement Ltd	11,400	-	-	2,000	9,400	3,216	2.47%	1.64%	0.00%
	24,400	-	-	15,000	9,400	3,216	2.47%	1.64%	
Power Generation & Distribution									
The Hub Power Company Limited	89,983	33,500	-	31,000	92,483	6,543	5.03%	3.34%	0.01%
K-Electric Limited	253,000	150,000	-	-	403,000	1,431	1.10%	0.73%	0.00%
Pakgen Power Limited	51,500	-	-	-	51,500	602	0.46%	0.31%	0.01%
	394,483	183,500	-	31,000	546,983	8,576	6.59%	4.38%	
Oil and Gas Exploration Company									
Mari Petroleum Limited	4,850	3,528	-	-	8,378	7,533	5.79%	3.85%	0.01%
Oil & Gas Development Company Limited	53,900	41,400	-	38,500	56,800	6,988	5.37%	3.57%	0.00%
Pakistan Oilfields Limited	12,120	5,500	-	5,000	12,620	4,794	3.68%	2.45%	0.01%
Pakistan Petroleum Limited	47,755	38,500	-	34,000	52,255	7,108	5.46%	3.63%	0.00%
	118,625	88,928	-	77,500	130,053	26,423	20.31%	13.49%	
Oil and Gas Marketing Company									
Pakistan State Oil Company Ltd	25,004	15,500	-	14,500	26,004	4,095	3.15%	2.09%	0.01%
Sui Northern gas Pipeline Ltd	20,500	27,500	-	25,000	23,000	1,417	1.09%	0.72%	0.00%
	45,504	43,000	-	39,500	49,004	5,512	4.24%	2.81%	
Fertilizer									
Engro Corporation Ltd	27,050	7,500	-	9,000	25,550	6,819	5.24%	3.48%	0.00%
Engro Fertilizers Limited	73,500	12,500	-	26,500	59,500	4,060	3.12%	2.07%	0.00%
Fauji Fertilizer Co. Ltd	62,500	-	-	26,000	36,500	3,396	2.61%	1.73%	0.00%
	163,050	20,000	-	61,500	121,550	14,275	10.97%	7.29%	
TRANSPORT									
Pakistan National Shipping Corp Ltd	13,000	-	-	8,500	4,500	284	0.22%	0.14%	0.00%
	13,000	-	-	8,500	4,500	284	0.22%	0.14%	
Automobile Assemblers									
Indus Motor Company Limited	1,300	-	-	1,300	-	-	-	-	-
	1,300	-	-	1,300	-	-	-	-	-
Pharma and Bio Tech									
AGP Limited	21,000	-	-	21,000	-	-	-	-	-
The Searle Company Limited	7,761	3,000	-	6,000	4,761	658	0.51%	0.34%	0.00%
	28,761	3,000	-	27,000	4,761	658	0.51%	0.34%	
INVESTMENT BANKS/Companies									
Dawood Hercules Corporation Ltd	12,500	-	-	12,500	-	-	-	-	-
	12,500	-	-	12,500	-	-	-	-	-
INSURANCE									
Adamjee Insurance Co Ltd	-	50,000	-	-	50,000	1,403	1.08%	0.72%	0.01%
	-	50,000	-	-	50,000	1,403	1.08%	0.72%	

Name of the Investee Company	Number of shares				As at September 30, 2019	Market value as at September 30, 2019	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period			Total Investments	Net Assets	
(Rupees in '000)									
Engineering									
Mughal Iron & Steel Ind Ltd	2,500	-	-	-	2,500	70	0.05%	0.04%	0.00%
	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>70</u>	<u>0.05%</u>	<u>0.04%</u>	
Chemical									
Engro Polymer & Chemicals Ltd	70,000	23,000	-	39,500	53,500	1,313	1.01%	0.67%	0.01%
Lotte Chemical Pakistan Ltd	50,000	-	-	500	49,500	675	0.52%	0.34%	0.00%
Sitara Chemical Industries Limited	2,500	300	-	-	2,800	719	0.55%	0.37%	0.01%
Thal Limited	8,000	3,000	-	-	11,000	2,624	2.02%	1.34%	0.01%
	<u>130,500</u>	<u>26,300</u>	<u>-</u>	<u>40,000</u>	<u>116,800</u>	<u>5,331</u>	<u>4.10%</u>	<u>2.72%</u>	
PAPER & BOARD									
Century Paper & Board Mills Ltd	14,000	-	-	14,000	-	-	-	-	-
Security Papers Ltd	10,000	-	-	10,000	-	-	-	-	-
	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>1,570,194</u>	<u>443,728</u>	<u>-</u>	<u>409,800</u>	<u>1,604,122</u>	<u>101,187</u>	<u>77.76%</u>	<u>51.65%</u>	
Cost of investments at September 30, 2018						<u>105,581</u>			

*Sponsor of the management company

5.2.1 Investments include shares having market value aggregating to Rs. 34.538 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.2.2 These include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the bonus shares equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 253,973 at September 30, 2019 (2018: Rs.262,707) and not yet deposited in CDC account of Department of Income tax. Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30,	June 30,
		2019 (Un-Audited)	2019 (Audited)
		(Rupees in '000)	
Management fee	6.1	317	363
Sindh Sales Tax	6.2	41	47
Sales load payable		-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	95	18
Selling and Marketing Payable	6.4	183	113
		<u>636</u>	<u>541</u>

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. The Management Company has charged its remuneration at the rate of two percent per annum (June 30, 2019: two percent per annum) of the average annual net assets of the Fund till July 07, 2019 Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 1.5% of the average daily net asset of the scheme. Effective from September 01, 2019. The Management Company has revised the fee to be charged at the rate of 2.0% of the average daily net assets of the fund. The fee is payable monthly in arrears

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “registrar services, accounting, operation and valuation services related to , Collective Investment Scheme”. During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.5% of the average daily net assets of the Fund. . Effective from September 1, 2019 expenses are being charged at the rate of 0.1% of the average daily net assets of the fund.

6.4 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.2% of the average daily net assets of the Fund effective till July 7, 2019. Effective from July 8, 2019 till September 30, 2019 expenses were charged at the rate of 0.45% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.285% of the average daily net assets of the fund.

7. Payable To Trustee	September 30,	June 30,
	2019	2019
	(Un-Audited)	(Audited)
	(Rupees in '000)	
Trustee's remuneration	32	58
Sindh Sales Tax	4	7
	<u>36</u>	<u>65</u>

7.1 The trustee is entitled to a monthly remuneration for services rendered to the fund under the provision of the Trust Deed. Effective from July 1, 2019 the trustee fee is being charged at the rate of 0.2% of the daily average net assets of the Fund. The fee is payable monthly in arrears.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual Fee	<u>10</u>	<u>234</u>
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8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
		2019	2019
		(Un-Audited)	(Audited)
		(Rupees in '000)	
Auditors' remuneration		396	296
Federal Excise Duty	9.1	6,610	6,610
Other payables		123	113
Payable to HBL Money Market Fund against conversion of units		-	-
Payable against purchase of Invertments		69	56
Payable to brokers		4,597	4,597
Provision for Sindh Workers' Welfare Fund	9.2	<u>4,597</u>	<u>4,597</u>
		<u>11,795</u>	<u>11,672</u>

9.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.61 million. Had the provision not been made, the Net Asset Value per unit as at September 30, 2019 would have been higher by Re. 3.20 (June 30, 2019: Re. 3.11) per unit.

9.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is a loss for the three months ended September 30, 2019, therefore, no provision for SWWF has been maderecognised in this condensed interim financial information. Had the provision not been retained, net asset value per unit at September 30, 2019 would have been higher by Re. 2.23 (June 30, 2019 Re. 2.16) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018.

11. TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

12. EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

13. TOTAL EXPENSE RATIO

The Scheme has maintained Total Expense Ratio (TER) 0.86% (0.06% representing Government Levies, and SECP Fee).

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

14.1	Transactions during the period	Three months ended September 30,	
		2019	2018
		(Rupees in '000)	
	HBL Asset Management Limited - Management Company		
	Management fee	937	1,746
	Allocation of expenses related to registrar services, accounting, operation and valuation services	164	78
	Selling and Marketing Expense	183	99
	Habib Bank Limited - Sponsor		
	Mark-up earned during the period	117	51
	Mark-up received during the period	122	45
	Dividend income earned during the period	84	61
	Bank charges	3	4
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	110	199
	Central Depository service charges	2	5
		September 30,	June 30,
		2019	2019
		(Rupees in '000)	
14.2	Amounts outstanding as at period end		
	HBL Asset Management Limited - Management Company		
	Management fee	317	363
	Sindh Sales Tax	41	47
	Sales load payable	-	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	95	18
	Selling and Marketing Payable	183	113
	Habib Bank Limited - Sponsor		
	Investment held in the Fund: 1,002,846 units (June 30, 2019: 1,002,846 units)	95,203	95,923
	Bank balances	4,332	2,967
	Mark-up receivable on deposits with bank	25	18
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	32	58
	Sindh Sales Tax	4	7
	Rafiuddin Zakir Mahmood - Connected Person due to holding more than 10% holding		
	Unit held: 298,482 units (June 30, 2019: 298,482 units)	28,336	28,550

15. DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - CATEGORISATION OF OPEN END SCHEME

The Securities and Exchange Commission of Pakistan vide circular 16 of 2010 dated July 07, 2010 required all Asset Management Companies to made disclosure in the financial statement of the collective investment scheme regarding any non-compliant investment held in portfolio of the collective investment scheme which are non-compliant either with the investment policy or the minimum investment criteria. As at September 30, 2019, all the investment held in the fund portfolio are compliant except for the following which are non-compliant due to not meeting minimum rating requirement.

Name of Non-Complaint Investment	Type of Investment	Value of Investment before Provision	Provision held (if any)	Value of Investment after Provision	% of Net Assets	% of Gross Assets
(Rupees in '000)						
Saudi Pak Leasing Company Limited	TFC	15,197	15,197	-	-	-
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Note	September 30, 2019							
	Carrying amount				Fair Value			
	fair value through profit or loss	At Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	101,189	-	-	101,189	101,189	-	-	101,189
- Term finance certificate	28,939	-	-	28,939	-	28,939	-	28,939
	130,128	-	-	130,128	101,189	28,939	-	130,128
Financial assets not measured at fair value								
Bank balances	-	69,522	-	69,522	-	-	-	-
Investments								
Dividend receivable and accrued mark-up	-	2,726	-	2,726	-	-	-	-
Advances, deposits and other receivables	-	3,500	-	3,500	-	-	-	-
	-	75,748	-	75,748	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	636	636	-	-	-	-
Payable to Trustee	-	-	36	36	-	-	-	-
Accrued expenses and other liabilities	-	-	11,794	11,794	-	-	-	-
Unit Holder' Fund	-	-	2,063,688	2,063,688	-	-	-	-
	-	-	2,076,154	2,076,154	-	-	-	-
	June 30, 2019							
	Carrying amount				Fair Value			
	Fair value through profit or loss	at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Investments								
- Listed equity securities	118,637	-	-	118,637	118,637	-	-	118,637
Term Finance certificate	29,559	-	-	29,559	-	29,559	-	29,559
	148,196	-	-	148,196	118,637	29,559	-	148,196
Financial assets not measured at fair value								
Bank balances	-	60,225	-	60,225	-	-	-	-
Investments								
- Un-Listed equity securities	-	-	-	-	-	-	-	-
- At amortized cost - Placements	-	-	-	-	-	-	-	-
Dividend receivable and accrued mark-up	-	1,134	-	1,134	-	-	-	-
Receivable Against Sale of Investment	-	2,631	-	2,631	-	-	-	-
Advances, deposits, prepayments and other receivables	-	3,480	-	3,480	-	-	-	-
	-	67,470	-	67,470	-	-	-	-
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	494	494	-	-	-	-
Payable to Trustee	-	-	58	58	-	-	-	-
Accrued expenses and other liabilities	-	-	465	465	-	-	-	-
Unit Holder' Fund	-	-	203,154	203,154	-	-	-	-
	-	-	204,171	204,171	-	-	-	-

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2019.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Financial Planning Fund

FUND INFORMATION

Name of Fund	HBL Financial Planning Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Bankers	Habib Bank Limited JS Bank Limited Soneri Bank Limited

HBL Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2019

Note	September 30, 2019					June 30, 2019			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Unaudited)					(Audited)				
(Rupees in '000)									
Assets									
4	684	179	27	15,467	16,357	1,293	31	41	1,365
5	73,280	50,626	170,749	138,449	433,104	100,890	67,822	169,458	338,170
	-	-	-	103	103	-	-	-	-
	112	82	91	18	303	112	74	44	230
	809	700	18	-	1,527	877	758	188	1,823
Total assets	74,885	51,587	170,884	154,038	451,394	103,172	68,685	169,731	341,588
Liabilities									
6	14	9	28	2,174	2,225	11	6	14	31
	6	4	14	7	31	9	6	15	30
7	4	3	9	1	17	168	91	184	443
8	325	220	202	23	770	379	1,530	205	2,114
	-	-	-	-	-	-	1	-	1
Total liabilities	349	236	253	2,205	3,043	567	1,634	418	2,619
Net assets	74,536	51,351	170,632	151,832	448,351	102,605	67,051	169,313	338,969
Unit holders' fund (as per statement attached)	74,536	51,351	170,632	151,832	448,351	102,605	67,051	169,313	338,969
Number of units in issue	769,506	488,304	1,697,388	1,509,061		1,057,933	645,802	1,709,667	
(Rupees)					(Rupees)				
Net asset value per unit	96.8617	105.1629	100.5263	100.6138		96.9864	103.8264	99.0331	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Condensed Interim Income Statement and Other Comprehensive Income (Unaudited)
For the Three months ended September 30, 2019

Note	Three months ended September 30, 2019				For the period from September 16, 2019 to September 30, 2019	Three months ended September 30, 2018			
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
(Rupees in '000)									
Income									
Mark-up on deposits with bank	35	2	2	103	142	24	5	1	30
Capital (loss) / gain on sale of investment - net	(1,208)	(112)	(2,549)	18	(3,851)	(2,700)	80	324	(2,296)
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(394)	760	5,100	849	6,315	(474)	1,355	86	967
Dividend income	868	-	375	-	1,243	45	37	14	96
Total (loss) / income	(699)	650	2,928	970	3,849	(3,105)	1,477	425	(1,203)
Expenses									
Remuneration of the Management Company	6.1	4	2	-	7	13	8	3	2
Sindh Sales Tax on remuneration of the Management Company	6.2	1	-	-	1	2	1	-	-
Remuneration of the Trustee	7.1	23	16	43	7	89	57	34	53
Annual fee to Securities and Exchange Commission of Pakistan	7	4	3	9	1	17	53	31	50
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	43	30	82	14	169	56	33	53
Amortisation of preliminary expenses and flotation costs		67	58	169	-	294	67	58	169
Auditors' remuneration		26	22	26	4	78	28	24	29
Bank charges		3	4	3	4	14	6	4	3
Listing Fee		8	6	17	-	31	10	6	16
Total expenses		179	141	349	38	707	286	193	375
Net (loss) / income from operating activities		(878)	508	2,579	932	3,142	(3,391)	1,284	50
Provision for Sindh Workers' Welfare Fund	8.1	-	(10)	(51)	(18)	(79)	-	(26)	(1)
Net (loss) / income for the Period before taxation		(878)	498	2,528	914	3,063	(3,391)	1,258	49
Taxation	9	-	-	-	-	-	-	-	-
Net (loss) / income for the Period after taxation		(878)	498	2,528	914	3,063	(3,391)	1,258	49
Earning per unit	10								
Income already paid on redemption of units		-	159	7	-	-	36	-	-
Accounting income available for distribution:									
-Relating to capital gains			339	2,521	867		1,222	49	
-Excluding capital gains			-	-	47		-	-	
			339	2,521	914		1,222	49	
Net loss / income for the Period after taxation			498	2,528	914		1,258	49	
Other comprehensive income for the Period			-	-	-		-	-	
Total comprehensive income for the Period			498	2,528	914		1,258	49	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2019

	Three months ended September 30, 2019			Three months ended September 30, 2018		
	Conservative Allocation Plan			Conservative Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees '000) -----						
Net assets at beginning of the Period	62,239	4,812	67,051	128,919	4,776	133,695
Issuance of Nil (2018: Nil) units						
- Capital value (at net asset value per unit at the par value)	-	-	-	-	-	-
- Element of Income	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of 157,498 (2018: 61,616 units)						
- Capital value (at net asset value per unit at the par value)	(16,352)	-	(16,352)	(6,393)	-	(6,393)
- Amount paid out of element of income	313	-	313	-	-	-
- Income already paid on redemption of units	-	(159)	(159)	4	(36)	(32)
Total payments on redemption of units	(16,039)	(159)	(16,198)	(6,389)	(36)	(6,425)
Total comprehensive income for the Period	-	498	498	-	1,258	1,258
Net assets at end of the Period	46,200	5,151	51,351	122,530	5,998	128,528
Undistributed income brought forward		4,812			4,776	
Accounting income available for distribution						
- Relating to capital gains		339			1,222	
- Excluding capital gains		-			-	
		339			1,222	
Undistributed income carried forward		5,151			5,998	
Undistributed income carried forward						
- Realised		4,391			4,643	
- Unrealised		760			1,355	
		5,151			5,998	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the Period			<u>103.8264</u>			<u>104.7604</u>
Net assets value per unit at end of the Period			<u>96.8617</u>			<u>104.7604</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the Three months ended September 30, 2019

	Three months ended September 30, 2019			Three months ended September 30, 2018		
	Strategic Allocation Plan			Strategic Allocation Plan		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees '000)					
Net assets at beginning of the Period	170,570	(1,257)	169,313	203,390	5,132	208,522
Issuance of Nil (2018: Nil) units						
- Capital value (at net asset value per unit at the par value)	-	-	-	-	-	-
- Element of Income	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of 12,279 (2018: 15,144 units)						
- Capital value (at net asset value per unit at the par value)	(1,216)	-	(1,216)	(1,553)	-	(1,553)
- Amount paid out of element of income	14	-	14	-	-	-
- Income already paid on redemption of units	-	(7)	(7)	-	-	-
Total payments on redemption of units	(1,202)	(7)	(1,209)	(1,553)	-	(1,553)
Total comprehensive income for the Period	-	2,528	2,528	-	49	49
Net assets at end of the Period	169,368	1,264	170,632	201,837	5,181	207,018
Undistributed income brought forward		(1,257)			5,132	
Accounting income available for distribution						
- Relating to capital gains		2,521			49	
- Excluding capital gains		-			-	
		2,521			49	
Undistributed income carried forward		1,264			5,181	
Undistributed income carried forward						
- Realised		1,738			5,095	
- Unrealised		(474)			86	
		1,264			5,181	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the Period			<u>99.0331</u>			<u>102.5470</u>
Net assets value per unit at end of the Period			<u>96.8617</u>			<u>102.5470</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Statement of Movement In Unitholders' Fund
For the period from September 16, 2019 to September 30, 2019

	Speical Income Plan		
	Capital Value	Undistributed income	Total
	----- (Rupees '000) -----		
Net assets at beginning of the Period	-	-	-
Issuance of 1,509,061 units			
- Capital value (at net asset value per unit at the par value)	150,906	-	150,906
- Element of Income	12	-	12
Total proceeds on issuance of units	150,918	-	150,918
Redemption of Nil units			
- Capital value (at net asset value per unit at the par value)	-	-	-
- Amount paid out of element of income	-	-	-
- Income already paid on redemption of units	-	-	-
Total payments on redemption of units	-	-	-
Total comprehensive income for the Period	-	914	914
Net assets at end of the Period	150,918	914	151,832
Undistributed income brought forward		-	
Accounting income available for distribution			
- Relating to capital gains		867	
- Excluding capital gains		47	
		914	
Undistributed income carried forward		914	
Undistributed income carried forward			
- Realised		65	
- Unrealised		849	
		914	
			(Rupees)
Net assets value per unit at end of the Period			100.6138

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Condensed Interim Cash Flow Statement (unaudited)
For the Three months ended September 30, 2019

Note	Three months ended September 30, 2019				For the period from September 16, 2019 to September 30, 2019	Three months ended September 30, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
------(Rupees in '000)-----										
Cash flows from operating activities										
Net (loss) / income for the Period before taxation	(878)	498	2,528	914	3,062	(3,391)	1,258	49	(2,084)	
Adjustments for non-cash items										
Capital loss / (gain) on sale of investment - net	1,208	112	2,549	(18)	3,851	2,700	(80)	(324)	2,296	
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	394	(760)	(5,100)	(849)	(6,315)	474	(1,355)	(86)	(967)	
	724	(150)	(23)	47	598	(217)	(177)	(361)	(755)	
Decrease / (Increase) in assets										
Investments - net	26,008	17,844	1,260	(137,582)	(92,470)	131,985	6,605	1,896	140,486	
Accrued mark-up	-	-	-	(103)	(103)	4	1	-	5	
Advance, deposits and other receivables	-	(8)	(47)	(18)	(73)	(6)	1	8	3	
Preliminary expenses and flotation costs	68	58	170	-	296	68	58	169	295	
	26,076	17,894	1,383	(137,703)	(92,350)	132,051	6,665	2,073	140,789	
(Decrease) / Increase in liabilities										
Payable to the Management Company	3	3	14	2,174	2,194	(23)	-	-	(23)	
Payable to the Trustee	(3)	(2)	(1)	7	1	(41)	(13)	(19)	(73)	
Payable to Securities and Exchange Commission of Pakistan	(164)	(88)	(175)	1	(426)	(153)	(78)	(93)	(324)	
Accrued expenses and other liabilities	(54)	(1,310)	(3)	23	(1,344)	(42)	(15)	(48)	(105)	
	(218)	(1,397)	(165)	2,205	425	(259)	(106)	(160)	(525)	
Net cash flow / (used) from / in operating activities	26,582	16,346	1,195	(135,451)	(91,327)	131,575	6,382	1,552	139,509	
Cash flows from financing activities										
Amount received on issue of units	-	-	-	150,918	150,918	624	-	-	624	
Amount paid on redemption of units	(27,191)	(16,198)	(1,209)	-	(44,598)	(130,181)	(6,425)	(1,553)	(138,159)	
Net cash used in financing activities	(27,191)	(16,198)	(1,209)	150,918	106,320	(129,557)	(6,425)	(1,553)	(137,535)	
Net (decrease) / increase in cash and cash equivalents	(609)	148	(14)	15,467	14,993	2,018	(43)	(1)	1,974	
Cash and cash equivalents at the beginning of the Period	1,293	31	41	-	1,365	1,278	443	149	1,870	
Cash and cash equivalents at the end of the Period	4	684	179	27	15,467	16,358	3,296	400	148	3,844

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Three months ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Financial Planning Fund (the Fund), was established under the Trust Deed executed between HBL Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on March 22, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2017 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton. The Fund commenced its operations from October 11, 2017.

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Active Allocation Plan, Conservative Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) on September 11, 2017 to October 10, 2017 whereas units of Strategic Allocation Plan were offered from August 07, 2017 to October 10, 2017. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual but the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank *pari passu* inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The Fund aims to generate returns on investment as per the respective Allocation Plan by investing in Mutual Funds in line with the risk tolerance of the Investor. Following is the description of three plans currently in operation:-

The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between Equity scheme(s), Income scheme(s) and Money Market Schemes based on the Fund Manager's outlook on the asset classes.

The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity, income and money market funds. This Allocation Plan is suitable for Investors who have moderate risk tolerance and have a short to medium term investment horizon.

The "Strategic Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between Equity scheme(s), Income scheme(s) and Money Market Schemes based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The duration of this plan is 24 months (Two Years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of the Fund.

The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between Income and Money Market schemes based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk & volatility. The duration of this plan is 24 months (Two Years). However, SECP or the Management Company may wind it up or revoke, on the occurrence of certain events as specified in the Regulations or clause no.10.4 of the offering document of HBL-FPF.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+ (AM two plus)' to the Management Company while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

No comparative figures / information have been disclosed for Special Income Plan in these financial statements as the plan commenced its operations on September 16, 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2019.

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

This condensed interim financial information is unaudited. In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

6. PAYABLE TO THE MANAGEMENT COMPANY

	30-Sep-2019					30-Jun-2019				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note	(Rupees in '000)					(Rupees in '000)				
Management fee	6.1	1	1	-	7	9	3	-	-	3
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	-	1	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	13	8	28	14	63	9	6	14	28
Sales load payable		-	-	-	2,122	2,122	-	-	-	-
Other Payable		-	-	-	30	30	-	-	-	-
		14	9	28	2,174	2,225	12	6	14	31

6.1 As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the Scheme. However, no management fee is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.

6.3 As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

7. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a fund of fund scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2019					June 30, 2019				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total	
Note	(Rupees in '000)					(Rupees in '000)				
Withholding tax	-	-	-	-	-	-	253	-	253	
Provision for Sindh Workers' Welfare Fund	8.1	111	136	156	18	421	111	126	105	342
Printing		12	16	18	-	46	13	17	19	49
Zakat		51	-	-	-	51	51	-	-	51
Auditors' remuneration		25	22	25	5	77	78	67	78	223
Other Payables		126	46	3	-	175	126	1,067	3	1,196
		325	220	202	23	770	379	1,530	205	2,114

8.1 SINDH WORKER'S WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is the same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 0.111 million, Rs. 0.136 million, Rs. 0.156 million and 0.018 million for the quarter ended September 30, 2019 (June 2019: Rs. 0.111 million, Rs. 0.126 million and Rs 0.105 million) in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Re. 0.144 per unit, Re. 0.278, Re. 0.092 and Re. 0.012 (June 30, 2019 Re. 0.105, Re. 0.195 and Re. 0.061) per unit of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan respectively and Special Income Plan.

9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the period, management has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

10 EARNINGS PER UNIT (EPU)

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, determination of weighted average units for calculating earnings per unit is not practicable.

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, MCB Financial Services Limited being the Trustee of the Fund, collective investment schemes managed by the Management Company, directors and officers of the Management Company and directors of the connected persons.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and Trustee is determined in accordance with the provisions of the offering document.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

11.1 Transactions during the period

	For the three months ended					For the three months ended				
	September 30, 2019					September 30, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total
------(Rupees in '000)-----										
HBL Asset Management Limited - Management Company										
Remuneration of the Management Company	4	2	-	7	13	8	3	2	-	13
Sindh Sales Tax on remuneration of the Management Company	1	-	-	1	2	1	-	-	-	1
Allocation of expenses related to registrar services, accounting, operation and valuation services	43	30	82	14	169	56	33	53	-	142
Habib Bank Limited - Sponsor										
Mark-up earned	35	1	1	8	45	23	5	1	-	29
MCB Financial Services Limited - Trustee										
Remuneration of the Trustee	23	16	43	7	89	57	34	53	-	144
------(Rupees in '000)-----										
HBL Cash Fund - CIS managed by Management Company										
Purchase of 65,846 (2018: 64,140) units	6,668	-	-	-	6,668	45	-	-	-	45
Purchase of Nil (2018: 52,107) units	-	-	-	-	-	-	37	-	-	37
Purchase of 3,721 (2018: 19,803) units	-	-	375	-	375	-	-	14	-	14
Purchase of 45,224 (2018: Nil) units	-	-	-	4,600	4,600	-	-	-	-	-
Redemption of 227,051 (2018: 757,460) units	23,039	-	-	-	23,039	76,743	-	-	-	76,743
Redemption of Nil (2018: 61,194) units	-	-	-	-	-	-	6,224	-	-	6,224
Redemption of 15,673 (2018: 244,023) units	-	-	1,585	24,910	26,495	-	-	24,910	-	24,910

	For the three months ended September 30, 2019				For the three months ended September 30, 2018				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)				(Rupees in '000)				
HBL Stock Fund									
- CIS managed by Management Company									
Purchase of 112,937 (2018: 161,838) units	9,000	-	-	-	9,000	17,000	-	-	17,000
Purchase of 24,534 (2018: 15,232) units	-	2,012	-	-	2,012	-	1,600	-	1,600
Purchase of Nil (2018: 218,957) units	-	-	23,000	-	23,000	-	-	23,000	23,000
Redemption of 226,763 (2018: 704,388) units	18,637	-	-	-	18,637	72,288	-	-	72,288
Redemption of 44,882 (2018: 18,647) units	-	3,568	-	-	3,568	-	2,017	-	2,017
Redemption of 440,522 (2018: Nil) units	-	-	36,967	-	36,967	-	-	-	-
HBL Money Market Fund									
- CIS managed by Management Company									
Redemption of 156,531 (2018: Nil) units	-	16,277	-	-	16,277	-	-	-	-
HBL Government Securities Fund - CIS managed by Management Company									
Purchase of 345,994 (2018: Nil) units	-	-	36,967	-	36,967	-	-	-	-
Purchase of 1,220,437 (2018: Nil) units	-	-	-	133,000	133,000	-	-	-	-
HBL Income Fund - CIS managed by Management Company									
Purchase of Nil (2018: 30,098) units	-	-	-	-	-	-	-	-	-
Mr. Asif Nadeem Minhaas - Connected Person due to 10% holding									
Redemption of 1,372 units	130	-	-	-	130	-	-	-	-
Mr. Jamil Iqbal - Connected Person due to 10% holding									
Issue of 138,453 units	-	-	-	14,000	14,000	-	-	-	-
Mrs. Shazia Afshan Minhas - Connected Person due to 10% holding									
Issue of 187,247 units	-	-	-	18,962	18,962	-	-	-	-

11.2 Balances outstanding as at period end

	30-Sep-2019				30-Jun-2019				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)				(Rupees in '000)				
HBL Asset Management Limited - Management Company									
Management fee	1	1	-	7	9	3	-	-	3
Sindh Sales Tax on Management Company's remuneration	-	-	-	1	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	13	8	28	14	63	-	-	-	-
Sales load payable	-	-	-	2,122	2,122	-	-	-	-
Units held (2019: 999,202) units	-	-	100,446	-	100,446	-	-	98,954	98,954
Habib Bank Limited - Sponsor									
Mark-up accrued on deposits with bank	-	-	-	-	-	-	-	-	-
Balance in savings account	3,286	379	136	-	3,801	-	-	-	-
MCB Financial Services Limited - Trustee									
Remuneration payable to the Trustee	6	4	14	7	31	9	6	15	30
Ms. Shahida Saleem - Connected Person due to 10% holding									
Units held 48,606 (2019: 48,606) units	-	5,112	-	-	5,112	-	5,047	-	5,047
Mr. Ghulam Ali Talpur - Connected Person due to 10% holding									
Units held 250,500 (2019: 250,500) units	-	-	25,182	-	25,182	-	-	24,808	24,808
Sapphire Finishing Mills Limited - Employees Provident Fund due to 10% holding									
Units held 254,254 (2019: 254,254) units	-	-	25,559	-	25,559	-	-	25,180	25,180
Jamil Iqbal - Connected Person due to holding of 10% or more									
Units held 138,453 units	-	-	-	13,930	13,930	-	-	-	-

	30-Sep-2019				30-Jun-2019				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Total
	(Rupees in '000)				(Rupees in '000)				
Mrs. Shazia Afshan Minhas - Connected Person due to holding of 10% or more									
Units held 187,247 units	-	-	-	18,840	18,840	-	-	-	-
Patient Welfare Association - Connected Person due to holding of 10% or more									
Units held 400,000 (2019: 400,000) units	-	42,066	-	-	42,066	-	41,531	-	41,531
Safia Aziz Mirza - Connected Person due to holding of 10% or more									
Units held 149,247 (2019: 149,247) units	14,456	-	-	-	14,456	14,475	-	-	14,475
Asif Nadeem Minhas - Connected Person due to holding of 10% or more									
Units held 103,106 (2019: 104,477) units	9,987	-	-	-	9,987	10,133	-	-	10,133
HBL Cash Fund - CIS managed by Management Company									
Units held 340,964 (2019: 502,169) units	34,719	-	-	-	34,719	50,616	-	-	50,616
Units held 165,091 (2019: 177,043) units	-	-	16,811	-	16,811	-	-	17,845	17,845
Units held 45,224 units	-	-	-	4,605	4,605	-	-	-	-
HBL Stock Fund - CIS managed by Management Company									
Units held 354,239 (2019: 468,065) units	30,048	-	-	-	30,048	42,046	-	-	42,046
Units held 121,417 (2019: 141,765) units	-	10,299	-	-	10,299	-	12,735	-	12,735
Units held Nil (2019: 440,522) units	-	-	-	-	-	-	-	39,572	39,572
HBL Money Market Fund - CIS managed by Management Company									
Units held 382,894 (2019: 539,425) units	-	40,327	-	-	40,327	-	55,087	-	55,087
HBL Government Securities Fund - CIS managed by Management Company									
Units held 658,073 (2019: 312,079) units	-	-	72,170	-	72,170	-	-	33,012	33,012
Units held 1,220,437 units	-	-	-	133,844	133,844	-	-	-	-
HBL Income Fund - CIS managed by Management Company									
Units held 77,566 (2019: 77,566) units	8,513	-	-	-	8,513	8,227	-	-	8,227
Units held 745,068 (2019: 745,068) units	-	-	81,768	-	81,768	-	-	79,030	79,030

12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. units of mutual funds are based on the quoted NAVs at the close of the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		September 30, 2019						
		Carrying amount			Fair Value			
		Fair value through profit and loss - held-for-trading	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	(Rupees in '000)						
Financial assets measured at fair value								
Units of mutual funds	5	433,104	-	433,104	433,104	-	-	433,104
		<u>433,104</u>	<u>-</u>	<u>433,104</u>	<u>433,104</u>	<u>-</u>	<u>-</u>	<u>433,104</u>
Financial assets not measured at fair value								
Bank balances	12.1	-	16,357	16,357				
Accrued mark-up		-	103	103				
		<u>-</u>	<u>16,460</u>	<u>16,460</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	12.1	-	2,225	-				
Payable to the Trustee		-	31	-				
Accrued expenses and other liabilities		-	130	-				
Unit holders' fund		-	448,351	-				
		<u>-</u>	<u>450,737</u>	<u>-</u>				
		June 30, 2019						
		Carrying amount			Fair Value			
		Fair value through profit and loss - held-for-trading	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	Note	(Rupees in '000)						
Financial assets measured at fair value								
Units of mutual funds		338,170	-	338,170	338,170	-	-	338,170
		<u>338,170</u>	<u>-</u>	<u>338,170</u>	<u>338,170</u>	<u>-</u>	<u>-</u>	<u>338,170</u>
Financial assets not measured at fair value								
Bank balances	12.1	-	1,365	1,365				
Accrued mark-up		-	-	-				
		<u>-</u>	<u>1,365</u>	<u>1,365</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	12.1	-	31	31				
Payable to the Trustee		-	30	30				
Accrued expenses and other liabilities		-	1,347	1,347				
Unit holders' fund		-	338,969	338,969				
		<u>-</u>	<u>340,377</u>	<u>340,377</u>				

12.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the period ended September 30, 2019 is 0.20%, 0.23%, 0.21% and 0.02% (YTD) (2018: 0.13%, 0.17% and 0.18%) which includes 0.01%, 0.01%, 0.01% and Nil (2018: 0.03%, 0.05% and 0.03%) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan respectively.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2019 by the Board of Directors of the Management Company.

15. GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Growth Fund

FUND INFORMATION

Name of Fund	HBL Growth Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited

HBL Growth Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 (Un-Audited)			June 30, 2019 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)							
Assets							
Bank balances	4	277,384	496,850	774,234	127,708	786,197	913,905
Investments	5	4,201,948	2,526,996	6,728,944	4,556,990	4,101,848	8,658,838
Dividend and profit receivable		6,404	43,646	50,051	187,264	8,480	195,744
Receivable against purchase of investment		-	32,874	32,874	-	35,993	35,993
Security deposits and Prepayments		1,631	3,417	5,048	184	3,101	3,285
Total assets		4,487,368	3,103,783	7,591,151	4,872,146	4,935,619	9,807,765
Liabilities							
Payable to Management Company	6	17,485	13,316	30,801	14,910	13,538	28,448
Payable to the Trustee		477	350	827	561	578	1,139
Payable to the Securities and Exchange Commission of Pakistan	8	211	176	387	6,017	4,876	10,893
Payable against purchase of investment		-	27,828	27,828	-	38,072	38,072
Accrued expenses and other liabilities	7	2,439	168,574	171,013	2,363	280,915	283,278
Unclaimed dividend		-	133,994	133,994	-	134,158	134,158
Total liabilities		20,612	344,239	364,850	23,851	472,137	495,988
Net assets		4,466,756	2,759,544	7,226,301	4,848,295	4,463,482	9,311,777
Total unit holders' fund (as per statement attached)		4,466,756	2,759,544	7,226,301	4,848,295	4,463,482	9,311,777
Contingencies and commitments							
Number of units in issue		283,500,000	181,888,504		283,500,000	277,434,381	
(Rupees)							
Net assets value per unit		15.7558	15.1716		17.1016	16.0884	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Three Months Ended September 30,					
		2019			2018		
		Class A	Class B	Total	Class A	Class B	Total
		------(Rupees in '000)-----			------(Rupees in '000)-----		
Income							
Capital gain on sale of investments - net		-	(119,834)	(119,834)	-	1,186	1,186
Dividend income		-	37,747	37,747	-	57,867	57,867
Profit on bank deposits		8,307	18,506	26,812	2,032	15,578	17,610
Back End Load		-	-	-	-	2,788	2,788
		8,307	(63,581)	(55,275)	2,032	77,418	79,450
Unrealized appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - held-for-trading - net		-	(193,032)	(193,032)	-	(92,801)	(92,801)
		8,307	(256,613)	(248,307)	2,032	(15,383)	(13,351)
investments at fair value through profit or loss - net		-	-	-	-	-	-
Expenses							
Remuneration of Management Company	6.1 & 6.2	21,752	17,971	39,723	41,081	31,242	72,323
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,342	1,131	2,473	2,269	1,795	4,064
Annual fee to the Securities and Exchange Commission of Pakistan		211	176	387	1,727	1,313	3,040
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	3,751	3,291	7,042	1,818	1,382	3,200
Selling and Marketing Expense	6.4	7,591	6,305	13,896	7,271	5,393	12,665
Settlement and bank charges		5	424	429	1	342	343
Auditors' remuneration		62	-	62	87	106	193
Fees & Subscription		91	4	95	122	152	274
Conversion expense from closed end to open end fund		-	-	-	-	396	396
Securities transaction costs		-	4,625	4,625	-	1,798	1,798
		34,804	33,927	68,731	54,377	43,920	98,297
Net income from operating activities		(26,498)	(290,541)	(317,039)	(52,345)	(59,304)	(111,649)
Provision for Workers' Welfare fund / Sindh Workers' Welfare fund	7.1	-	-	-	-	-	-
Net income for the period before taxation		(26,498)	(290,541)	(317,039)	(52,345)	(59,304)	(111,649)
Taxation	10	-	-	-	-	-	-
Net income for the period after taxation		(26,498)	(290,541)	(317,039)	(52,345)	(59,304)	(111,649)
Other comprehensive income / (loss) for the period		(355,041)	-	(355,041)	(99,943)	-	(99,943)
Total comprehensive income / (loss) for the period		(381,539)	(290,541)	(672,080)	(152,288)	(59,304)	(211,592)
Earning/ (Loss) per certificate		(0.09)			(0.18)		

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Statement of Movement in Unit Holders' Fund

For The Three Months Ended September 30, 2019

	2019					2018			2018						
	Class A		Class B			Class A		Class B	Class A		Class B				
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Premium on Issue of Certificates	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the year / period	2,835,000	(3,131,131)	3,136,614	2,007,812	4,848,295	2,720,611	1,742,871	4,463,482	2,835,000	4,219,056	5,621,904	12,675,960	-	-	-
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	(5,443,546)	-	(5,443,547)	2,835,000	2,608,546	5,443,546
Issuance of 1,060,471 units	-	-	-	-	-	17,061	-	17,061	-	-	-	-	6,920	-	6,920
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	(1,573)	-	(1,573)	-	-	-	-	(88)	-	(88)
- Element of loss	-	-	-	-	-	15,488	-	15,488	-	-	-	-	6,832	-	6,832
Total proceeds on issuance of units	-	-	-	-	-	1,554,244	-	1,554,244	-	-	-	-	32,700	-	32,700
Redemption of 96,606,347 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Amount paid out of element of income	-	-	-	-	-	(2,983,120)	-	(2,983,120)	-	-	-	-	(66,247)	-	(66,247)
- Relating to net income for the year / period after taxation	-	-	-	-	-	(1,428,685)	-	(1,428,685)	-	-	-	-	(33,547)	-	(33,547)
Total payment on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	-	(26,498)	(355,041)	-	(381,539)	-	(290,541)	(290,541)	-	(52,345)	(99,943)	(152,288)	-	(59,304)	(59,304)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	(26,498)	(355,041)	-	(381,539)	-	(290,541)	(290,541)	-	(52,345)	(99,943)	(152,288)	-	(59,304)	(59,304)
Net assets at end of the year / period	2,835,000	(3,157,629)	2,781,573	2,007,812	4,466,756	1,307,214	1,452,330	2,759,544	2,835,000	(1,276,835)	5,521,961	7,080,125	(26,715)	(59,304)	5,357,527
Undistributed income / (loss) brought forward	-	(3,131,131)	-	-	-	-	-	-	-	4,219,056	-	-	-	-	-
- Realised	-	-	-	-	-	-	-	-	-	(292,200)	-	-	-	-	-
- Unrealised	-	(3,131,131)	-	-	-	-	1,742,871	-	-	3,926,856	-	-	-	-	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	(5,443,546)	-	-	-	2,608,546	-	-
Accounting loss available for distribution	-	(26,498)	-	-	-	-	(290,541)	-	(52,345)	-	-	-	(59,304)	-	-
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	-	(3,157,629)	-	-	-	-	1,452,330	-	(1,569,035)	-	-	-	2,549,243	-	-
Undistributed income carried forward	-	(3,157,629)	-	-	-	-	1,645,362	-	(1,569,035)	-	-	-	2,542,044	-	-
- Realised	-	-	-	-	-	-	(193,032)	-	-	-	-	-	(92,801)	-	-
- Unrealised	-	(3,157,629)	-	-	-	-	1,452,330	-	(1,569,035)	-	-	-	2,549,243	-	-
Net assets value per unit at beginning of the year / period	17,1016	-	-	-	-	16,0884	-	-	25,5112	-	-	-	19,2012	-	-
Net assets value per unit at end of the year / period	15,7558	-	-	-	-	15,1716	-	-	24,9740	-	-	-	18,9877	-	-

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Cash Flow Statement (Un-audited)
For The Three Months Ended September 30, 2019

	2019			2018			
	Class A	Class B	Total	Class A	Class B	Total	
Note	----- (Rupees in '000) -----						
CASH FLOW FROM OPERATING ACTIVITIES							
Net income for the period	(26,498)	(290,541)	(317,039)	(52,345)	(59,304)	(111,649)	
Adjustments of non-cash items							
Capital loss / (gain) on sale of investments - net	-	119,834		-	(1,186)	(1,186)	
Unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss - net	-	193,032	193,032	-	92,801	92,801	
Dividend income	-	(37,747)	(37,747)	-	(57,867)	(57,867)	
Profit on bank deposit	(8,307)	(18,506)	(26,812)	(2,032)	(15,578)	(17,610)	
	(34,804)	(33,928)	(188,566)	(54,377)	(41,133)	(95,510)	
(Increase) / decrease in assets							
Investments - net	-	1,261,987	1,261,987	-	253,010	253,010	
Receivable against sale of investments	-	3,120	3,120	-	(5,275)	(5,275)	
Security deposits	(1,447)	(316)	(1,763)	(1,554)	(713)	(2,268)	
	(1,447)	1,264,790	1,263,343	(1,554)	247,022	245,468	
Increase / (decrease) in liabilities							
Payable to Management Company	2,575	(222)	2,353	21,500	(9,151)	12,348	
Payable to Central Depository Company of Pakistan Limited - Trustee	(84)	(228)	(312)	774	(136)	638	
Payable to the Securities and Exchange Commission of Pakistan	(5,806)	(4,700)	(10,506)	1,727	(11,084)	(9,357)	
Payable against purchase of investment	-	(10,244)	(10,244)	-	(16,905)	(16,905)	
Accrued expenses and other liabilities	76	(112,341)	(112,265)	172	(2,759)	(2,587)	
	(3,239)	(127,734)	(130,973)	24,173	(40,035)	(15,862)	
Cash used in operations	(39,490)	1,103,128	943,804	(31,759)	165,854	134,096	
Dividend received	182,945	2,477	185,422	188,551	10,617	199,168	
Profit received on bank deposit	6,222	18,609	24,831	1,361	15,096	16,457	
Net cash generated from operating activities	189,166	21,086	210,252	189,913	25,712	215,625	
CASH FLOW FROM FINANCING ACTIVITIES							
Amount received on issue of units	-	15,488	15,488	-	6,832	6,832	
Amount paid on redemption of units	-	(1,428,885)	(1,428,885)	-	(33,547)	(33,547)	
Dividend paid	-	(164)	(164)	-	(263)	(263)	
Net cash generated from / (used in) financing activities	-	(1,413,561)	(1,413,561)	-	(26,978)	(26,978)	
Net (decrease) / increase in cash and cash equivalents	149,676	(289,347)	(139,672)	158,154	164,589	322,743	
Cash and cash equivalents at beginning of the period	127,708	786,197	913,905	-	729,178	729,178	
Cash and cash equivalents at end of the period	4	277,384	496,850	774,234	158,153	893,766	1,051,919

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Growth Fund was established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

1.2 Through an order dated August 31, 2016, SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016. Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

1.3 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.5 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

1.6 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company.

1.7 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019 except as explained in note 3.1 and 3.2.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

4	BANK BALANCES	Note	September 30,			June 30,		
			2019			2019		
			Class A	Class B	Total	Class A	Class B	Total
			------(Rupees in '000)-----			------(Rupees in '000)-----		
	In savings account	4.1	277,384	496,850	774,234	127,708	786,197	913,905

4.1 Mark-up rates on these accounts range between 11.25% to 13.99% p.a (June 30, 2019: 5.35% - 13.5% p.a).

5	INVESTMENTS	Note	September 30,			June 30,		
			2019			2019		
			Class A	Class B	Total	Class A	Class B	Total
			------(Rupees in '000)-----			------(Rupees in '000)-----		
	Financial assets 'at fair value through profit or loss' - held-for-trading							
	- Listed equity securities Available for sale	5.1	-	2,526,996	2,526,996	-	2,526,996	2,526,996
	- Listed equity securities	5.2	4,201,948	-	4,201,948	4,556,990	-	4,556,990
			4,201,948	2,526,996	6,728,944	4,556,990	2,526,996	7,083,986

5.1 Financial assets 'at fair value through profit and loss' - held-for-trading

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2019 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2019	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2019		Net Assets of the fund	Total Investments	Investee Paidup Capital
INSURANCE									
Adamjee Insurance Co Ltd	1,221,500	-	-	214,000	1,007,500	28,260	1.02%	1.12%	0.29%
TPL Insurance Limited	1,695	-	-	-	1,695	38	0.00%	0.00%	0.00%
	1,223,195	-	-	214,000	1,009,195	28,299	1.03%	1.12%	
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	-	429,000	-	93,500	335,500	15,916	0.58%	0.63%	0.09%
Interloop Limited	1,578,415	250,000	-	928,500	899,915	39,533	1.43%	1.56%	10.35%
Kohinoor Textile Mills Ltd	714,500	-	-	714,500	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	1,031,900	574,500	-	777,400	829,000	69,636	2.52%	2.76%	0.24%
	3,324,815	1,253,500	-	2,513,900	2,064,415	125,085	4.53%	4.95%	
CEMENT									
Kohat Cement Ltd	382,500	100,000	-	177,500	305,000	14,036	0.51%	0.56%	0.24%
Lucky Cement Ltd	298,800	25,000	-	184,300	139,500	47,727	1.73%	1.89%	0.04%
Maple Leaf Cement Factory Ltd	-	1,900,000	-	1,900,000	-	-	0.00%	0.00%	0.00%
	681,300	2,025,000	-	2,261,800	444,500	61,763	2.24%	2.44%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Ltd	3,419,856	525,500	-	1,611,500	2,333,856	165,120	5.98%	6.53%	0.18%
K-Electric Limited	10,610,500	750,000	-	3,385,000	7,975,500	28,313	1.03%	1.12%	0.03%
Nishat Chunian Power Ltd	1,101,000	-	-	340,500	760,500	13,195	0.48%	0.52%	0.21%
Pakgen Power Limited	1,600,000	50,000	-	310,000	1,340,000	15,665	0.57%	0.62%	0.36%
	16,731,356	1,325,500	-	5,647,000	12,409,856	222,293	8.06%	8.80%	
ENGINEERING									
Aisha Steel Mills Ltd - Pref. Shares	257,327	-	-	-	257,327	3,338	0.12%	0.13%	0.58%
Aisha Steel Mills Ltd. - Conv. Cum. Pref. S	1,628,663	-	-	-	1,628,663	70,033	2.54%	2.77%	55.94%
	1,885,990	-	-	-	1,885,990	73,370	2.66%	2.90%	
TRANSPORT									
Pakistan National Shipping Corp Ltd	140,500	87,500	-	-	228,000	14,396	0.52%	0.57%	0.17%
	140,500	87,500	-	-	228,000	14,396	0.52%	0.57%	
PHARMACEUTICALS									
AGP Limited	400,000	59,000	-	229,000	230,000	14,858	0.54%	0.59%	0.01%
Highnoon Laboratories Limited	32,000	-	-	31,500	500	160	0.01%	0.01%	0.00%
The Searle Company Ltd	147,853	-	-	57,000	90,853	12,558	0.46%	0.50%	0.05%
	579,853	59,000	-	317,500	321,353	27,576	1.00%	1.09%	

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2019 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2019	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2019		Net Assets of the fund	Total Investments	Investee Paidup Capital
PAPER & BOARD									
Century Paper & Board Mills Ltd	294,000	-	-	-	294,000	8,085	0.29%	0.32%	0.20%
	294,000	-	-	-	294,000	8,085	0.29%	0.32%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Ltd	280,214	15,000	-	92,620	202,594	182,164	6.60%	7.21%	0.18%
Oil & Gas Development Co Ltd	2,478,100	165,000	-	956,900	1,686,200	207,453	7.52%	8.21%	0.04%
Pakistan Oilfields Ltd	453,460	23,200	-	237,400	239,260	90,895	3.29%	3.60%	0.10%
Pakistan Petroleum Ltd	1,697,730	475,000	-	987,700	1,185,030	161,200	5.84%	6.38%	0.06%
	4,909,504	678,200	-	2,274,620	3,313,084	641,712	23.25%	25.39%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Ltd	924,280	185,000	-	564,400	544,880	85,813	3.11%	3.40%	3.40%
Sui Northern Gas Pipeline Ltd	921,700	30,000	-	261,500	690,200	42,516	1.54%	1.68%	1.68%
	1,845,980	215,000	-	825,900	1,235,080	128,329	4.65%	5.08%	
COMMERCIAL BANKS									
Allied Bank Ltd	1,392,300	54,800	-	357,000	1,090,100	94,588	3.43%	3.74%	0.10%
Bank Al-Falah Ltd	5,190,550	611,500	-	1,937,500	3,864,550	158,215	5.73%	6.26%	0.24%
Bank Al-Habib Limited	1,976,000	560,000	-	920,000	1,616,000	107,965	3.91%	4.27%	0.15%
Bank of Punjab Ltd	9,620,500	1,975,000	-	5,943,000	5,652,500	49,290	1.79%	1.95%	1.07%
Faysal Bank Limited	25,250	-	-	-	25,250	405	0.01%	0.02%	0.00%
Habib Bank Ltd*	1,925,500	342,000	-	1,112,300	1,155,200	136,510	4.95%	5.40%	0.08%
MCB Bank Ltd**	651,700	36,900	-	368,900	319,700	54,212	1.96%	2.15%	0.03%
National Bank of Pakistan Ltd	987,000	-	-	987,000	-	-	0.00%	0.00%	0.00%
United Bank Limited	1,214,900	177,500	-	425,000	967,400	133,724	4.85%	5.29%	0.08%
	22,983,700	3,757,700	-	12,050,700	14,690,700	734,907	26.63%	29.08%	
FERTILIZER									
Engro Corporation Ltd	1,026,770	52,000	-	571,400	507,370	135,412	4.91%	5.36%	0.10%
Engro Fertilizers Limited	2,237,000	366,000	-	1,010,500	1,592,500	108,656	3.94%	4.30%	0.12%
Fauji Fertilizer Co Ltd	1,466,500	24,500	-	1,491,000	-	-	0.00%	0.00%	0.00%
	4,730,270	442,500	-	3,072,900	2,099,870	244,068	8.84%	9.66%	
CHEMICAL									
Engro Polymer & Chemicals Ltd	3,299,199	1,862,000	-	2,437,500	2,723,699	66,867	2.42%	2.65%	0.30%
Lotte Chemical Pakistan Ltd	1,476,000	2,271,500	-	919,500	2,828,000	38,574	1.40%	1.53%	0.19%
Sitara Chemical Industries Limited	28,200	24,000	-	-	52,200	13,400	0.49%	0.53%	0.24%
	4,803,399	4,157,500	-	3,357,000	5,603,899	118,841	4.31%	4.70%	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	416,600	47,100	-	51,800	411,900	98,271	3.56%	3.89%	0.51%
	416,600	47,100	-	51,800	411,900	98,271	3.56%	3.89%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	-	50,000	-	50,000	-	-	0.00%	0.00%	0.00%
	-	50,000	-	50,000	-	-	0.00%	0.00%	
Total as at September 30, 2019	64,550,462	14,098,500	-	32,637,120	46,011,842	2,526,996	91.57%	100%	
Total as at June 30, 2019	57,003,566	57,051,202	1,093,752	50,598,058	64,550,462	4,101,848	91.90%	100%	

Cost as at June 30, 2019

2,720,028

*Sponsor of the Management Company

**Connected person due to holding more than 10% certificates

- 5.1.1 Investments include shares having market value aggregating to Rs. 292.122 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.72 million at September 30, 2019 (June 30, 2019: Rs. 0.839) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Available for Sale

Name of the Investee Company	Number of shares					Market value as at Sep 30, 2019 (Rupees in '000)	Percentage in Relation to		
	As at July 1, 2019	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2019		Net Assets of the fund	Total Investments	Investee Paidup Capital
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	22,804,087	-	-	-	22,804,087	3,591,416	80.40%	85.47%	6.99%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	610,533	13.67%	14.53%	1.56%
TOTAL SEPTEMBER 30, 2019	32,715,333	-	-	-	32,715,333	4,201,948	94.07%	100%	
TOTAL JUNE 30, 2019	28,914,652	-	3,800,681	-	32,715,333	4,556,990	93.99%	100%	
Cost as at June 30, 2019						<u>1,420,375</u>			

- 5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

- 5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 29.928 million at September 30, 2019 (June 30, 2019: Rs. 32.325 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

6 PAYABLE TO MANAGEMENT COMPANY

	Note	September 30,			June 30,		
		2019			2019		
		Class A	Class B	Total	Class A	Class B	Total
		------(Rupees in '000)-----			------(Rupees in '000)-----		
Management fee	6.1	6,805	4,543	11,347	8,284	7,524	15,808
Sindh Sales Tax	6.2	885	591	1,475	1,077	978	2,055
Allocation of expenses relating to registrar services, accounting, operation and valuation services	6.3	2,205	1,878	4,083	414	376	790
Selling and marketing expenses	6.4	7,591	6,305	13,896	5,135	4,660	9,795
		<u>17,485</u>	<u>13,316</u>	<u>30,801</u>	<u>14,910</u>	<u>13,538</u>	<u>28,448</u>

6.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged aforementioned expense to the extent of 2% of the average daily net assets of the Fund till July 7, 2019. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 1.7% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 2% of the average daily net assets of the fund. The fee is payable monthly in arrears.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to "registrar services, accounting, operation and valuation services related to , Collective Investment Scheme". During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.5% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.1610% of the average daily net assets of the fund.

6.4 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	September 30,			June 30,		
		2019			2019		
		Class A	Class B	Total	Class A	Class B	Total
		------(Rupees in '000)-----			------(Rupees in '000)-----		
Provision for Sindh Workers' Welfare Fund	7.1	-	40,775	40,775	-	40,775	40,775
Provision for Federal Excise Duty and additional				-			-
Sales tax on Management Fee	7.2	-	125,303	125,303	2,065	125,303	127,368
Brokerage		-	1,169	1,169	-	624	624
Auditors' remuneration		320	194	514	258	194	452
Withholding tax		27	75	102	12	54	66
Payable to Class A		-	-	-	-	113,070	113,070
Others		2,091	1,059	3,150	28	895	923
		<u>2,439</u>	<u>168,574</u>	<u>171,013</u>	<u>2,363</u>	<u>280,915</u>	<u>283,278</u>

7.1 PROVISION FOR WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 2.065 million and Rs. 40.775 million (June 30, 2019 Rs. 40.775 million) for Class A and Class B fund respectively in this condensed interim financial information. Had the provision not been made, net asset value per unit at September 30, 2019 would have been higher by Re. 0.2242 (June 30, 2019 Re. 0.1438) per unit.

7.2 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 125.303 million (June 30, 2019: Rs. 125.303 million). Had the provision not been made, the Net Asset Value per unit of Class-B as at September 30, 2019 would have been higher by Re. 0.689 (June 30, 2019: Re. 0.452) per unit.

8	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	September 30,			June 30,		
			2019			2019		
			Class A	Class B	Total	Class A	Class B	Total
			------(Rupees in '000)-----			------(Rupees in '000)-----		
	Fee Payable	8.1	211	176	387	6,017	4,876	10,893

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2019.

10 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio for the Three Months Ended September 30, 2019 is 0.83% and 0.97% which includes 0.07% and 0.08% representing government levy, and SECP fee of the Class A and Class B respectively.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL asset management limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund. As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.

As mentioned in note 1, PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited, therefore PICIC Asset Management Company Limited remained related party till August 31, 2016.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

12.1	Note	Three Months Ended						
		2019			2018			
		Class A	Class B	Total	Class A	Class B	Total	
		----- (Rupees in '000) -----			----- (Rupees in '000) -----			
		HBL Asset Management Limited - Management Company						
		Remuneration of the Management Company	19,249	15,904	35,153	36,355	27,648	64,003
		Sales tax on remuneration of the management company	2,502	2,067	4,570	4,726	3,594	8,320
		Allocation of expenses related to registrar services, accounting, operation and valuation services	3,751	3,291	7,042	1,818	1,382	3,200
		Selling and Marketing Expense	7,591	6,305	13,896	7,271	5,393	12,664
		Habib Bank Limited - Sponsor						
		Dividend income	-	1,628	1,628	-	1,646	1,646
		Profit on saving account	-	37	37	-	29	29
		MCB Bank Limited- Connected person - due to holding more than 10% Units						
		Profit on saving account	4	6,134	6,138	44	1,646	1,690
		Bank charges	-	1	1	3	5	9
		Dividend income	-	1,663	1,663	-	5,645	5,645
		Pension Reserves Investment Trust Fund - Connected person						
		Redemption of 36,096,714 Units (2018: Nil Units)	-	519,879	519,879	-	-	-
		Central Depository Company of Pakistan						
		Trustee Fee	1,342	1,131	1,342	2,269	1,795	2,473
		CDS Charges	-	183	183	-	168	168

	September 30, 2019 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
12.2 Balances at period end	Note					
HBL Asset Management Company Limited - Management Company	----- (Rupees in '000) -----					
Payable to management company	6,805	4,543	11,347	8,284	7,524	15,808
Sindh sales tax	885	591	1,475	1,077	978	2,055
Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,205	1,878	4,083	414	376	790
Selling and Marketing Expense	7,591	6,305	13,896	5,135	4,660	9,795
Habib Bank Limited - Sponsor						
Bank Balances	-	1,400	1,400	-	1,366	1,366
MCB Bank Limited- Connected person - due to holding more than 10% Units						
Bank Balance - deposit and current account	179	172,585	172,764	175	333,226	333,401
Profit Receivable	-	1,432	1,432	-	1,256	1,256
Units held: 43,482,858 Units (June 2019: 43,482,858 Units)	434,829	-	434,829	434,829	-	434,829
Units held: 43,482,858 Units (June 2019: 43,482,858 Units)	-	659,705	659,705	-	699,571	699,571
	September 30, 2019 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% Units						
Units held: 30,406,721 Units (June 2019: 30,406,721 Units)	304,067	-	-	304,067	-	304,067
Units held: 30,406,721 Units (June 2019: 30,406,721 Units)	-	461,319	-	-	489,196	489,196
Pension Reserves Investment Trust Fund - Connected person - due to holding more than 10% units						
Units held: 35,447,171 Units (June 2019: 36,096,714 Units)	354,472	-	354,472	360,967	-	360,967
Units held: Nil Units (June 2019: 36,096,714 Units)	-	-	-	-	580,739	580,739
Central Depository Company of Pakistan Limited - Trustee						
Trustee remuneration payable	477	350	827	561	518	1,079
Security Deposit with trustee	100	175	275	100	175	275
CDS Charges Payable	-	122	122	-	60	60
Jubilee General Insurance Company Limited - Associate						
Units held: 142,500 Units (June 2019: 142,500 Units)	1,425	-	1,425	1,425	-	1,425
Units held: 142,500 Units (June 2019: 142,500 Units)	-	2,162	2,162	-	2,293	2,293
Directors and Executives of the Management Company						
Units held: 18,000 Units (June 2019: 18,000 Units)	180	-	185	180	-	180
Units held: 18,000 Units (June 2019: 18,000 Units)	-	273	273	-	290	290

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements: Disclosures' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

13.1

		Class A								
		September 30, 2019				September 30, 2019				
		Carrying amount				Fair Value				
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments		(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities - available for sale		-	4,201,948	-	-	4,201,948	4,201,948	-	-	4,201,948
		-	4,201,948	-	-	4,201,948	4,201,948	-	-	4,201,948
Financial assets not measured at fair value										
Bank balances		-	-	277,384	-	277,384	-	-	-	-
Dividend and profit receivable		-	-	6,404	-	6,404	-	-	-	-
Security deposits		-	-	100	-	100	-	-	-	-
		-	-	283,889	-	283,889	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	17,485	17,485	-	-	-	-
Payable to trustee		-	-	-	477	477	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,411	2,411	-	-	-	-
		-	-	-	20,374	20,374	-	-	-	-

13.2

		Class B								
		September 30, 2019				September 30, 2019				
		Carrying amount				Fair Value				
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments		(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities - at fair value through profit and loss		2,526,996	-	-	-	2,526,996	2,526,996	-	-	2,526,996
		2,526,996	-	-	-	2,526,996	2,526,996	-	-	2,526,996
Financial assets not measured at fair value										
Bank balances		-	-	496,850	-	496,850	-	-	-	-
Dividend and profit receivable		-	-	43,646	-	43,646	-	-	-	-
Deposits		-	-	2,675	-	2,675	-	-	-	-
		-	-	543,172	-	543,172	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	13,316	13,316	-	-	-	-
Payable to trustee		-	-	-	350	350	-	-	-	-
Accrued expenses and other liabilities		-	-	-	130,164	130,164	-	-	-	-
		-	-	-	143,830	143,830	-	-	-	-

		Class A								
		June 30, 2019				June 30, 2019				
		Carrying amount				Fair Value				
	Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments		(Rupees in '000)								
Financial assets measured at fair value										
Investment in listed equity securities - available for sale		-	4,556,990	-	-	4,556,990	4,556,990	-	-	4,556,990
		-	4,556,990	-	-	4,556,990	4,556,990	-	-	4,556,990
Financial assets not measured at fair value										
Bank balances		-	-	127,708	-	127,708	-	-	-	-
Dividend and profit receivable		-	-	187,264	-	187,264	-	-	-	-
Deposits		-	-	100	-	100	-	-	-	-
		-	-	315,072	-	315,072	-	-	-	-
Financial liabilities not measured at fair value										
Payable to Management Company		-	-	-	13,833	13,833	-	-	-	-
Payable to trustee		-	-	-	496	496	-	-	-	-
Accrued expenses and other liabilities		-	-	-	286	286	-	-	-	-
		-	-	-	14,615	14,615	-	-	-	-

	Class B								
	June 30, 2019								
	Carrying amount				Fair Value				
Fair value through profit and loss - held-for-trading"	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investment in listed equity securities - at fair value through profit and loss	4,101,848	-	-	-	4,101,848	4,101,848	-	-	4,101,848
	4,101,848	-	-	-	4,101,848	4,101,848	-	-	4,101,848
Financial assets not measured at fair value									
Bank balances	-	-	786,197	-	786,197	-	-	-	-
Dividend and profit receivable	-	-	8,480	-	8,480	-	-	-	-
Deposits	-	-	2,675	-	2,675	-	-	-	-
	-	-	797,352	-	797,352	-	-	-	-
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	-	12,560	12,560	-	-	-	-
Payable to trustee	-	-	-	512	512	-	-	-	-
Accrued expenses and other liabilities	-	-	-	114,792	114,792	-	-	-	-
	-	-	-	127,864	127,864	-	-	-	-

The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

14 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2019.

15 GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

HBL

Investment Fund

FUND INFORMATION

Name of Fund	HBL Investment Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited Zarai Taraqati Bank Limited

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019			June 30, 2019		
		(Un-Audited)			(Audited)		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
Assets							
Bank balances	4	96,614	330,603	427,217	49,550	390,621	440,171
Investments	5	1,496,320	1,685,273	3,181,593	1,619,479	2,154,419	3,773,898
Dividend and profit receivable		2,339	18,307	20,646	61,446	4,254	65,700
Receivable against sale of investment		-	20,523	20,523	-	21,933	21,933
Advances & deposits		1,044	3,274	4,318	100	3,217	3,317
Total assets		1,596,317	2,057,980	3,654,296	1,730,575	2,574,444	4,305,019
Liabilities							
Payable to the Management Company	6	6,205	8,047	14,252	5,304	7,099	12,403
Payable to the trustee		229	262	491	259	352	611
Payable to the Securities and Exchange Commission of Pakistan		75	100	175	2,156	2,548	4,704
Payable against purchase of investment		-	20,141	20,141	-	16,064	16,064
Accrued expenses and other liabilities	7	1,038	79,271	80,309	1,158	122,353	123,511
Unclaimed dividend		-	85,772	85,772	-	86,019	86,019
Total liabilities		7,547	193,593	201,140	8,877	234,435	243,312
Net assets		1,588,770	1,864,387	3,453,156	1,721,698	2,340,009	4,061,707
Total unit holders' fund (as per statement attached)		1,588,770	1,864,387	3,453,156	1,721,698	2,340,009	4,061,707
Contingencies and commitments							
Number of units in issue	8	284,125,000	234,856,930		284,125,000	278,335,332	
----- (Rupees) -----							
Net assets value per unit		5.5918	7.9384		6.0597	8.4072	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

Note	Three months ended September 30,						
	2019			2018			
	Class A	Class B	Total	Class A	Class B	Total	
----- (Rupees in '000) -----							
Income							
Capital gain/(loss) on sale of investments - net	-	(26,464)	(26,464)	-	703	703	
Dividend income	-	24,233	24,233	-	30,299	30,299	
Profit on bank deposits	3,076	9,445	12,521	796	7,853	8,649	
Back end Load Income	-	-	-	-	2,235	2,235	
	3,076	7,214	10,290	796	41,090	41,886	
Unrealised (diminution) on remeasurement of investments at fair value through profit or loss - net	-	(121,532)	(121,532)	-	(48,292)	(48,292)	
	3,076	(114,318)	(111,242)	796	(7,202)	(6,406)	
Expenses							
Remuneration of Management Company	6.1	6,830	9,080	15,910	13,022	14,395	27,417
Sindh Sales tax on remuneration of the Management company	6.2	888	1,180	2,068	1,693	1,871	3,564
Remuneration of Trustee		545	730	1,275	957	1,054	2,011
Annual fee to the Securities and Exchange Commission of Pakistan		75	100	175	618	684	1,302
Selling & marketing expense	6.4	2,693	3,593	6,286	2,604	2,821	5,425
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,331	1,813	3,144	651	720	1,371
Securities transaction costs		-	2,169	2,169	-	1,181	1,181
Auditors' remuneration		73	79	152	73	79	152
Printing Charges		-	-	-	28	30	58
Fee and Subscription Charges		407	27	434	162	152	314
Bank Charges		3	11	14	2	5	7
Conversion expense from closed end to open end fund		-	-	-	-	283	283
		12,845	18,782	31,627	19,810	23,275	43,085
Net loss from operating activities		(9,769)	(133,100)	(142,869)	(19,014)	(30,477)	(49,491)
Provision for Sindh Workers' Welfare Fund	7.1	-	-	-	-	-	-
Net loss for the period before taxation		(9,769)	(133,100)	(142,869)	(19,014)	(30,477)	(49,491)
Taxation	9	-	-	-	-	-	-
Net loss for the period after taxation		(9,769)	(133,100)	(142,869)	(19,014)	(30,477)	(49,491)
Other Comprehensive (loss) Income		(123,157)	-	(123,157)	(23,852)	-	(23,852)
Total comprehensive (loss) for the period		(132,926)	(133,100)	(266,026)	(42,866)	(30,477)	(73,343)
Earning/ Loss per certificate		(0.03)			(0.07)		

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Three months ended September													
	2019				2018				2018					
	Class A		Class B		Class A		Class B		Class A		Class B			
	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Unrealized Income/(loss) on Investment	Total	Capital Value	Undistributed Income	Total
	(Rupees)													
Net assets at beginning of the year / period	2,841,250	(2,221,541)	1,101,989	1,721,698	2,784,354	(444,345)	2,340,009	2,841,250	600,086	1,993,953	5,435,289	-	-	-
Issue of 284,125,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	(2,852,678)	-	(2,852,678)	2,841,250	11,428	2,852,678
Issuance of 738,850 units (2018: 2,585,247 units)	-	-	-	-	6,212	-	6,212	-	-	-	-	25,956	-	25,956
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	(572)	-	(572)	-	-	-	-	(488)	-	(488)
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	5,640	-	5,640	-	-	-	-	25,468	-	25,468
Redemption of 44,217,252 units (2018: 44,217,252 units)	-	-	-	-	(371,741)	-	(371,741)	-	-	-	-	(46,698)	-	(46,698)
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Amount paid out of element of income	-	-	-	-	23,579	-	23,579	-	-	-	-	(364)	-	(364)
Relating to net income for the year / period after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	(348,162)	-	(348,162)	-	-	-	-	(47,062)	-	(47,062)
Total comprehensive income for the year / period	-	(9,769)	(123,157)	(132,926)	-	(133,100)	(133,100)	-	(19,014)	(23,852)	(42,866)	-	(30,477)	(30,477)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year / period less distribution	-	(9,769)	(123,157)	(132,926)	-	(133,100)	(133,100)	-	(19,014)	(23,852)	(42,866)	-	(30,477)	(30,477)
Net assets at end of the year / period	2,841,250	(2,231,310)	978,832	1,588,770	2,441,832	(577,445)	1,864,387	2,841,250	(2,271,606)	1,970,101	2,539,745	2,819,656	(19,049)	2,800,605
Undistributed income / (loss) brought forward	-	(2,221,541)	-	-	-	(69,471)	-	-	600,086	-	-	-	-	-
- Realised	-	-	-	-	-	(374,874)	-	-	(155,380)	-	-	-	-	-
- Unrealised	-	(2,221,541)	-	-	-	(444,345)	-	-	444,706	-	-	-	-	-
Transferred to Class B - Segment on conversion of Func	-	-	-	-	-	-	-	-	(2,852,678)	-	-	11,428	-	-
Accounting loss available for distribution	-	(9,769)	-	-	-	(133,100)	-	-	(19,014)	-	-	-	(30,477)	-
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	-	(2,231,310)	-	-	-	(577,445)	-	-	(2,426,986)	-	-	-	(19,049)	-
Undistributed income carried forward	-	(2,231,310)	-	-	-	(455,913)	-	-	(2,426,986)	-	-	29,243	-	-
- Realised	-	-	-	-	-	(121,532)	-	-	-	-	-	(48,292)	-	-
- Unrealised	-	(2,231,310)	-	-	-	(577,445)	-	-	(2,426,986)	-	-	-	(19,049)	-
Net assets value per unit at beginning of the year / period	6.0597	-	-	-	8.4072	-	-	9.0897	-	-	-	10.0402	-	-
Net assets value per unit at end of the year / period	5.5918	-	-	-	7.9384	-	-	8.9388	-	-	-	9.9291	-	-

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

NOTE: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

Note	Three months ended September					
	2019			2018		
	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----					
CASH FLOW FROM OPERATING ACTIVITIES						
Net loss for the period	(9,769)	(133,100)	(142,869)	(19,014)	(30,477)	(49,491)
Adjustments of non-cash items						
Unrealised diminution on remeasurement of investments at fair value through profit or loss - net	-	121,532	121,532	-	48,292	48,292
Dividend income	-	(24,233)	(24,233)	-	(30,299)	(30,299)
Profit on bank deposit	(3,076)	(9,445)	(12,521)	(796)	(7,853)	(8,649)
	(12,845)	(45,246)	(58,091)	(19,810)	(20,337)	(40,147)
(Increase) / decrease in assets						
Investments - net	-	347,614	347,614	-	143,655	143,655
Receivable against sale of investments	-	1,410	1,410	-	(2,450)	(2,450)
Security deposits	(944)	(57)	(1,001)	(504)	(558)	(1,062)
	(944)	348,967	348,023	(504)	140,647	140,143
Increase / (decrease) in liabilities						
Payable to Management Company	901	948	1,849	7,704	(2,440)	5,264
Payable to Central Depository Company of Pakistan Limited - Trustee	(30)	(90)	(120)	337	(68)	269
Payable to the Securities and Exchange Commission of Pakistan	(2,081)	(2,448)	(4,529)	619	(4,620)	(4,001)
Payable against purchase of investment	-	4,077	4,077	-	(6,643)	(6,643)
Accrued expenses and other liabilities	(120)	(43,082)	(43,202)	613	(2,382)	(1,769)
Unclaimed dividend	-	(247)	-	-	-	-
	(1,330)	(40,842)	(41,925)	9,273	(16,153)	(6,880)
Cash used in operations	(15,119)	262,879	248,007	(11,041)	104,157	93,116
Dividend received	59,824	10,469	70,293	70,183	5,627	75,810
Profit received on bank deposit	2,359	9,156	11,515	506	7,329	7,835
Net cash generated from operating activities	62,183	19,625	81,808	70,689	12,956	83,645
CASH FLOW FROM FINANCING ACTIVITIES						
Amount received on issue of units	-	5,640	5,640	-	25,468	25,468
Amount paid on redemption of units	-	(348,162)	(348,162)	-	(47,062)	(47,062)
Dividend paid	-	-	-	-	(48)	(48)
Net cash generated from / (used in) financing activities	-	(342,522)	(342,522)	-	(21,642)	(21,642)
Net (decrease) / increase in cash and cash equivalents	47,064	(60,018)	(12,954)	59,648	95,471	155,119
Cash and cash equivalents at beginning of the period	49,550	390,621	440,171	-	371,142	371,142
Cash and cash equivalents at end of the period	4	96,614	330,603	427,217	59,647	466,613
						526,260

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

1. STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has a Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the Conversion Plan (the Plan) of the fund for the conversion of the Fund into an Open End Scheme, with the approval of the Certificate Holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the Plan was presented to and approved by the Certificate Holders of the Fund in its General Meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (the Commission) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every Certificate Holder of the closed end fund was entitled to the following for each certificate held;

- One Class-A Unit of the Fund was issued to every Certificate Holder of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B Unit of the Fund was issued to the every Certificate Holder of Fund for each certificate held representing Unfrozen Portfolio and related assets and liabilities.

The Plan also envisages that Class-A Units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5** JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (AM Two Plus) to the Management Company.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS-34) and provision of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

HBL Investment Fund
Notes to the Condensed Interim Financial Information (Un-Audited)
For The Nine months Ended March 31, 2019

Wherever the requirements of NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS the requirements of NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

2.1.1 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

	September 30, 2019			June 30, 2019		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
4 BANK BALANCES	(Rupees in '000)					
In savings account	96,614	330,603	427,217	49,550	390,621	440,171
	<u>96,614</u>	<u>330,603</u>	<u>427,217</u>	<u>49,550</u>	<u>390,621</u>	<u>440,171</u>

4.1 Mark-up rates on these accounts range between 10.28% to 13.99% p.a (June 30, 2019: 8.25% - 13.5% p.a).

September 30, 2019 (Un-Audited)			June 30, 2019 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

5 INVESTMENTS

(Rupees in '000)

At fair value through profit

Listed Equity Securities	-	1,685,273	1,685,273	-	2,154,419	2,154,419
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At fair value through other comprehensive income

Listed Equity Securities	1,496,320	-	1,496,320	1,619,479	-	1,619,479
	1,496,320	1,685,273	3,181,593	1,619,479	2,154,419	3,773,898

5.1 Financial assets 'at fair value through profit or loss

Shares of listed companies - Fully paid up ordinary shares of Rs 10 each unless otherwise stated.

Name of investee company	Number of Shares					Market value as at September 30, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the year	Right issue	Sales during the year	As at September 30, 2019		Total Investments	Net Assets	

Class B

Automobile Parts and Accessories

Thal Limited (Par value Rs. 5 per share)	217,800	42,000	-	25,000	234,800	56,019	3.32%	3.00%	0.29%
	217,800	42,000	-	25,000	234,800	56,019	3.32%	3.00%	

Chemical

Engro Polymer & Chemicals Limited	1,726,462	994,000	-	881,000	1,839,462	45,159	2.68%	2.42%	0.20%
Lotte Chemical Pakistan Ltd	786,000	1,446,500	-	330,000	1,902,500	25,950	1.54%	1.39%	0.13%
Sitara Chemical Industries Limited	17,900	17,300	-	-	35,200	9,036	0.54%	0.48%	0.16%
	2,530,362	2,457,800	-	1,211,000	3,777,162	80,145	4.76%	4.30%	

Cement

Kohat Cement Ltd	204,500	54,000	-	84,000	174,500	8,030	0.48%	0.43%	0.14%
Lucky Cement Limited	156,700	15,000	-	79,000	92,700	31,715	1.88%	1.70%	0.03%
	361,200	69,000	-	163,000	267,200	39,746	2.36%	2.13%	

Commercial Banks

Allied Bank Limited	729,600	34,000	-	21,700	741,900	64,375	3.82%	3.45%	0.06%
Bank Al-Falah Limited	2,662,650	357,000	-	409,000	2,610,650	106,880	6.34%	5.73%	0.16%
Bank Al-Habib Limited	1,018,500	344,000	-	271,500	1,091,000	72,890	4.33%	3.91%	0.10%
Bank of Punjab Ltd	5,028,000	1,275,000	-	2,663,000	3,640,000	31,741	1.88%	1.70%	0.69%
Faysal Bank Limited	18,000	-	-	-	18,000	289	0.02%	0.02%	0.00%
Habib Bank Limited**	1,002,700	174,500	-	397,000	780,200	92,196	5.47%	4.95%	0.05%
MCB Bank Limited	346,800	16,500	-	148,900	214,400	36,356	2.16%	1.95%	0.02%
National Bank of Pakistan	548,500	-	-	548,500	-	-	-	-	0.00%
United Bank Limited	637,000	124,700	-	107,000	654,700	90,499	5.37%	4.85%	0.05%
	11,991,750	2,325,700	-	4,566,600	9,750,850	495,225	29.39%	26.56%	

Engineering

Aisha Steel Mills Limited - Preference Shares	130,000	-	-	-	130,000	1,686	0.10%	0.09%	0.29%
Aisha Steel Mills Limited - Conv Cum Pref Share	1,065,000	-	-	-	1,065,000	45,795	2.72%	2.46%	36.58%
	1,195,000	-	-	-	1,195,000	47,481	2.82%	2.55%	

Fertilizer

Engro Corporation Limited	538,700	27,500	-	224,000	342,200	91,330	5.42%	4.90%	0.07%
Engro Fertilizers Limited	1,172,000	242,500	-	353,000	1,061,500	72,426	4.30%	3.88%	0.08%
Fauji Fertilizers Company Limited	777,500	-	-	777,500	-	-	-	-	-
	2,488,200	270,000	-	1,354,500	1,403,700	163,756	9.72%	8.78%	

Name of investee company	Number of Shares					Market value as at September 30, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the year	Right issue	Sales during the year	As at September 30, 2019		Total Investments	Net Assets	
Insurance									
Adamjee Insurance Co Ltd	623,500	65,000	-	23,500	665,000	18,653	1.11%	1.00%	0.19%
TPL Insurance Limited	689	-	-	-	689	16	-	-	-
	624,189	65,000	-	23,500	665,689	18,669	1.11%	1.00%	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited	146,948	10,960	-	20,420	137,488	123,624	7.34%	6.63%	0.12%
Oil and Gas Development Company	1,290,900	91,500	-	247,200	1,135,200	139,664	8.29%	7.49%	0.03%
Pakistan Oilfields Limited	237,560	11,500	-	87,700	161,360	61,301	3.64%	3.29%	0.07%
Pakistan Petroleum Limited	878,705	254,000	-	332,000	800,705	108,920	6.46%	5.84%	0.04%
	2,554,113	367,960	-	687,320	2,234,753	433,508	25.72%	23.25%	
Oil & Gas Marketing Companies									
Pakistan State Oil Company Limited	484,360	107,800	-	227,000	365,160	57,509	3.41%	3.08%	0.11%
Sui Northern Gas Pipeline Limited	484,500	25,000	-	40,500	469,000	28,890	1.71%	1.55%	0.07%
	968,860	132,800	-	267,500	834,160	86,399	5.13%	4.63%	
Pharmaceuticals									
AGP Limited	209,500	32,000	-	87,000	154,500	9,981	0.59%	0.54%	0.01%
Highnoon Laboratories Limited	16,500	-	-	15,700	800	256	0.02%	0.01%	0.00%
The Searle Company Ltd	76,996	-	-	15,500	61,496	8,500	0.50%	0.46%	0.03%
	302,996	32,000	-	118,200	216,796	18,737	1.11%	1.00%	
Power Generation and Distribution									
The Hub Power Company Limited	1,789,409	324,000	-	538,500	1,574,909	111,425	6.61%	5.98%	0.12%
K-Electric Limited (Par value Rs. 3.50 per share)	5,572,000	330,000	-	840,000	5,062,000	17,970	1.07%	0.96%	0.02%
Nishat Chunian Power Ltd	581,000	-	-	87,000	494,000	8,571	0.51%	0.46%	0.13%
Pakgen Power Limited	832,000	75,000	-	82,000	825,000	9,644	0.57%	0.52%	0.22%
	8,774,409	729,000	-	1,547,500	7,955,909	147,610	8.76%	7.92%	
Textile									
Gul Ahmed Textile Mills Ltd	-	281,500	-	52,500	229,000	10,864	0.64%	0.58%	0.06%
Interloop Limited	799,642	155,000	-	355,000	599,642	26,342	1.56%	1.41%	6.90%
Kohinor Textile Mills Ltd	400,000	-	-	400,000	-	-	-	-	0.00%
Nishat Mills Limited	543,500	316,000	-	300,500	559,000	46,956	2.79%	2.52%	0.16%
Mohib Textile Mills Limited*	40,820	-	-	-	40,820	-	-	-	0.27%
Sunshine Cloth Limited**	50,000	-	-	-	50,000	-	-	-	0.64%
	1,833,962	752,500	-	1,108,000	1,478,462	84,162	4.99%	4.51%	
Transport									
Pakistan National Shipping Corp Ltd	75,500	78,000	-	-	153,500	9,692	0.58%	0.52%	0.12%
	75,500	78,000	0	0	153,500	9,692	0.58%	0.52%	
PAPER & BOARD									
Century Paper & Board Mills Ltd	150,000	-	-	-	150,000	4,125.00	0.24%	0.22%	0.10%
	150,000	0	0	0	150,000	4,125	0.24%	0.22%	
Total as at September 30, 2019	34,068,341	7,321,760	-	11,072,120	30,317,981	1,685,273	1	1	
Carrying value as at September 30, 2019	1,563,741								

*Suspended/Delisted Companies

**Sponsors of Management Company

Investments include shares having market value aggregating to Rs. 128.350 million (June 30, 2019: Rs. 160.870 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.3427 million at September 30, 2019 (June 30, 2019: Rs. 0.415 Million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

5.2 Listed equity securities - Fair value through other comprehensive income

Name of investee company	Number of Shares					Market value as at September 30, 2019 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the year	Right issue	Sales during the year	As at September 30, 2019		Total Investments	Net Assets	
Class A									
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	8,527,893	-	-	-	8,527,893	1,343,058	89.76%	84.53%	2.18%
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	153,262	10.24%	9.65%	0.39%
	11,015,917	-	-	-	11,015,917	1,496,320	100%	94.18%	
Total	11,015,917	-	-	-	11,015,917	1,496,320	100%	94.18%	

5.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.2.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 11.192 million at September 30, 2019 (June 30, 2019: Rs. 12.054) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

6 PAYABLE TO MANAGEMENT COMPANY

Note	September 30, 2019			June 30, 2019		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)						
Management fee	2,416	3,002	5,418	2,944	3,944	6,888
Sindh Sales Tax	314	390	704	383	513	896
Allocation of expenses relating to registrar services, accounting, operation and valuation services	782	1,062	1,844	147	197	344
Selling & Marketing payable	2,693	3,593	6,286	1,830	2,445	4,275
	<u>6,205</u>	<u>8,047</u>	<u>14,252</u>	<u>5,304</u>	<u>7,099</u>	<u>12,403</u>

- 6.1** Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding two percent of average annual net assets. During the period the Management Company has charged aforementioned expense to the extent of 2% of the average daily net assets of the Fund till July 7, 2019. Effective from July 08, 2019 till August 31, 2019 the Management Company has charged the fee at the rate 1.7% of the average daily net asset of the scheme. Effective from September 01, 2019 the Management Company has revised the fee to be charged at the rate of 2% of the average daily net assets of the fund. The fee is payable monthly in arrears.
- 6.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 6.3** As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “registrar services, accounting, operation and valuation services related to , Collective Investment Scheme”. During the period the Management Company has charged aforementioned expense to the extent of 0.1% of the average daily net assets of the Fund till July 7, 2019. Effective from July 8, 2019 till August 31, 2019 expenses were charged at the rate of 0.5% of the average daily net assets of the Fund. Effective from September 1, 2019 expenses are being charged at the rate of 0.161% of the average daily net assets of the fund.
- 6.4** As per Non-Banking Finance Companies and Notified Entities Regulation, 2007 the Management Company is allowed to recover expenses incurred in relation to “selling and marketing expenses” to Collective Investment Scheme subject to certain conditions. During the period the Management Company has charged aforementioned expense to the extent of 0.75% of the average daily net assets of the Fund effective from July 8, 2019.

7 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Note	September 30, 2019			June 30, 2019		
	(Un-Audited)			(Audited)		
	Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)						
SECP fee payable	75	100	175	2,156	2,548	4,704

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as an equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019 the rate of is reduced from 0.095% to 0.02% of the daily average net assets of the Fund. The fee is payable annually in arrears

8 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2019 (Un-Audited)			June 30, 2019 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
	(Rupees in '000)						
Provision for Sindh Workers' Welfare Fund	8.1	634	21,075	21,709	634	21,075	21,709
Provision for Federal Excise Duty and additional sales tax on Management Fee	8.2	-	55,961	55,961	-	55,961	55,961
Printing Charges		17	-	17	18	-	18
Auditors remuneration		290	239	529	217	239	456
Security Transaction Charges		-	686	686	-	1,249	1,249
Withholding tax payable		97	137	234	289	404	693
Other Payable		-	1,140	1,140	-	42,284	42,284
Payable to class A		-	-	-	-	1,141	1,141
Zakat payable		-	33	33	-	-	-
		1,038	79,271	80,309	1,158	122,353	123,511

8.1 The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is loss for the quarter ended September 30, 2019, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2019 would have been higher by Rs. 0.00223 and 0.8974 for class A and B respectively (June 30, 2019: 0.00223 and 0.0757 per unit).

8.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 55.961 million. Had the provision not been retained, NAV per certificate of the Fund as at September 30, 2019 would have been higher by Rs. 0.2383 per unit (June 30, 2019: 0.201 per certificate) of class B.

9 Contingencies & Commitments

There are no contingencies and commitment as at September 30, 2019.

10 TAXATION

The income of the Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its unit holders in cash. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

11 TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the period ended September 30, 2019 of class A is 0.87% (2018:0.77%) and of class B is 0.95%(2018: 0.82%) which includes 0.06%(2018: 0.10%) of class A and 0.08%(2018: 0.10%) of class B representing government levy and SECP fee.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Class A					SEPTEMBER 30, 2019			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total
Note	----- (Rupees in '000) -----								
Financial assets measured at fair value									
Listed equity securities	-	1,496,320	-	-	1,496,320	1,496,320	-	-	1,496,320
	-	1,496,320	-	-	1,496,320	1,496,320	-	-	1,496,320
Financial assets not measured at fair value									
Bank balances	-	-	-	96,614	96,614				
Dividend and Profit receivable	-	-	-	2,339	2,339				
	-	-	-	98,953	98,953				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	6,205	6,205				
Payable to Trustee		-	-	229	229				
Accrued expenses and other liabilities		-	-	307	307				
		-	-	6,741	6,741				

Note	Class B					SEPTEMBER 30, 2019			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	1,685,273	-	-	-	1,685,273	1,685,273	-	-	1,685,273
	<u>1,685,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,685,273</u>	<u>1,685,273</u>	<u>-</u>	<u>-</u>	<u>1,685,273</u>
Financial assets not measured at fair value									
Bank balances	-	-	-	330,603	330,603				
Dividend and Profit receivable	-	-	-	18,307	18,307				
Receivable against purchase of investment	-	-	-	20,523	20,523				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,433</u>	<u>369,433</u>				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	8,047	8,047				
Payable to Trustee		-	-	262	262				
Payable against purchase of investment		-	-	20,141	20,141				
Accrued expenses and other liabilities		-	-	2,065	2,065				
		<u>-</u>	<u>-</u>	<u>30,515</u>	<u>30,515</u>				

Note	Class A					June 30, 2019			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive Income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial assets measured at fair value									
Listed equity securities	-	1,619,479	-	-	1,619,479	1,619,479	-	-	1,619,479
	<u>-</u>	<u>1,619,479</u>	<u>-</u>	<u>-</u>	<u>1,619,479</u>	<u>1,619,479</u>	<u>-</u>	<u>-</u>	<u>1,619,479</u>
Financial assets not measured at fair value									
Bank balances	-	-	-	49,550	49,550				
Dividend and Profit receivable	-	-	-	61,446	61,446				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,996</u>	<u>110,996</u>				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	5,304	5,304				
Payable to Trustee		-	-	259	259				
Payable against purchase of investment		-	-	-	-				
Accrued expenses and other liabilities		-	-	235	235				
		<u>-</u>	<u>-</u>	<u>5,798</u>	<u>5,798</u>				

	Class B					June 30, 2019			
	Carrying amount					Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	At amortized Cost	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial assets measured at fair value									
Listed equity securities	2,154,419	-	-	-	2,154,419	2,154,419	-	-	2,154,419
	<u>2,154,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,154,419</u>	<u>2,154,419</u>	<u>-</u>	<u>-</u>	<u>2,154,419</u>
Financial assets not measured at fair value									
Bank balances	-	-	-	390,621	390,621				
Dividend and Profit receivable	-	-	-	4,254	4,254				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,875</u>	<u>394,875</u>				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	7,099	7,099				
Payable to Trustee		-	-	352	352				
Payable against purchase of investment		-	-	16,064	16,064				
Accrued expenses and other liabilities		-	-	44,913	44,913				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,428</u>	<u>68,428</u>				

The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

Transactions during the year

	Three Months Ended					
	September 30, 2019			September 30, 2018		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
HBL Asset Management Limited						
Remuneration of Management Company	6,830	9,080	15,910	13,022	14,395	27,417
Sindh Sales Tax on remuneration of Management Company	888	1,180	2,068	1,693	1,871	3,564
Reimbursement of Fund Operations, accounting and Related costs	1,331	1,813	3,144	651	720	1,371
Selling & Marketing	2,693	3,593	6,286	2,604	2,821	5,425
Habib Bank Limited - Associated Company						
Dividend Income	-	1,021	1,021	-	841	841
Profit on Bank Deposit	-	13	13	-	9	9

	Three Months Ended					
	September 30,2019			September 30,2018		
	Class A	Class B	Total	Class A	Class B	Total
MCB Bank Limited	(Rupees in '000)					
Connected Person Due to Holding more than 10% Certificate)						
Profit on bank deposits	2	3,614	3,616	796	1,414	2,210
Central Depository Company of Pakistan Limited - Trustee						
Remuneration	545	730	1,275	957	1,054	2,011
CDC Connection charges	-	103	103	-	98	98

Balances outstanding at the year end

	September 30, 2019 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
HBL Asset Management Limited						
Payable to the Management Company	2,416	3,002	5,418	2,944	3,944	6,888
Sindh Sales tax payable on remuneration to management company	314	390	704	383	513	896
Finance and operational cost	782	1,062	1,844	147	197	344
Selling & Marketing expense	2,693	3,593	6,286	1,830	2,445	4,275
Central Depository Company Of Pakistan Limited - Trustee						
Trustee fee payable	229	262	491	259	316	575
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	36	36	-	36	36
MCB Bank Limited						
Connected Person Due to Holding more than 10% units)						
Bank balance	124	135,469	135,593	122	175,935	176,057
Certificates held: 66,090,021 (2019: 66,090,021 certificates)	660,900	-	660,900	660,900	-	660,900
Outstanding Unit: 66,090,021 (2019: 66,090,021 units)	-	524,649	524,649	-	555,632	555,632
Profit receivable	-	779	779	-	707	707
Habib Bank Limited -Sponsor						
Outstanding units :48,662,161 (2019: 48,662,161) units	486,622	-	486,622	486,622	-	486,622
Outstanding units :48,662,161	-	386,300	386,300	-	409,112	409,112
Bank Balances	-	428	428	-	415	415
Associated Companies						
Jubilee General Insurance Company Limited						
Outstanding units:100,379 (2019: 100,379)units	1,004	-	1,004	1,004	-	1,004
Outstanding units:100,379 (2019: 100,379)units	-	797	797	-	844	844
Jubilee General Insurance Company LimitedStaff Provident Fund Trust						
Outstanding units:118,454 (2019: 118,454) units	1,184	-	1,184	1,184	-	1,184
Outstanding units:118,454 (2019: 118,454) units	-	940	940	-	996	996
Jubilee General Insurance Company LimitedGratuity Fund Trust						
Outstanding units:224,000 (2019: 224,000) units	2,240	-	2,240	2,240	-	2,240
Outstanding units:224,000 (2019: 224,000) units	-	1,778	1,778	-	1,883	1,883
Aga Khan University Employees Provident Fund Trust						
Outstanding units:588,000 (2019: 588,000) units	5,880	-	5,880	5,880	-	5,880
Aga Khan University Employees Gratuity Fund Trust						
Outstanding units:138,000 (2018: 138,000) units	1,380	-	1,380	1,380	-	1,380
Directors and Executives of the Management Company						
Outstanding units:26,195 (2019: 26,195) units	262	-	262	262	-	262
Outstanding units:26,195 (2019: 26,195) units	-	208	208	-	220	220

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 29, 2019 by the Board of Directors of the company.

14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director



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HBL

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