

HBL

ASSET MANAGEMENT LTD.
ایسٹبٹ میئنجمینٹ لمیٹڈ

AMC Rating : AM2+ by JCR-VIS



QUARTERLY REPORT 2020

For the nine months ended March 31, 2020

**MOVING TOWARDS
EXCELLENCE**

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of April 29, 2020)

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

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 MARCH 31, 2020

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 and HBL Financial Planning Fund, HBL Growth Fund & HBL Investment Fund the Funds) for the period ended March 31, 2020.

Economic Review

Policy steps taken over the last two years led to improvement in the macros as the economy showed signs of recovery in the shape of decline in Current Account deficit, better FX reserves position and stable exchange rate. These were at the cost of GDP growth which witnessed a slowdown. However the recent COVID-19 epidemic has disrupted short term growth outlook and necessitated large fiscal concessions by the government to support the economy. It also led to outflow of money from the country which put pressure on currency and decreased the overall reserves of the country.

The PKR depreciated by around 4.5% during 9MFY20 taking Real Effective Exchange Rate to 97 indicating that the currency is trading below fair value. After the COVID-19 outbreak Central bank has decreased the SBP policy rate by a cumulative 425 bps from 13.25% to 9.0% to support the economy. On the external front export increased by 1.1% compared to decline in import by 16.2%, dragging 9MFY20 trade deficit by 31% to USD 14.6bn. Remittances also showed encouraging trend as it witnessed an uptick of 6.0% in 9MFY20 clocking at USD 17.0bn. These factors led the Current Account Deficit (CAD) for 9MFY20 to decrease by 73% YoY to USD 2.8bn (1.3% of GDP) compared to USD 10.3bn (4.7% of GDP) during same period last year. Slowdown in CAD was a welcome effect but it was coupled with overall slowdown in domestic economy which is reflected in 3.0% decline in LSM in 8MFY20. The overall Foreign exchange reserves increased to USD 17.4bn compared to USD 14.5bn at the end of FY19.

Average headline CPI inflation was 11.5% in 9MFY20, much higher than the 6.3% recorded during same period last year due to electricity and gas tariff hike coupled with second round impact of currency depreciation. However with oil prices at multi year low we expect inflation to fall sharply in the upcoming months.

Moving ahead, we believe the in the near term GDP is likely to contract in line with the rest of the world due to lockdown measures in view of the COVID-19 pandemic. The focus would remain on recovery post resolution of the crisis which would require sustained policy actions by the government.

Money Market Review

The SBP continued its monetary tightening policy in 1QFY20 to control the rising current account deficit and in anticipation of increasing inflationary pressures. However since the start of COVID-19 pandemic SBP has reduced the policy rate by a cumulative 425 bps from 13.25% to 9.0% to support the economy. In 9MFY20 the secondary market yields of 3, 6 and 12 month T-Bills decreased by 175,193 and 264bps respectively while yields of 3, 5 and 10-year PIBs declined by 456,470 and 457 bps respectively. During the period the government raised PKR 12,443bn through the T-Bill auctions compared to target of PKR 12,650bn. Latest cut-off yields stood at 11.2985%, 11.2989% and 10.8699% for the 3 month, 6 month and 12 month tenor respectively. The government also raised PKR 1,671bn through the PIB auctions against target of PKR 925bn. Latest cut-off yields stood at 11.5888%, 10.99%, 10.85% and 11.7999% for the 3 year, 5 year, 10 year and 20 year tenor respectively.

During 9MFY20, Government shifted its borrowing from central bank to scheduled banks. Government retired PKR 366bn from central bank against borrowing of PKR 3,445bn during same period last year. Meanwhile, Government borrowed PKR 1,461bn from the banks compared to retirement of PKR 2,616bn in same period last year. Government largely managed its borrowing requirements through domestic sources, and largely from scheduled banks.

Going forward, we foresee inflation to decline from current levels due to multi year low oil prices and decline in commodity prices. We expect monetary easing to continue with another 50-100bps further reduction in interest rate in the calendar year.

Stock Market Review

All the Pakistan Equity Market gains of 1HFY20, on the account of improving macros, were wiped out during the 3QFY20 as outbreak of coronavirus coupled with the prevalent lockdowns rattled the international markets and Pakistan was no exception.

During 9MFY20 benchmark KSE100 Index made a new 5-year low of 27,229 points on 25th March'20, however, later recovered and closed at 29,231 points, down 4,670 points (-14%). The decline was largely broad based with Banking and Oil & Gas Exploration sector taking the biggest fall. However, high leveraged Cement and Engineering companies outperformed owing to earlier than expected monetary easing.

Foreigners which were net buyers up till 1HFY20 turned net sellers' post the pandemic, divesting equities worth USD130mn during the nine months ended Mar-20. Individuals were the largest net buyers with net buy of USD144mn, followed by insurance companies with net but of USD94mn. On the flip side, mutual fund and banks divested USD85mn and USD48mn respectively.

The coronavirus is a black swan event and the ever evolving nature of the event makes it difficult to catch the market boom. Nonetheless, Pakistan equities are expected to gain further traction due to cheaper valuation and further expected cut in policy rate. Market participants would closely follow trend of coronavirus cases and the ensuing developments. We will maintain our strategic focus towards "boom-up" approach and align exposure towards stocks with strong earnings potential.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 171.27 million and Rs. 143.18 million respectively during the period ended March 31, 2020. 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. 116.8995 per unit as on March 31, 2020 thereby giving an annualized return of 13.49%. During the same period, the benchmark (6 Month KIBOR) return was 13.49%. The size of Fund was Rs. 1.64 billion as on March 31, 2020 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 of the Fund.

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 408.06 million and Rs. 348.97 million respectively during the period ended March 31, 2020. 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. 118.2615 per unit as on March 31, 2020 thereby giving an annualized return of 15.57%. During the same period the benchmark (6 Month PKRV Rates) return was 13.34%. The size of Fund was Rs. 3.96 billion as on March 31, 2020 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 of the Fund.

HBL Money Market Fund

The total income and net income of the Fund was Rs. 869.81 million and Rs. 775.78 million respectively during the period ended March 31, 2020. 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. 112.1323 per unit as on March 31, 2020 thereby giving an annualized return of 12.87%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 12.61%. The size of Fund was Rs. 9.02 billion as on March 31, 2020 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 of the Fund.

HBL Cash Fund

The total income and net income of the Fund was Rs. 1,149.51 million and Rs. 1,053.95 million respectively during the period ended March 31, 2020. 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 102.0001 per unit as on March 31, 2020 (after incorporating interim monthly dividends of Rs. 8.5367 per unit); thereby giving an annualized return of 13.25%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 12.61%. The size of Fund was Rs 14.82 billion as on March 31, 2020 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 of the Fund.

HBL Stock Fund

The Fund incurred a total and net loss of Rs. 241.26 million and Rs. 305.31 million respectively during the period ended March 31, 2020. 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. 75.2736 per unit as on March 31, 2020; thereby giving a negative return of 16.10%. During the same period, the benchmark KSE 30 index yielded a negative return of 14.68%. The size of Fund was Rs 1.55 billion as on March 31, 2020 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. 22.55 million and Rs. 33.44 million respectively during the period ended March 31, 2020. 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. 83.2844 per unit as on March 31, 2020; thereby giving a negative return of 10.82%. During the same period, the benchmark KSE 100 index yielded a return of 13.78%. The size of Fund was Rs. 0.21 billion as on March 31, 2020 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. 179.53 million and Rs. 200.85 million respectively during the period ended March 31, 2020. 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. 7.9860 per unit as on March 31, 2020; thereby giving a negative return of 28.18%. During the same period, the benchmark KSE 30 index yielded a negative return of 14.68%. The size of Fund was Rs. 0.48 billion as on March 31, 2020 as compared to Rs. 0.73 billion at the start of the year.

HBL Multi Asset Fund

The Fund incurred a total and net loss of Rs. 2.93 million and Rs. 8.15 million respectively during the period ended March 31, 2020. The 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 89.4482 per unit as on March 31, 2020; thereby giving a negative return of 6.48%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a negative return of 4.82%. The size of Fund was Rs 0.16 billion as on March 31, 2020 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 a total and net income of Rs. 16.90 million and Rs. 15.13 million respectively during the period under review. The size of the fund stood at Rs. 0.25 billion as on March 31, 2020.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan incurred a total and net loss of Rs. 0.71 million and Rs 1.22 million respectively. The net assets of the Active allocation plan stood at Rs. 0.05 billion representing Net Asset Value (NAV) of Rs. 93.1914 per unit as at March 31, 2020 as compared to Net Asset Value (NAV) of 96.9864 per unit as at the start of the year, thereby giving a negative return of 3.91% as compared to its Benchmark return of negative 0.47%.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan earned total and net income of Rs. 2.53 million and Rs. 2.15 million respectively. The net assets of the Conservative allocation plan stood at Rs. 0.05 billion representing Net Asset Value (NAV) of Rs. 108.8886 per unit as at March 31, 2020 as compared to Net Asset Value (NAV) of Rs. 103.8264 as at the start of the year, thereby giving a return of 4.87% as compared to its Benchmark return of 5.19%.

Strategic Allocation Plan

During the period from July 01, 2019 to October 10, 2019, the Strategic allocation plan earned a total and net income of Rs. 2.67 million and Rs. 2.46 million respectively. The Plan marks its maturity on October 10, 2019.

Special Income Plan

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

During the period from September 16, 2019 to March 31, 2020, the Plan earned a total and net income of Rs. 12.40 million and Rs. 11.74 million respectively. The net assets of the Special Income Plan stood at Rs. 0.14 billion representing Net Asset Value (NAV) per unit of Rs. 108.0698 as at March 31, 2020 (after incorporating quarterly dividend of Rs. 0.2095 per unit). The Plan posted a return of 8.29% as compared to its Benchmark return of 7.30% during the period under review.

HBL Growth Fund

The Fund as a whole earned a total income and incurred a net loss of Rs. 73.86 million and Rs. 144.58 million respectively during the period under review. The size of the fund stood at Rs. 5.33 billion as on March 31, 2020 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 a total income and net income of Rs. 143.94 million and Rs. 8.21 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 14.0744 per unit as on March 31, 2020 as compared to Rs. 17.1016 as at June 30, 2019, thereby giving a negative return of 17.70%. During the same period the benchmark KSE 100 index yielded a negative return of 13.78%. The size of Class ‘A’ was Rs. 3.99 billion as on March 31, 2020 as compared to Rs. 4.84 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. 70.08 million and Rs. 152.79 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 13.6544 per unit as on March 31, 2020 as compared to Rs. 16.0884 as at June 30, 2019, thereby giving a negative return of 15.13%. During the same period the benchmark KSE 100 index yielded a negative return of 13.78%. The size of Class ‘B’ was Rs. 1.34 billion as on March 31, 2020 as compared to Rs. 4.46 billion at the start of the year.

HBL Investment Fund

The Fund as a whole earned a total income and incurred a net loss of Rs. 16.67 million and Rs. 86.14 million respectively during the period under review. The size of the fund stood at Rs. 2.47 billion as on March 31, 2020 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 a total and net income of Rs. 53.44 million and Rs. 3.91 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 5.0728 per unit as on March 31, 2020 as compared to Rs. 6.0597 as at June 30, 2019, thereby giving a negative return of 16.29%. During the same period the benchmark KSE 100 index yielded a negative return of 13.78%. The size of Class ‘A’ was Rs. 1.44 billion as on March 31, 2020 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. 36.78 million and Rs. 90.04 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 7.1284 per unit as on March 31, 2020 as compared to Rs. 8.4072 as at June 30, 2019, thereby giving a negative return of 15.21%. During the same period the benchmark KSE 100 index yielded a negative return of 13.78%. The size of Class ‘B’ was Rs. 1.03 billion as on March 31, 2020 as compared to Rs. 2.34 billion at the start of the year.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited has reaffirmed 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 & MCB Financial Services Limited 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

نے 925 ارب روپے کے ہدف کے مقابلے میں پی آئی بی نیلاموں کے ذریعے 1,671 ارب روپے تک کا اضافہ کیا، تازہ ترین کٹوتی شدہ منافع جات بالترتیب تین سال، پانچ سال، دس سال اور بیس برسوں کی مدت کے لیے %11.5888% %10.99% %10.85% اور %11.7999 پر موجود تھے۔

مالی سال 20 کی نو ماہی مدت کے دوران حکومت نے اپنے قرضہ جات کو مرکزی بینک سے شیڈولڈ بینکوں پر منتقل کیا۔ حکومت نے گزشتہ سال کی اسی مدت کے دوران 366 ارب روپے کے قرضہ جات کے برخلاف سینٹرل بینک سے 3,445 ارب روپے ریٹائر کیے۔ اسی دوران حکومت کے بینکوں سے 1,461 ارب روپے تک کے قرضے حاصل کیے جبکہ گزشتہ برس کی اسی مدت میں مقابلہ 2,616 ارب روپے کے قرضے نٹائے گئے تھے۔ حکومت وسیع طور پر اپنے قرضوں کی ضروریات مقامی وسائل اور بالخصوص شیڈولڈ بینکوں کے ذریعے پوری کر رہی ہے۔

آگے بڑھتے ہوئے ہم افراط زر کی شرح موجودہ سطحوں سے کم ہوتے ہوئے دیکھ رہے ہیں جس کی وجہ تیل کے نرخوں کا کئی برسوں کے مقابلے میں نجلی سطح پر آنا اور غذائی اشیاء کی قیمتوں میں کمی ہے۔ ہم توقع کرتے ہیں رواں تقویمی سال میں شرح سود میں مزید 100-50 بی پی ایس تک کمی کے ساتھ مائیکرو سہولتوں کا سلسلہ برقرار رہے گا۔

اسٹاک مارکیٹ کا جائزہ

تمام پاکستان ایکویٹی مارکیٹس نے بہتر ہوتے ہوئے میکروزکی بدولت مالی سال 20 کی پہلی ششماہی میں جو اضافے کا رجحان دیکھا تھا وہ کورونا وائرس کی وبائی صورتحال اور بیرونی مارکیٹوں میں موجود ہلاک ڈاؤن مسلسل برقرار رہنے کے باعث مالی سال 20 کی تیسری سہ ماہی میں خسارے میں چلا گیا اور پاکستان بھی اس سے مستثنیٰ نہ تھا۔

مالی سال 20 کی تیسری سہ ماہی کے دوران بیچ مارک KSE100 انڈیکس 25 مارچ 2020 کو 22,229 پوائنٹس کی پانچ برس کی نجلی ترین سطح پر آ گیا، تاہم بعد ازاں بحال ہو کر 29,231 پوائنٹس پر بند ہوا جو 4,670 پوائنٹس (14%+) نیچے ہے۔ اس کمی کی بڑی وجہ بینکنگ اور آئل و گیس ایکسپلوریشن سیکٹر کا بڑے پیمانے پر گر جانا ہے۔ تاہم منافع بخش سینٹ اور انجینئرنگ کمپنیوں نے متوقع مالی سہولت سے قبل ہی بہتر کارکردگی کا مظاہرہ کیا۔

غیر ملکی جو مالی سال 20 کی پہلی سہ ماہی تک خالص خریداروں میں شامل تھے، وبائی صورتحال کے بعد خالص سیلز میں تبدیل ہو گئے اور انہوں نے مارچ 20 کے اختتام تک نو ماہ کی مدت کے دوران 130 ملین یو ایس ڈالر مالیت کی ایکویٹیز نکال لیں۔ انفرادی سرمایہ کار سب سے وسیع تر خالص سرمایہ کار رہے جنہوں نے 144 ملین یو ایس ڈالر کی سرمایہ کاری کی۔ دوسری جانب، انشورنس کمپنیوں نے 94 ملین یو ایس ڈالر کی سرمایہ کاری کی۔ دوسری جانب میوچل فنڈز اور بینکوں نے بالترتیب، 85 ملین یو ایس ڈالر اور 48 یو ایس ڈالر کی سرمایہ کاری واپس لی۔

کورونا وائرس ایک سیاہ ترین وبا ہے اور قدرتی آفت کے اس موقع نے مارکیٹ کو نجلی سطح تک مشکل ترین بنا دیا ہے۔ اس کے باوجود پاکستان ایکویٹیز کے بارے میں توقع ہے کہ سستی ترین ویلیویشن اور پالیسی ریٹ میں مزید کمی سے صورتحال بہتر ہو سکتی ہے۔ مارکیٹ میں موجود ادارے انتہائی باریک بینی سے کورونا وائرس کے کمیز اور اس حوالے سے ہونے والی پیشرفت کے رجحانات کا جائزہ لیں گے۔ ہم اپنی اسٹریٹیجک توجہ کا مرکز ”بائٹم۔ اپ“ پر پروجیکٹ برقرار رکھیں گے اور مستحکم آمدنی کی صلاحیت کے ساتھ اسٹاکس کے ضمن میں ایکسپوزیچر ہے گا۔

فنڈ کی کارکردگی اور پے آؤٹس

ایچ بی ایل انکم فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 171.27 ملین روپے اور 143.18 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 106.1134 روپے فی یونٹ تھی جو 31 مارچ 2020 کو بڑھ کر 116.8995 روپے فی یونٹ ہو گئی جس کے ذریعے %13.49 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک (چھ ماہ کاٹی بور) منافع %13.49 تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 1.64 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.51 ملین روپے رہا تھا۔ جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A(f) فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 408.06 ملین روپے اور 348.97 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 105.8419 روپے فی یونٹ تھی جو 31 مارچ 2020 کو بڑھ کر 118.2615 روپے فی یونٹ ہو گئی جس کے ذریعے 15.57% کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک (چھ ماہ PKRV ریٹس) منافع 13.34% تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 3.96 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.12 بلین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے (f) A+ فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل منی مارکیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 869.81 ملین روپے اور 775.78 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 102.2200 روپے فی یونٹ تھی جو 31 مارچ 2020 کو بڑھ کر 112.1323 روپے فی یونٹ ہو گئی جس کے ذریعے 12.87% کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک 3M PKRV اور 3M 70% اور 30% ڈپازٹس ریٹس) منافع 12.61% تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 9.02 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 6.25 بلین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے (f) AA فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل کیش فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 1,149.51 ملین روپے اور 1,053.95 ملین روپے رہی۔ فنڈ کی فی یونٹ قبل از منافع منقسمہ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 100.8886 روپے فی یونٹ تھی جو 31 مارچ 2020 کے مطابق فنڈ کا این اے وی 102.000 روپے فی یونٹ (8.5367) روپے فی یونٹ کا عبوری ماہانہ منافع منقسمہ تشکیل دینے کے بعد) ہو گیا جس کے ذریعے 13.25% کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک 3M PKRV اور 70% اور 30% ڈپازٹس ریٹس) منافع 12.61% تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 14.82 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 8.81 بلین روپے رہا تھا۔

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے (f) AA فنڈ اسٹیبلٹی ریٹنگ کی دوبارہ توثیق کی ہے۔

ایچ بی ایل اسٹاک فنڈ

فنڈ نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 241.26 ملین روپے اور 305.31 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 89.7221 روپے فی یونٹ تھی جو 31 مارچ 2020 کو فنڈ کا این اے وی 75.2736 روپے فی یونٹ ہو گیا جس کے ذریعے 16.10% کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے 14.68% کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 1.55 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.15 بلین روپے رہا تھا۔

ایچ بی ایل ایکویٹی فنڈ

فنڈ نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 22.55 ملین روپے اور 33.44 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 93.3868 روپے فی یونٹ تھی۔ 31 مارچ 2020 کو فنڈ کا این اے وی 83.2844 روپے فی یونٹ ہو گیا جس کے ذریعے %10.82 کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے %13.78 کا منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 0.21 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.25 ملین روپے رہا تھا۔

ایچ بی ایل انرجی فنڈ

فنڈ نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 179.53 ملین روپے اور 200.85 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 11.1201 روپے فی یونٹ تھی۔ 31 مارچ 2020 کو فنڈ کا این اے وی 7.9860 روپے فی یونٹ ہو گیا جس کے ذریعے %28.18 کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے %14.68 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 0.48 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.73 ملین روپے رہا تھا۔

ایچ بی ایل ملٹی ایسیٹ فنڈ

فنڈ نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 2.93 ملین روپے اور 8.15 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 95.6506 روپے فی یونٹ تھی۔ 31 مارچ 2020 کو فنڈ کا این اے وی 89.4482 روپے فی یونٹ ہو گیا جس کے ذریعے %6.48 کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک انڈیکس 100 KSE اور چھ ماہ کے PKRV ریٹس کے روز آئے اوسطاً حجم شدہ) نے %4.82 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 0.16 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.20 ملین روپے رہا تھا۔

ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ چار ذیلی فنڈز (پلاننگ، بنام ایکٹو ایلیویشن پلان، کنزرویٹو ایلیویشن پلان، اسٹریٹیجک ایلیویشن پلان اور اسٹیبل انکم پلان) پر مشتمل ہے۔ فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 16.90 ملین روپے اور 15.13 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 0.25 ارب روپے پر موجود تھا۔

پلاننگ کے لیے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

ایکٹو ایلیویشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلیویشن پلان نے بالترتیب 0.71 ملین روپے اور 1.22 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ ایکٹو ایلیویشن پلان کے خالص اثاثہ جات 0.05 ارب روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 93.1914 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات (NAV) کی مالیت 96.9864 روپے فی یونٹ تھی اور اس کے ذریعے 3.91 کا منفی منافع اس کے %0.47 کے بیچ مارک منافع کے برخلاف دیا گیا۔

کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان نے بالترتیب 2.53 ملین روپے اور 2.15 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثہ جات 0.05 ارب روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 108.8886 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں جبکہ اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات (NAV) کی مالیت 103.8264 روپے فی یونٹ تھی اور اس کے ذریعے 4.87% کا منافع اس کے 5.19% کے بیچ مارک منافع کے برخلاف دیا گیا۔

اسٹریٹجک ایلوکیشن پلان۔

یکم جولائی 2019 سے، 10 اکتوبر 2019 کی مدت کے دوران اسٹریٹجک ایلوکیشن پلان نے بالترتیب 2.67 ملین روپے اور 2.46 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ پلان نے، 10 اکتوبر 2019 کو اپنی چیورٹی کی مدت مکمل کی۔

اسٹیشنل انکم پلان

16 ستمبر 2019 سے 31 مارچ 2020 تک کی مدت کے دوران پلان نے بالترتیب 12.40 ملین روپے اور 11.74 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسٹیشنل انکم پلان کے خالص اثاثہ جات 0.14 ارب روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 108.0698 روپے فی یونٹ کے خالص اثاثہ جات کی ویلیو (NAV) کی نمائندگی کرتے ہیں۔ پلان نے 8.29% کا منافع زیر جائزہ مدت کے دوران 7.30% کے بیچ مارک منافع کے مقابلے میں ظاہر کیا۔

بیچنی ایل گروتھ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 73.86 ملین روپے اور 144.58 ملین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 5.33 ارب روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 9.31 ارب روپے پر تھا۔

ہر ایک کلاس کی کارکردگی کا جائزہ ذیل میں پیش کیا گیا ہے:

بیچنی ایل گروتھ فنڈ - کلاس 'اے'

بیچنی ایل گروتھ فنڈ - کلاس 'اے' نے 31 مارچ 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 143.94 ملین روپے اور 8.21 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے 17.1016 روپے فی یونٹ کے مقابلے میں 31 مارچ 2020 کے مطابق 14.0744 روپے فی یونٹ تھی جس کے ذریعے 17.70% کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 13.78% کا منفی منافع حاصل کیا تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 3.99 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 4.84 ملین روپے رہا تھا۔

بیچنی ایل گروتھ فنڈ - کلاس 'بی'

بیچنی ایل گروتھ فنڈ - کلاس 'بی' نے 31 مارچ 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 70.08 ملین روپے اور 152.79 ملین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ کلاس 'بی' کی فی

یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے 16.0884 روپے فی یونٹ کے مقابلے میں 31 مارچ 2020 کے مطابق 13.6544 روپے فی یونٹ تھی جس کے ذریعے 15.13% کا ایک منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 13.78% کا منفی منافع حاصل کیا تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 1.34 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 4.46 بلین روپے رہا تھا

بیچ بی ایل انویسٹمنٹ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 16.67 بلین روپے اور 86.14 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 2.47 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 4.06 بلین روپے رہا تھا

ہر ایک کلاس کی کارکردگی کا جائزہ ذیل میں دیا جا رہا ہے:

بیچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے'

بیچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے' نے 31 مارچ 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 53.44 بلین روپے اور 3.91 بلین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے 6.0597 روپے فی یونٹ کے مقابلے میں 31 مارچ 2020 کے مطابق 5.0728 روپے فی یونٹ تھی جس کے ذریعے 16.29% کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 13.78% کا منفی منافع حاصل کیا تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 1.44 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.72 بلین روپے رہا تھا۔

بیچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی'

بیچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی' نے 31 مارچ 2020 کو ختم ہونے والی مدت کے دوران بالترتیب 36.78 بلین روپے اور 90.04 بلین روپے کی مجموعی اور خالص خسارہ حاصل کیا۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے 8.4072 روپے فی یونٹ کے مقابلے میں 31 مارچ 2020 کے مطابق 7.1284 روپے فی یونٹ تھی جس کے ذریعے 15.21% کا ایک منفی منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 13.78% کا منفی منافع حاصل کیا تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 1.03 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.34 بلین روپے رہا تھا۔

انتظامی کمپنی کی ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے انتظامی کمپنی کے لیے منجمنٹ کوالٹی ریٹنگ +AM2 (اے ایم ٹو پلس) کی دوبارہ توثیق کی ہے اور تفویض کردہ ریٹنگ پر آؤٹ لک "مثبت" ظاہر کیا ہے۔

اعتراف

بورڈ اس موقع پر اپنے معزز یونٹ۔ ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ اس سلسلے میں ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز لمیٹڈ، ٹورنٹو، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ تعاون اور رہنمائی پر ان کو خراج تحسین پیش کرتے ہیں۔ بورڈ اپنے اسٹاک کاوشوں اور مخلصانہ جدوجہد پر ان کو بھی خراج تحسین پیش کرنا چاہتا ہے

منجانب بورڈ

ایچ جی ایل 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 March 31, 2020

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Assets			
Bank balances	4	744,479	552,761
Investments	5	905,233	1,008,166
Accrued mark-up		22,879	16,285
Advances, deposits, prepayments and other receivables	6	35,013	30,639
Total assets		1,707,604	1,607,851
Liabilities			
Payable to the Management Company	7	4,391	3,054
Payable to the Trustee		115	198
Payable to the Securities and Exchange Commission of Pakistan		223	1,478
Accrued expenses and other liabilities	8	60,174	92,378
Total liabilities		64,903	97,108
Net assets		1,642,701	1,510,743
Unit holders' fund (as per statement attached)		1,642,701	1,510,743
Contingencies and commitments	9		
		----- (Number of units) -----	
Number of units in issue		14,052,232	14,237,061
		----- (Rupees) -----	
Net assets value per unit		116.8995	106.1134

The annexed notes 1 to 16 form an integral part of these 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 (Un- Audited)
For The Nine Months and Quarter Ended March 31, 2020

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
------(Rupees in '000)-----					
Income					
Mark-up on deposits with banks		67,578	75,330	21,805	27,285
Mark-up / return on investments		84,719	76,449	25,976	27,802
Dividend income		643	13,137	479	330
Unrealised appreciation / (diminution) on revaluation of investments classified as financial asset at fair value through profit or loss - net		7,554	(6,783)	19,193	(328)
Capital gain/ (loss) on sale of investments - net		10,467	(9,859)	4,578	(1,871)
Other Income		310	40	216	36
		171,271	148,314	72,247	53,254
Reversal of provision against non-performing Term Finance Certificates	5.1.2	-	7,576	-	1,390
Expenses					
Remuneration of the Management Company		14,624	24,322	5,261	7,704
Remuneration of the Trustee		943	2,257	302	702
Annual fee to Securities and Exchange Commission of Pakistan		223	1,200	72	364
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,577	1,600	356	486
Selling and marketing expenses		5,843	-	1,424	-
Sealment and bank charges		1,381	1,814	475	386
Auditors' remuneration		325	282	106	92
Legal and professional charges		-	-	-	-
Licensing fee		20	19	7	6
Rating fee		229	207	80	68
		25,165	31,701	8,083	9,808
Net income from operating activities		146,106	124,189	64,164	44,836
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		-	-	-	-
Provision for Sindh Workers' Welfare Fund	8.2	(2,922)	(2,484)	(1,335)	(897)
Net income for the period before taxation		143,184	121,705	62,829	43,939
Taxation	10	-	-	-	-
Net income for the period after taxation		143,184	121,705	62,829	43,939
Allocation of net income for the period					
Income already paid on redemption of units		24,128	46,562	10,456	32,890
Accounting income available for distribution:					
- Relating to capital losses		17,890	-	17,890	-
- Excluding capital gains		101,166	75,143	37,072	11,049
		119,056	75,143	54,962	11,049
		143,184	121,705	65,418	43,939

The annexed notes 1 to 16 form an integral part of these 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 Comprehensive Income (Un-Audited)
For The Nine Months and Quarter Ended March 31, 2020

	Nine months ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	------(Rupees in '000)-----			
Net income for the period after taxation	143,184	121,705	65,418	43,939
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income for the period	143,184	121,705	65,418	43,939

The annexed notes 1 to 16 form an integral part of these 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 Unitholders' Fund (Un-Audited)

For The Nine Months Ended March 31, 2020

	2020			Nine months ended March 31,			2019		
	Capital Value	Undistributed Income	Unrealised (loss) / income of investment	Total	Capital Value	Undistributed Income	Unrealised (loss) / income of investment	Total	
-----Rupees in '000'-----									
Net assets at beginning of the year	1,388,862	121,881	-	1,510,743	2,230,273	226,959	(772)	2,456,460	
Adop on of IFRS 9	-	(503)	503	-	-	(772)	772	-	
Issue of 9,168,134 units (2019: 10,207,566 units)									
- Capital value (at net asset value per unit at the beginning of the period)	1,020,312	-	-	1,020,312	1,135,990	-	-	1,135,990	
- Element of income	(367)	-	-	(367)	(45,716)	-	-	(45,716)	
Total proceeds on issuance of units	1,019,945	-	-	1,019,945	1,090,274	-	-	1,090,274	
Redemp on of 9,352,963 units (2019: 18,779,029 units)									
- Element of loss	(1,040,882)	-	-	(1,040,882)	(2,076,436)	-	-	(2,076,436)	
- Income already paid on redemp on of units	33,839	-	-	33,839	90,435	-	-	90,435	
	-	(24,128)	-	(24,128)	-	(46,562)	-	(46,562)	
	(1,007,043)	(24,128)	-	(1,031,171)	(1,986,001)	(46,562)	-	(2,032,563)	
Element of income and capital gains included in prices of units issued less those in units redeemed	-	-	-	-	-	-	-	-	
Element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to distribu on statement	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	143,184	-	143,184	-	121,705	-	121,705	
Refund of Capital	-	-	-	-	(13,463)	-	-	(13,463)	
Distribu on during the period	-	-	-	-	-	(107,938)	-	(107,938)	
Total comprehensive income for the period	-	143,184	-	143,184	(13,463)	13,767	-	304	
Net assets at end of the year	1,401,764	240,434	503	1,642,701	1,321,083	193,392	-	1,514,475	
Undistributed income brought forward									
- Realised		125,538				224,607			
- Unrealised		(3,657)				2,352			
		121,881				226,959			
Adop on of IFRS 9		(503)				(772)			
Account ng income available for distribu on									
- Rela ng to capital losses		17,890				-			
- Excluding capital losses		101,166				75,143			
		119,056				75,143			
Distribu on during the period		-				(107,938)			
Undistributed income carried forward		240,434				193,392			
Undistributed income carried forward									
- Realised		232,880				200,175			
- Unrealised		7,554				(6,783)			
		240,434				193,392			
				(Rupees)				(Rupees)	
Net assets value per unit at beginning of the period				106.1134				111.2890	
Net assets value per unit at end of the period				116.8995				112.1722	

The annexed notes 1 to 16 form an integral part of these condensed interim financial informa on.

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 Nine Months Ended March 31, 2020

	Nine months ended	
	March 31,	
	2020	2019
	(Rupees in '000)	
Cash flows from operating activities		
Net income for the period before tax on	143,184	121,705
Adjustments for non-cash items:		
Mark-up on deposits with banks	(67,578)	(75,330)
Mark-up / return on investments	(84,719)	(76,449)
Dividend income	(643)	(13,137)
Provision for Sindh Workers' Welfare Fund	2,922	2,484
Unrealised (appreciation) / diminution on revaluation of investments classified as financial asset at fair value through profit or loss - net	(7,554)	6,783
Capital (gain) / loss on sale of investments - net	(10,467)	9,859
	(24,855)	(24,085)
Decrease / (increase) in assets		
Investments	120,954	16,890
Advances, deposits, prepayments and other receivables	(4,374)	13,580
Receivable against sale of investments	-	17,046
	116,580	47,516
Increase / (decrease) in liabilities		
Payable to the Management Company	1,337	(1,425)
Payable to the Trustee	(83)	(113)
Payable to the Securities and Exchange Commission of Pakistan	(1,255)	(1,542)
Accrued expenses and other liabilities	(35,126)	623
Payable against purchase of investments	-	(43,789)
	(35,127)	(46,246)
Net cash generated from operating activities	56,598	(22,815)
Dividend received	643	13,137
Profit received	145,703	145,858
	146,346	158,995
Net cash generated from operating activities	202,944	136,180
Cash flows from financing activities		
Amount received on issue of units	1,019,945	1,090,274
Payment against redemption of units	(1,031,171)	(2,032,563)
Distribution paid	-	(121,401)
	(11,226)	(1,063,690)
Net decrease in cash and cash equivalents	191,718	(927,510)
Cash and cash equivalents at beginning of the period	552,761	1,242,036
Cash and cash equivalents at end of the period	744,479	314,526

The annexed notes 1 to 16 form an integral part of these 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 Nine Months Ended March 31, 2020

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.

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

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 Limited. The units of the Fund were initially offered for public subscription starting 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 management quality rating of 'AM2+' to the Management Company and the fund stability rating of A() 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. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS 34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

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

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

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

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and the effect not detailed in these condensed interim financial information

3.4 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.

4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

	<i>Note</i>	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
4. BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	744,479	1,032,036
- Term deposit receipt (TDR)		-	210,000
		<u>744,479</u>	<u>1,242,036</u>
4.1	This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 8.03% - 12.00% (June 30, 2019: 10.28% - 13.75%) per annum. June 30,		
		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
5. INVESTMENTS	<i>Note</i>	(Rupees in '000)	
Financial assets at fair value through profit or loss			
- Term finance certificates - Listed	5.1	174,480	84,325
- Term finance certificates and sukuk bonds - Unlisted	5.2	295,365	755,925
- Investment in Government securities	5.1.4	387,501	-
		<u>857,346</u>	<u>840,250</u>
Financial assets at amortized cost			
- Investment in Commercial paper	5.4	<u>47,887</u>	167,916
		<u>905,233</u>	<u>1,008,166</u>

5.1 Term finance certificates - Listed

Name of the Investee Company	As at July 1, 2019	Number of certificates		As at March 31, 2020	Market value as at March 31, 2020	Market value as a percentage of	
		Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
					(Rupees in '000')		
Financial Services							
Saudi Pak Leasing Company Limited - (Note 5.1.1)**	2,000	-	-	2,000	-	-	-
Commercial Banks							
JS Bank Limited	1,900	-	636	1,264	117,269	12.95	7.14
Chemicals							
Dawood Hercules Chemical Limited*	940	-	230	710	57,211	6.32	3.48
Fixed Line Telecommunication							
World Call Telecom Limited - (Note 5.1.2)**	23,750	-	-	23,750	-	-	-
	28,590	-	866	27,724	174,480	19.27	10.62
Cost of investments at March 31, 2020					181,712		

* 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. A provision of Rs. 5.550 million equivalent to 100% of the amount outstanding has been made.

5.1.2 World call 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 has been made out of which during the period ended March 31, 2020 Rs. 7.576 million is received leaving outstanding balance as at March 31, 2020 of Rs. 40.191 million.

5.1.3 This include Rs 3.064 million recoverable from Dawood Hercules Chemical Limited.

5.2 Term finance certificates and sukuk bonds - Unlisted

Name of the Investee Company	Number of certificates			As at March 31, 2020	Market value as at March 31, 2020 (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
Commercial Banks							
Bank of Punjab *	2,050	-	500	1,550	153,964	17.01	9.37
JS Bank Limited	7,450	-	-	7,450	35,754	3.95	2.18
	9,500	-	500	9,000	189,718	20.96	11.55
Chemicals							
Agritech Limited (Note: 5.2.1)	2,430	-	-	2,430	-	-	-
Agritech Limited (4th issue)	430	-	-	430	-	-	-
Ghani Gases Limited	200	-	-	200	9,000	0.99	0.55
	3,060	-	-	3,060	9,000	0.99	0.55
Investment Companies							
Jahangir Siddiqui & Company Limited	10,000	-	-	10,000	49,600	5.48	3.02
Jahangir Siddiqui & Company Limited	15,100	-	-	15,100	47,047	5.20	2.86
	25,100	-	-	25,100	96,647	10.68	5.88
Technology and communication							
TPL Corporation Limited *	500	-	500	-	-	-	-
Power Generation and Distribution							
Hub Power Company Limited	36,600	-	36,600	-	-	-	-
Hub Power Company Limited	-	1,000	1,000	-	-	-	-
	36,600	1,000	37,600	-	-	-	-
Others							
New Allied Electronic Industries (Private) Limited (Note: 5.2.2)**	9,000	-	-	9,000	-	-	-
New Allied Electronic Industries (Private) Limited (Note: 5.2.2)**	9,000	-	-	9,000	-	-	-
	18,000	-	-	18,000	-	-	-
Total	93,320	-	56,160	37,160	295,365	32.63	17.98
Cost of investments at March 31, 2020					<u>297,392</u>		

* These TFCs have face value of Rs. 100,000 per TFC.

** 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.

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

Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Agritech Limited	<u>1,998</u>	<u>1,998</u>

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

5.2.3 Significant terms and conditions of Term Finance Certificates Sukuk bonds outstanding as at March 31, 2020 are as follows:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Term Finance Certificates and Sukuk bonds - Listed				
Dawood Hercules Corporation Limited - Sukuk	80,000	3 months KIBOR + 1.4%	November 16, 2017	November 16, 2022
JS Bank Limited - TFC	99,920	6 months KIBOR + 1.4%	December 29, 2017	December 29, 2024
Term Finance Certificates and Sukuk bonds - Unlisted				
JS Bank Limited - TFC	4,996	6 months KIBOR + 1.4%	December 14, 2016	December 16, 2023
JS Bank Limited - TFC	99,960	6 months KIBOR + 1.4%	December 29, 2017	December 29, 2024
TPL Corp Ltd. - TFC	66,667	3 months KIBOR + 1.5%	December 19, 2017	December 18, 2019
Bank Of Punjab - TFC	99,920	6 months KIBOR + 1.4%	December 23, 2016	December 23, 2026
Jahangir Siddiqui & Company Ltd - TFC	5,000	6 months KIBOR + 1.4%	July 18, 2017	July 18, 2022
Jahangir Siddiqui & Company Ltd - TFC	5,000	6 months KIBOR + 1.4%	March 6, 2018	March 6, 2023
Jahangir Siddiqui & Company Ltd - TFC	3,125	6 months KIBOR + 1.65%	June 24, 2016	June 24, 2021
Bank Of Punjab - TFC	99,920	6 months KIBOR + 1.4%	December 23, 2016	December 23, 2028
Ghani Gasses Limited - Sukuk	79,143	3 months KIBOR + 1%	February 2, 2017	February 2, 2023

5.1.4 Investment in Government Securities

Issue Date	Tenure	Face value				Market value as at March 31, 2020	Market Value as a percentage of	
		As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at March 31, 2020		Total Investments	Net Assets
----- Rupees in '000 -----								
Treasury bill								
September 12, 2019	12 months	-	500,000	500,000	-	-	-	-
November 7, 2019	12 months	-	1,000,000	1,000,000	-	-	-	-
December 19, 2019	12 months	-	300,000	300,000	-	-	-	-
March 12, 2020	12 months	-	250,000	100,000	150,000	136,463	15%	8%
October 24, 2019	3 months	-	500,000	500,000	-	-	-	-
November 7, 2019	6 months	-	1,000,000	1,000,000	-	-	-	-
October 24, 2019	6 months	-	500,000	500,000	-	-	-	-
October 10, 2019	12 months	-	500,000	500,000	-	-	-	-
		-	6,750,000	6,600,000	150,000	136,463	15%	8%

Issue Date	Tenure	Face value				Market Value as a percentage of	
		As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at March 31, 2020	Market value as at March 31, 2020	Total Investments
----- Rupees in '000 -----							
Pakistan Investment Bonds							
July 12, 2018	10 years	-	75,000	75,000	-	-	-
September 19, 2019	10 years	-	100,000	50,000	50,000	52,633	6%
July 12, 2018	3 years	-	575,000	575,000	-	-	-
September 19, 2019	3 years	-	500,000	350,000	150,000	147,890	16%
July 12, 2018	5 years	-	371,900	371,900	-	-	-
September 19, 2019	5 years	-	400,000	350,000	50,000	50,515	6%
		-	2,021,900	1,771,900	250,000	251,038	28%
Grand total		-	8,771,900	8,371,900	400,000	387,501	43%
Cost of investments at March 31, 2020					370,688		

5.4 This represent commercial paper which will mature on July 16,2020 and carries profit rate of 15.99%.

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
<i>Note</i>	(Rupees in '000)	

6. ADVANCES, DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with National Clearing Company of Pakistan Limited	9,394	5,285
Security deposit with Central Depository Company of Pakistan Limited	100	100
Receivable against investments of term finance certificates and sukuk bonds	1,998	1,998
Advance tax	24,980	24,970
Dividend receivable	480	-
Prepaid expenses	59	284
	37,011	32,637
Less: Provision against overdue installments of term finance certificates and sukuk bonds	1,998	1,998
	35,013	30,639

7. PAYABLE TO THE MANAGEMENT COMPANY

Management fee	1,726	1,660
Sindh Sales Tax	224	216
Sales load payable	885	558
Selling and marketing payable	1,424	496
Allocation of expenses related to registrar services, accounting, operation and valuation services	132	124
	4,391	3,054

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	<i>Note</i>	(Rupees in '000)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		317	295
Brokerage payable		578	-
Federal Excise Duty payable	8.1	27,578	27,578
Dividend payable		2,745	29,735
Other payables		298	326
Capital gain tax payable		686	293
Withholding tax payable		523	9,624
Provision for Sindh Workers' Welfare Fund	8.2	27,449	24,527
		60,174	92,378

8.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying a provision for FED for the period from January 13, 2013 to June 30, 2019 aggregating to Rs. 27.578 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 1.96 per unit (June 30, 2019: 1.94 per unit)

8.2 The legal status of applicability of Worker's 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.

In view of the above, the Management Company, being prudent, recognized provision for SWWF amounting to Rs. 22.842 million (June 30, 2018: Rs. 21.255 million). Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 1.95 per unit (June 30, 2019: Rs. 1.72 per unit)

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019

10. TAXATION

The Fund's income is exempt from income tax as per 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 to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2020 to its unit holders.

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, the total expense ratio of the Fund for the nine months ended March 31, 2020 is 1.59% (March 31, 2019: 1.65%), which includes 0.31% (March 31, 2019: 0.29%) representing government levy, Worker's Welfare Fund and SECP fee.

12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties comprise 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 the 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 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 during the period and balances with them at period end are as follows:

	Nine months ended	
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
(Rupees in '000)		
12.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee inclusive of sales tax	14,624	24,322
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,577	1,600
Issue of Nil units (2019: 27,655 units)	-	2,926
Redemption of Nil units (2018: 27,655 units)	-	129,374
Dividend paid	-	6,359
Refund of capital Nil (2019: 27,571 units)	-	2,917
Habib Bank Limited - Sponsor		
Bank charges paid	54	30
Issue of Nil units (2019: 493,384 units)	-	52,195
Redemption of Nil units (2019: 7,983,303 units)	-	875,082
Dividend paid	-	52,195
Mark-up earned during the period	5,575	1,006
Purchase of TFCs: Nil units (2019: Nil units)	-	-
Sale of TFCs: Nil units (2019: Nil units)	-	-
Sale of Sukuk certificates: Nil units (2019: Nil units)	-	-
HBL Asset Management Ltd Employees Provident Fund		
Issue of Nil units (2019: 10,946 units)	-	-
Attock Cement Pak Ltd Employees Provident Fund		
Issue of Nil units (2019: 64,988 units)	-	7,000
Attock Cement Pak Ltd Employees Pension Fund		
Issue of Nil units (2019: 46,420 units)	-	5,000
Redemption of Nil units (2018: 46,420 units)	-	(5,153)

Nine months ended
March 31, **June 30,**
2020 **2019**
(Un-Audited) **(Audited)**

(Rupees in '000)

**MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan -
CIS Managed by the Management Company**

Issue of Nil units (2019: 77,754 units)	-	8,700
Redemption of 745,068 units (2019: Nil units)	81,178	-
Refund of capital Nil (2019: 30,098 units)	-	3,184
Dividend paid	-	3,184

**MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan -
CIS Managed by the Management Company**

Issue of Nil units (2019: 71,498 units)	-	8,000
Redemption of 16,575 units (2019: Nil units)	1,910	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration	943	2,257
CDC charges	15	138

Executives and their relatives

Issue of 133 units (2019: 9,763 units)	15	1,064
Redemption of 5,298 units (2019: Nil units)	567	-
Dividend paid	-	389

**Pakistan Society For The Welfare Of Mentally Retarded Children-
Related party due to holding more than 10%**

Issue of Nil units (2019: 1,652,342 units)	-	180,546
Redemption of Nil units (2019: 142,021 units)	-	15,525

March 31, **June 30,**
2020 **2019**
(Un-Audited) **(Audited)**

(Rupees in '000)

Note

12.2 Balances outstanding as at period / year end

HBL Asset Management Limited - Management Company

Investment held in the Fund: Nil units (30 June, 2019: Nil units)	-	-
Management fee payable	1,726	1,660
Sindh Sales Tax	224	216
Sales load payable	885	558
Selling and marketing payable	1,424	496
Allocation of expenses related to registrar services, accounting, operation and valuation services	132	124

Habib Bank Limited - Sponsor

Investment held by HBL in the Fund: 2,000,000 units (June 30, 2019: 2,000,000 units)	233,799	212,227
Bank balances with HBL	358,622	20,735

The First Microfinance Bank - Associate

Bank balances	10	-
---------------	-----------	---

<i>Note</i>	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
MCBFSL Trustee HBL Financial Planning Fund Strategic Allocation Plan - CIS Managed by the Management Company		
Investment held in the Fund: Nil units (June 30, 2019: 745,068 units)	-	79,062
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - CIS Managed by the Management Company		
Investment held in the Fund: 60,991 units (June 30, 2019: 77,566 units)	7,130	8,231
Directors and Executives of the Management Company and their relatives		
Executives and their relatives		
Investment held in the Fund: 79,488 units (June 30, 2019: 84,654 units)	9,292	8,983
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	102	175
Sindh Sales tax	13	23
Security deposit	100	100
CDC Charges	3	-
Pakistan Society For The Welfare Of Mentally Retarded Children- Related party due to holding more than 10%		
Investment held in the Fund: 1,510,321 units (June 30, 2019: 1,507,558 units)	169,416	159,972

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid or 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.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" 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:

- 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.

		March 31, 2020 (Un-Audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At amortized cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000')						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
	- Term finance certificates and sukuk bonds	469,845	-	469,845	-	469,845	-	469,845
		469,845	-	469,845	-	469,845	-	469,845
Financial assets not measured at fair value								
13.1	Bank balances	-	744,479	744,479				
	Accrued mark-up	-	22,879	22,879				
	Deposits and other receivables	-	9,974	9,974				
			777,332	777,332				
Financial liabilities not measured at fair value								
13.1	Payable to the Management Company	-	4,167	4,167				
	Payable to Trustee	-	102	102				
	Accrued expenses and other liabilities	-	615	615				
		-	4,883	4,883				
		June 30, 2019 (Audited)						
		Carrying amount			Fair Value			
		At fair value through profit or loss	At amortized cost	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	167,916	252,241	-	755,925	-	755,925
	- Investment in ready / future - spread transaction	-	-	-	-	-	-	-
		84,325	167,916	252,241	-	755,925	-	755,925
Financial assets not measured at fair value								
	Bank balances	-	552,761	1,242,036				
	Accrued mark-up	-	16,285	21,696				
	Deposits and other receivables	-	5,385	46,931				
		-	574,431	1,310,663				
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				
		-	33,608	33,608				

13.1 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.

14. 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 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Income Fund (the Fund) as Income Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of Non-Compliant Investment	Type of Investment	Value of Investment before provision (Rupees in '000)	Provision held	Value of Investment after provision	% of Gross Assets
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	9,992	9,992	-	-
Saudi Pak Leasing Company Limited	TFC	5,550	5,550	-	-
World Call Telecom Limited	TFC	40,191	40,191	-	-

The above securities have ratings lower than investment grade.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

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

Government Securities Fund

FUND INFORMATION

Name of Fund	HBL Government Securities Fun
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 Taraqati Bank Limi ed 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
As at March 31, 2020

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	-----Rupees in '000-----	
Assets			
Bank balances	4	780,948	2,013,539
Investments	5	3,168,154	1,127,529
Accrued markup on bank balances and investments		31,153	23,146
Deposits, prepayments and other receivables		23,603	1,718
Total assets		4,003,858	3,165,932
Liabilities			
Payable to the Management Company	6	11,279	10,329
Payable to the Trustee		235	224
Payable to Securities and Exchange Commission of Pakistan		460	670
Payable against redemption of units		-	20,774
Payable against purchase of investment		-	984,910
Accrued expenses and other liabilities	7	32,769	32,743
Total liabilities		44,743	1,049,650
Net assets		3,959,115	2,116,282
Units holders' fund (as per statement attached)		3,959,115	2,116,282
Contingencies and commitments	8		
		-----Number of units-----	
Number of units in issue		33,477,629	19,994,755
		-----Rupees-----	
Net assets value per unit		118.2615	105.8419

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 Government Securities Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and Quarter ended March 31, 2020

	Nine months ended		Quarter ended		
	March 31,		March 31,		
	2020	2019	2020	2019	
Note	-----Rupees in '000-----				
Income					
Capital gain on sale of investments - net	22,432	1,568	1,824	882	
Income from government securities	160,679	4,478	75,002	3,478	
Income from Money Market Placements	677	2,245	-	720	
Income from Term Finance Certificates	13,366	505	3,098	505	
Income from margin trading system	-	153	-	(12)	
Profit on bank deposits	114,428	31,678	29,475	13,193	
	311,582	40,627	109,399	18,766	
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	96,479	201	89,420	201	
	408,061	40,828	198,819	18,967	
Expenses					
Remuneration of the Management Company	6.1 & 6.2	30,102	5,095	12,651	2,195
Remuneration of the Trustee		1,689	633	658	254
Annual fee to Securities and Exchange Commission of Pakistan		460	290	179	122
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	5,328	387	1,989	163
Selling and marketing expense	6.4	11,303	-	3,583	-
Auditors' remuneration		333	332	110	109
Fees and subscription		227	290	76	141
Securities transaction cost		1,809	679	567	268
Bank charges		722	114	326	80
Printing charges		-	-	-	-
		51,973	7,820	20,139	3,332
Net income from operating activities		356,088	33,008	178,680	15,635
Provision for Sindh Workers' Welfare Fund / Reversal of Workers' Welfare Fund	7.1	(7,122)	(660)	(3,574)	(313)
Net income for the period before taxation		348,966	32,348	175,106	15,322
Taxation	9	-	-	-	-
Net income for the period after taxation		348,966	32,348	175,106	15,322
Allocation of net income for the period	3.6	71,401	12,605	33,699	2,360
Income already paid on redemption of units					
Accounting income available for distribution:					
- Relating to capital gains / (losses)		109,667	324	86,662	173
- Excluding capital gains / (losses)		167,898	19,419	54,745	12,789
		277,565	19,743	141,407	12,962

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 Government Securities Fund
Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
For the Nine months and Quarter ended March 31, 2020

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	-----Rupees in '000-----			
Net income for the period after taxation	348,966	32,348	175,106	15,322
Other comprehensive income for the period				
Items that may be reclassified to income statement	-	-	-	-
Total comprehensive income for the period	348,966	32,348	175,106	15,322

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 Government Securities Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine months ended March 31, 2020

	Nine months ended	
	March 31,	
	2020	2019
Note	-----Rupees in '000-----	
Cash flows from operating activities		
Net income for the period after taxation	348,966	32,348
Adjustments for:		
Income from government securities	(160,679)	(4,478)
Income from Money Market Placements	(677)	(2,245)
Income from Term Finance Certificates	(13,366)	(505)
Income from margin trading system	-	(153)
Profit on bank deposits	(114,428)	(31,678)
Unrealised (appreciation) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(96,479)	(201)
Capital (gain) on sale of investments - net	(22,432)	(1,568)
	(59,095)	(8,480)
(Increase) in assets		
Investments - net	(2,846,562)	(117,165)
Receivable against margin trading system	-	77
Deposits, prepayments and other receivables	(21,885)	(162)
	(2,868,447)	(117,250)
Increase in liabilities		
Payable to the Management Company	950	4,336
Payable to the Trustee	11	133
Payable to the Securities and Exchange Commission of Pakistan	(210)	(224)
Accrued expenses and other liabilities	997	1,049
	1,748	5,294
	(2,925,794)	(120,436)
Income received from government securities	82,155	2,920
Income received from money market placements	677	2,245
Income received from term finance certificates	12,628	505
Income received from margin trading system	-	155
Bank profits received	125,621	26,546
Net cash generated from operating activities	(2,704,713)	(88,065)
Cash flows from financing activities		
Amount received on issue of units	4,222,509	2,235,513
Payment against redemption of units	(2,749,416)	(906,703)
Dividend paid	(971)	(13,491)
Net cash used in financing activities	1,472,122	1,315,319
Net (decrease) / increase in cash and cash equivalents	(1,232,591)	1,227,254
Cash and cash equivalents at beginning of the period	2,013,539	332,785
Cash and cash equivalents at end of the period	780,948	1,560,039

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 Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine months ended March 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Government Securities 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.
- 1.2** 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.
- 1.3** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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 situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.4** 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.
- 1.5** The Fund has been categorised as a sovereign income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.6** 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.
- 1.7** JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two Plus) to the Management Company and assigned stability rating of A+() to the Fund as at December 30, 2019 and December 31, 2019, respectively.
- 1.8** 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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') provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

- 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 March 31, 2020.

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, JUDGEMENTS 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 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.

2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

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

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
4. BANK BALANCES	<i>Note</i>	
In current account	-	4,003
In savings accounts	<u>780,948</u>	<u>2,009,536</u>
	4.1	<u><u>2,013,539</u></u>

- 4.1** Mark-up rates on these accounts range between 11.28% - 13.63% per annum (June 30, 2018: 8.00% - 13.60% per annum).

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
5. INVESTMENTS	<i>Note</i>		
Financial assets			
At fair value through profit or loss	5.1	3,168,154	1,028,205
At amortized cost	5.2	-	99,324
		3,168,154	1,127,529
5.1 Financial assets at fair value through profit or loss - held-for-trading			
Investments in government securities:			
Market treasury bills	5.1.1	557,798	984,996
Pakistan investment bond	5.1.2	2,526,555	89
GOP ijara sukuk certificates	5.1.3	-	-
		3,084,353	985,085
Investment in Term Finance Certificates	5.1.4	83,801	43,120
Total investments		3,168,154	1,028,205
5.2 Financial assets at amortized cost:			
Commercial paper	5.2.1	-	99,324

5.2.1 Commercial paper

Name of the investee company	As at July 1, 2019	Placement made during the period	Income accrued	Matured during the period	As at March 31, 2020	Percentage of net assets	Percentage of total investment
----- (Rupees in '000) -----							
The Hub Power Company Limited	99,324	-	676	100,000	-	-	-
Total - as at March 31, 2020	99,324	-	676	100,000	-	-	-
Total - as at June 30, 2019	-	146,856	4,468	52,000	99,324	4.693%	8.809%

5.2.2 Commercial paper issued by The Hub Power Company Limited carried mark-up at the rate of 12.11% (June 30, 2019: 12.11%) and has been matured in July 22, 2019.

5.1.1 - Market treasury bills

Issue date	Tenure	Face value			Balance as at March 31, 2020			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 March 31, 2020	Carrying value	Market value			Appreciation / (diminution)
-----Rupees in '000-----										
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	-	16,695,000	16,695,000	-	-	-	-	-	
August 1, 2019	3 Month	-	4,250,000	4,250,000	-	-	-	-	-	
August 16, 2019	3 Month	-	3,000,000	3,000,000	-	-	-	-	-	
September 12, 2019	3 Month	-	700,000	700,000	-	-	-	-	-	
September 26, 2019	3 Month	-	150,000	150,000	-	-	-	-	-	
October 10, 2019	3 Month	-	225,000	225,000	-	-	-	-	-	
October 24, 2019	3 Month	-	2,499,000	2,499,000	-	-	-	-	-	
November 7, 2019	3 Month	-	500,000	500,000	-	-	-	-	-	
December 19, 2019	3 Month	-	1,675,000	1,675,000	-	-	-	-	-	
October 10, 2019	6 Month	-	500,000	500,000	-	-	-	-	-	
October 10, 2019	12 Month	-	565,000	565,000	-	-	-	-	-	
January 2, 2020	12 Month	-	500,000	500,000	-	-	-	-	-	
November 7, 2019	12 Month	-	500,000	500,000	-	-	-	-	-	
March 12, 2020	12 Month	-	250,000	-	250,000	224,788	227,438	2,650	6%	7%
December 19, 2019	12 Month	-	500,000	500,000	-	-	-	-	-	
October 24, 2019	12 Month	-	500,000	500,000	-	-	-	-	-	
September 26, 2019	12 Month	-	500,000	500,000	-	-	-	-	-	
January 30, 2020	12 Month	-	500,000	400,000	100,000	90,393	91,939	1,546	2%	3%
January 2, 2020	3 Month	-	750,000	750,000	-	-	-	-	-	
December 5, 2019	3 Month	-	500,000	500,000	-	-	-	-	-	
March 12, 2020	3 Month	-	375,000	375,000	-	-	-	-	-	
January 30, 2020	3 Month	-	520,000	520,000	-	-	-	-	-	
March 12, 2020	6 Month	-	250,000	-	250,000	236,964	238,419	1,455	6%	8%
October 24, 2019	6 Month	-	550,000	550,000	-	-	-	-	-	
Total - As at March 31, 2020		1,000,000	43,104,000	43,504,000	600,000	552,145	557,796	5,651	14%	17%
Total - As at June 30, 2019		-	50,704,400	49,704,400	1,000,000	984,910	984,996	86	46.54%	87.36%

5.1.2 - Pakistan Investment Bonds

Issue date	Tenure	Face value			Balance as at March 31, 2020			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 March 31, 2020	Carrying value	Market value			Appreciation / (diminution)
-----Rupees in '000-----										
July 12, 2018	3 Years	100	2,267,000	2,016,100	251,000	233,833	241,829	7,996	6%	8%
July 12, 2018	5 Years	-	2,056,400	2,056,400	-	-	-	-	-	
July 12, 2018	10 Years	-	75,000	75,000	-	-	-	-	-	
July 25, 2019	10 Years F	-	1,000,000	1,000,000	-	-	-	-	-	
August 22, 2019	10 Years F	-	600,000	-	600,000	610,613	617,160	6,547	16%	19%
September 19, 2019	3 Years	-	3,450,000	2,350,000	1,100,000	1,041,868	1,084,524	42,656	27%	34%
September 19, 2019	5 Years	-	1,425,000	900,000	525,000	505,761	530,409	24,648	13%	17%
September 19, 2019	10 Years	-	100,000	50,000	50,000	43,877	52,633	8,756	1%	2%
Total - As at March 31, 2020		100	10,973,400	8,447,500	2,526,000	2,435,952	2,526,555	90,603	64%	80%
Total - As at June 30, 2019		-	6,939,500	6,939,400	100	91	89	(2)	0.004%	0.008%

5.1.2.1 The effective yield on these Pakistan investment bonds range between 9.2% - 10.34% (June 30, 2019: 11.90%) per annum.

5.1.3 GOP ijara sukuk certificates

Issue details	Tenure	Face value			Balance as at March 31, 2020			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 March 31, 2020	Carrying value	Market value		
-----Rupees in '000-----									
June 17, 2018	3 Years	-	410,000,000	410,000,000	-	-	-	-	-
Total - As at March 31, 2020		-	410,000,000	410,000,000	-	-	-	-	-
Total - As at June 30, 2019		-	735,000	735,000	-	-	-	-	-

5.1.4 Term Finance Certificates and Corporate Sukuk Bonds Corporate sukuk certificates - Listed

Name of Investee Company	Number of Certificates				Balance as at March 31, 2020			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 March 31, 2020	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----									
Dawood Hercules Corporation Limited	100	-	100	-	-	-	-	-	-
Total - As at March 31, 2020	100	-	100	-	-	-	-	-	-

Corporate sukuk certificates - Unlisted

Name of Investee Company	Number of Certificates				Balance as at March 31, 2020			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 March 31, 2020	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----									
The Hub Power Company Limited	-	1,000	1,000	-	-	-	-	-	-
Total - as at March 31, 2020	-	1,000	1,000	-	-	-	-	-	-

Term finance certificates - Unlisted

Name of Investee Company	Number of Certificates				Balance as at March 31, 2020			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 March 31, 2020	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----									
Askari Bank Limited	7,000	-	-	7,000	34,135	34,136	1	1%	1%
Bank of Punjab	-	500	-	500	49,441	49,665	224	1%	2%
Total - As at March 31, 2020	7,000	500	-	7,500	83,576	83,801	225	0.02	0.03
Total - as at March 31, 2020	7,100	1,500	1,100	7,500	83,576	83,801	225	0	0
Total - As at June 30, 2019	-	17,290	10,190	7,100	43,151	43,120	(31)	1.950%	3.824%

5.1.5 These Term Finance Certificates and Sukuk Bonds carry mark-up at the rate ranging from 14.45% to 15.81% per annum (2019: 12.30% to 12.67%).

5.1.6 Significant terms and conditions of Term Finance Certificates as at March 31, 2020 are as follows:

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Term finance certificates - unlisted				
Askari Bank Limited	4,989	6 months KIBOR + 1.20%	30-Sep-14	30-Sep-24
Bank of Punjab	99,880	6 months KIBOR + 1.00%	23-Dec-16	23-Dec-26

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	<i>Note</i>	(Rupees in '000)	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	3,947	2,233
Sindh Sales Tax on Management Company's remuneration	6.2	513	290
Sales load payable		2,535	6,684
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	701	179
Selling and marketing expense	6.4	3,583	943
		11,279	10,329

6.1 As per the offering document of the Fund, the Management Company charges a fee at the rate of 1.25% of the average annual net assets on daily basis of the Scheme subject to the guidelines issued by the Commission from time to time. However, on December 28, 2017, second supplement to the offering document was issued according to which the management company was to charge a fee at the rate of 12.5% of gross earnings with floor of 1% and cap of 1.25% of the average annual net assets on daily basis of the Scheme effective from January 15, 2018. During the period, the fee has been charged at the rate ranging between 0.65% to 1.36% of the daily annual net assets of the Fund. The fee is being charged at the rate of 1.25% from October 16, 2019 onwards. 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 Regulation 60(3)(s) of the NBFC Regulations fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme or the actual cost, whichever is lower. However, SECP, vide S.R.O. 639(I)/2019, dated June 20, 2019, has removed the maximum limit of 0.1%. During the period, the fee has been charged at the rate ranging between 0.1% to 0.3% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.22% from October 16, 2019 onwards.

6.4 As per SECP vide its circular No. SCD/PRDD/Circular/361/2016, dated December 30, 2016, selling and marketing expenses was chargeable to open end equity, asset allocation and index funds only, upto maximum 0.4% of the average annual net assets of the Scheme or the actual cost, whichever is lower.

However, circular No. SCD/PRDD/Circular/04/2019, dated July 5, 2019, issued by SECP, supersedes all previous circulars issued with respect to selling and marketing expenses, according to which, selling and marketing expenses can be charged to all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee has been charged at the rate ranging between 0.4% to 0.75% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.75% from July 8, 2019 onwards.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	<i>Note</i>	(Rupees in '000)	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	7.1	14,769	7,648
Provision for Federal Excise Duty and additional sales tax on management fee	7.2	15,531	15,531
Withholding tax payable		1,395	7,708
Auditors' remuneration		170	282
Printing charges		142	183
Zakat		232	232
Dividend payable		31	1,002
Other		499	157
		32,769	32,743

7.1 The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare 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.

The Fund, as a matter of abundant caution recognised provision for SWWF amounting to Rs. 14.769 million for the nine months ended March 31, 2020 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2020 would have been higher by Rs. 0.44 per unit (June 30, 2019: Rs. 0.3825 per unit).

7.2 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 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 March 31, 2020 would have been higher by Rs. 0.4639 per unit (June 30, 2019: Rs. 0.7767 per unit).

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no contingencies outstanding as at March 31, 2020.

9. TAXATION

The Fund's income is exempt from income tax as per 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 to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2018 to its unit holders.

10. 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:

10.1 Transactions during the period	(Unaudited) Nine months ended March 31, 2020	(Unaudited) Nine months ended March 31, 2019
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	26,639	4,509
Sindh Sales Tax on remuneration of the Management Company	3,463	586
Sales load paid	21,660	1,060
Allocation of expenses related to registrar services, accounting, operation and valuation services	5,328	387
Selling & Marketing expense	11,303	-
Issue of Nil units (2019: 1,798,049)	-	193,493
Redemption of Nil units (2019: 1,886,788)	-	204,048
Dividend paid	-	4,355
Habib Bank Limited - Sponsor		
Bank charges paid	634	69
Profit on bank deposits earned	9,002	598
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	1,689	633
Central Depository system charges	48	8
CDC Trustee - HBL Income Fund		
Purchase of Bank of Punjab - Term Finance Certificate	50,201	-

	(Unaudited) Nine months ended March 31, 2020 (Rupees in '000)	(Unaudited) 2019
Executives of the Management		
Investment of 40,604 units (2019: 3,796 units)	4,567	425
Redemption of 42,536 units (2019: Nil units)	4,719	-
HBL Financial Planning Fund Strategic Allocation Plan - Fund under common management		
Investment of 354,994 units (2019: Nil units)	36,967	-
Redemption of 658,073 units (2019: Nil units)	72,496	-
HBL Financial Planning Fund Special Income Plan - Fund under common management		
Investment of 1,220,437 units (2019: Nil units)	133,000	-
Redemption of 41,552 units (2019: Nil units)	4,734	-
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
10.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	3,947	2,233
Sindh Sales Tax on remuneration of the Management Company	513	290
Sales Load payable	2,535	6,684
Allocation of expenses related to registrar services, accounting, operation and valuation services	701	179
Selling and marketing payable	3,583	943
Habib Bank Limited - Sponsor		
Bank balances	619,595	144,445
Profit receivable	2,104	343
Executive of the Management		
Investment held in the Fund: 18,889 units (June 30, 2019: Nil units)	2,234	-

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
HBL Financial Planning Fund Strategic Allocation Plan		
- Fund under common management		
Investment held in the Fund: Nil units (June 30, 2019: 312,079 units)	-	33,031
HBL Financial Planning Fund Special Income Plan		
- Fund under common management		
Investment held in the Fund: 1,178,885 units (June 30, 2019: Nil units)	139,417	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	232	221
CDC charges payable	3	3
Security deposit	100	100

11. 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.

		March 31, 2020						
		Carrying Amount			Fair Value			
		Fair value through profit or loss- held- for-trading	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		-----Rupees in '000-----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
11.1	Market treasury bills	557,798	-	557,798	-	557,798	-	557,798
	Pakistan Investment bonds	-	-	-	-	-	-	-
		<u>557,798</u>	<u>-</u>	<u>557,798</u>	<u>-</u>	<u>557,798</u>	<u>-</u>	<u>557,798</u>
Financial assets not measured at fair value								
11.1	Bank balances	-	780,948	780,948				
	Term deposit receipts	-	-	-				
	Accrued markup on bank balances and investments	-	31,153	31,153				
	Receivable against margin trading system	-	-	-				
		<u>-</u>	<u>812,101</u>	<u>812,101</u>				
Financial liabilities not measured at fair value								
11.1	Payable to Management Company	-	11,279	11,279				
	Payable to the Trustee	-	235	235				
	Payable against redemption of units	-	-	-				
	Payable against purchase of investment	-	-	-				
	Accrued expenses and other liabilities	-	811	811				
		<u>-</u>	<u>12,325</u>	<u>12,325</u>				

		June 30, 2019						
		Carrying Amount			Fair Value			
		Fair value through profit or loss- held- for-trading	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----						
On-balance sheet financial instruments								
Financial assets measured at fair value								
11.1	Market treasury bills	-	-	-	-	-	-	-
	Pakistan Investment bonds	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value								
11.1	Bank balances	-	2,013,539	2,013,539				
	Commercial Paper	-	99,324	99,324				
	Accrued markup on bank balances and investments	-	23,146	23,146				
	Deposits	-	867	867				
		<u>-</u>	<u>2,136,876</u>	<u>2,136,876</u>				
Financial liabilities not measured at fair value								
11.1	Payable to the Management Company	-	10,039	10,039				
	Payable to the Trustee	-	199	199				
	Payable against redemption of units	-	20,774	20,774				
	Accrued expenses and other liabilities	-	986,529	986,529				
		<u>-</u>	<u>1,017,541</u>	<u>1,017,541</u>				

11.1 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.

11.2 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

12. 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 nine months ended March 31, 2020 is 1.94% (March 31, 2019: 1.64%) which includes 0.38% (March 31, 2019: 0.32%) representing government levy and SECP fee.

13. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

14. GENERAL

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

14.2 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

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 JS bank MCB Bank
Fund Rating	AA(f) (JCR-VIS)

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As At March 31, 2020

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
(Rupees in '000)			
Assets			
Bank balances	4	6,907,730	5,485,942
Investments	5	3,609,672	1,423,742
Accrued mark up		80,726	55,136
Advances, deposits and prepayments		184	117
Total assets		10,598,312	6,964,937
Liabilities			
Payable to the Management Company	6	8,110	5,843
Payable to the Trustee		545	1,038
Payable to Securities and Exchange Commission of Pakistan		1,258	5,486
Payable against Purchase of investments		1,472,116	492,454
Accrued expenses and other liabilities	7	98,362	207,378
Total liabilities		1,580,391	712,199
Net assets		9,017,921	6,252,738
Unit holders' fund (as per statement attached)		9,017,921	6,252,738
Contingencies and commitments	8		
		----- (Number of units) -----	
Number of units in issue		80,422,157	61,169,427
		----- (Rupees) -----	
Net assets value per unit		112.1323	102.2200

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2020

	Note	Nine month ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Mark-up on deposits with banks		423,920	195,631	85,199	56,203
Mark-up / return on investments		440,151	326,487	206,476	128,186
Capital (loss) / gain on sale of investments - net		(408)	(7,394)	3,278	(373)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net		6,149	-	6,182	17
		869,812	514,724	301,135	184,033
Expenses					
Remuneration of the Management Company		61,517	57,413	22,560	19,526
Remuneration of the Trustee		4,616	5,475	1,565	1,704
Annual fee of Securities and Exchange Commission of Pakistan		1,258	4,282	369	1,323
Allocation of expenses related to registrar services, accounting, operation and valuation services		4,136	5,709	-	1,764
Sealment and bank charges		842	553	283	236
Auditors' remuneration		474	452	152	153
Fee and subscription		237	226	80	77
Securities transaction cost		471	5	254	2
Selling and Marketing Expense		4,647	-	-	-
		78,198	74,115	25,263	24,785
Net income from operating activities		791,614	440,609	275,872	159,248
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	(15,832)	(8,812)	(5,517)	(3,185)
Net income for the period before taxation		775,782	431,797	270,355	156,063
Taxation	9	-	-	-	-
Net income for the period after taxation		775,782	431,797	270,355	156,063
Allocation of income for the period					
Income already paid on redemption of units		293,865	177,693	189,368	91,213
Accounting income available for distribution:					
- Relating to capital gains		5,686	-	5,686	-
- Excluding capital gains		476,231	254,104	75,301	64,850
		481,917	254,104	80,987	64,850
		775,782	431,797	270,355	156,063

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the nine months and quarter ended March 31, 2020

	Nine month ended		Quarter ended	
	2020	2019	2020	2019
	(Rupees in '000)			
Net income for the period after taxation	775,782	431,797	270,355	156,063
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	775,782	431,797	270,355	156,063

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 nine months ended March 31, 2020

	Nine month ended					
	2020			2019		
	March 31,					
(Rupees in '000)						
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	6,192,950	59,788	6,252,738	7,033,537	215,965	7,249,502
Issue of 102,485,478 units (2019: 94,814,304 units)						
- Capital value (at net asset value per unit at the beginning of the period)	10,476,066	-	10,476,066	9,674,558	-	9,674,558
- Element of income	519,706	-	519,706	260,955	-	260,955
Total proceeds on issuance of units	10,995,772	-	10,995,772	9,935,513	-	9,935,513
Redemp on of 83,232,748 units (2019: 101,907,781 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(8,508,051)	-	(8,508,051)	(10,398,354)	-	(10,398,354)
- Income already paid on redemp on of units	-	(293,865)	(293,865)	-	(177,693)	(177,693)
- Element of loss	(204,455)	-	(204,455)	(152,793)	-	(152,793)
	(8,712,506)	(293,865)	(9,006,371)	(10,551,147)	(177,693)	(10,728,840)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-
Net income for the period after tax on Refund of Capital	-	775,782	775,782	-	431,797	431,797
Distribu on during the period	-	-	-	(181,739)	-	(181,739)
Other comprehensive income for the period	-	-	-	-	(166,578)	(166,578)
Net income for the period less distribu on	-	775,782	775,782	(181,739)	265,219	83,480
Net assets at end of the period	8,476,216	541,705	9,017,921	6,236,164	6,236,164	6,539,655
Undistributed income brought forward						
- Realised		59,788			215,965	
- Unrealised		-			-	
		59,788			215,965	
Distribu on during the period		-			(166,578)	
Accounting income available for distribu on:						
- Relating to capital gains		5,686			-	
- Excluding capital gains		476,231			254,104	
		481,917			254,104	
Undistributed income carried forward		541,705			303,491	
Undistributed income carried forward						
- Realised		541,705			303,491	
- Unrealised		-			-	
		541,705			303,491	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			102.2200			107.1869
Net assets value per unit at end of the period			112.1323			108.0208

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

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 nine months ended March 31, 2020

	Nine month ended March 31,	
	2020	2019
	(Rupees in '000)	
Cash flows from operating activities		
Net income for the period before tax on	775,782	431,797
Adjustments for non-cash items:		
Capital (gain) / loss on sale of investments - net	408	7,394
Mark-up / return on investments	(440,151)	(326,487)
Profit on bank deposits	(423,920)	(195,631)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(6,149)	-
Provision for Sindh Worker's Welfare Fund	15,832	8,812
Payable to the Trustee	(78,198)	(74,115)
Decrease / (increase) in assets		
Investments	(2,180,189)	(2,527,555)
Advances, deposits and prepayments	(67)	(98)
	(2,180,256)	(2,527,653)
Increase / (decrease) in liabilities		
Payable to the Management Company	2,267	1,650
Payable to the Trustee	(493)	(445)
Payable to the Securities and Exchange Commission of Pakistan	(4,228)	(1,204)
Payable against purchase of investment	979,662	(492,454)
Accrued expenses and other liabilities	(124,848)	(132,794)
	852,360	(625,247)
Net cash used in operations		
	(1,406,094)	(3,227,015)
Profit received on bank deposits	388,441	151,931
Markup received on investments	450,040	323,032
	838,481	474,963
Net cash used in operating activities		
	(567,613)	(2,752,052)
Cash flows from financing activities		
Amount received on issue of units	10,995,772	9,935,513
Payment against redemption of units	(9,006,371)	(10,728,840)
Cash dividend paid	-	(348,317)
Net cash generated from / (used) in financing activities		
	1,989,401	(1,141,644)
Net (decrease) / increase in cash and cash equivalents		
	1,421,788	(3,893,696)
Cash and cash equivalents at beginning of the period	5,485,942	5,485,942
Cash and cash equivalents at end of the period	6,907,730	1,592,246

**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 nine months ended March 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market Fund ('the 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 authorized by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on April 9, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 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.

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 Limited. The units of the Fund were initially offered for public subscription starting 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 Company has assigned a 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 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of IAS-34. These 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 these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

2.2 Basis of measurement

These condensed interim financial information have 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 POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

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

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.

4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till M y 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

4 BANK BALANCES	<i>Note</i>	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Balances with banks in:			
- Savings accounts	4.1	6,907,730	2,185,942
- Term deposit receipts		-	600,000
- Call deposit receipts		-	2,700,000
		<u>6,907,730</u>	<u>5,485,942</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 6.00% - 14.35% per annum (June 30, 2019: 4.00% - 13.6% per annum).

5. INVESTMENTS	<i>Note</i>	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Financial asset at fair value through profit or loss			
- Government Securities	5.1	3,467,970	492,498
Financial assets at amortised cost			
- Clean placement	5.2	-	-
- Commercial paper	5.3	141,702	931,244
		<u>3,609,672</u>	<u>1,423,742</u>

5.1 Investment in Government Securities - Held-for-trading

Issue Date	Tenure	Face value			Market Value as at March 31, 2020	Market value as a percentage of	
		As at July 01, 2019	Purchases during the year	Sales / Matured during the year		As at March 31, 2020	Total Investments
----- (Rupees in '000) -----							
Treasury bills							
May 23, 2019	3 month	500,000	1,200,000	1,700,000	-	-	-
April 18, 2019	3 month	-	14,535,000	14,535,000	-	-	-
August 1, 2019	3 month	-	4,862,500	4,862,500	-	-	-
October 10, 2019	3 month	-	1,525,000	1,525,000	-	-	-
October 24, 2019	3 month	-	3,300,000	3,300,000	-	-	-
November 7, 2019	3 month	-	1,350,000	1,350,000	-	-	-
August 16, 2019	3 month	-	625,000	625,000	-	-	-
August 29, 2019	3 month	-	110,000	110,000	-	-	-
September 12, 2019	12 month	-	494,000	-	494,000	471,116	13.05%
October 10, 2019	6 month	-	910,000	910,000	-	-	-
October 24, 2019	6 month	-	1,500,000	1,500,000	-	-	-
November 7, 2019	6 month	-	3,575,000	3,575,000	-	-	-
December 5, 2019	6 month	-	1,500,000	-	1,500,000	1,472,304	40.79%
December 5, 2019	3 month	-	1,335,000	1,335,000	-	-	-
January 2, 2020	3 month	-	5,330,000	5,330,000	-	-	-
March 12, 2020	6 month	-	750,000	-	750,000	715,258	19.82%
March 12, 2020	3 month	-	2,325,000	1,500,000	825,000	809,292	22.42%
Total - As at March 31, 2020		-	45,226,500	42,157,500	3,569,000	3,467,970	96%
Total - As at June 30, 2019		-	109,826,500	109,326,500	500,000	492,498	35%

5.2 Letter of Placement

Name of Company	As at July 01, 2019	Purchased made during the period	Matured during the period	As at March 31, 2020	Percentage of total value of investments (%)	Percentage of Net Assets (%)
----- (Rupees in '000) -----						
Pak Brunei Investment Co. Ltd.	-	740,000	740,000	-	-	-
Saudi Pak Ind & Agri Investment Co.	-	450,000	450,000	-	-	-
Zarai Taraqia Bank Limited	-	1,425,000	1,425,000	-	-	-
Pak Oman Investment Company (Pvt) Ltd.	-	3,281,000	3,281,000	-	-	-
Total - As at March 31, 2020	-	5,896,000	5,896,000	-	-	-
Total - As at June 30, 2019	-	3,148,000	3,148,000	-	-	-

5.3 Commercial paper

Name of Company	Profit/ mark-up rates	Issue date	Maturity Date	Face Value	Amortised Cost	Carrying value as a (%) of total investment	Carrying value as a (%) of net assets
----- (Rupees in '000) -----							
K-Electric	14.17%	26-Feb-20	26-Aug-20	150,000	141,702	3.9%	1.57%
Total - As at March 31, 2020				150,000	141,702		

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
6. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee	6.1	6,952	4,714
Sindh sales tax on Management Company's remuneration	6.2	904	613
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	-	501
Sale load payable to management company		254	15
		<u>8,110</u>	<u>5,843</u>
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		471	456
Withholding tax payable		60	30,995
Capital gain tax payable		3,243	2,296
Federal Excise Duty	7.1	41,211	41,211
Provision for Sindh Workers' Welfare Fund	7.2	40,208	24,376
Advance received against units to be issued		2,500	2,500
Dividend payable		1,926	101,223
Others		8,743	4,321
		<u>98,362</u>	<u>207,378</u>

7.1 The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in the 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 by Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying a provision for FED to Rs. 41.211 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.512 per unit (June 30, 2019: 0.674 per unit)

7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

In view of the above, the Management Company, being prudent, recognized provision for SWWF amounting to Rs. 40.208 million (June 30, 2019: Rs. 24.376 million). Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.4999 per unit (June 30, 2018: Rs. 0.398 per unit).

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

9. TAXATION

The Fund's income is exempt from income tax as per 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 to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 to its unit holders.

10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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 carried out in the normal course of business, at agreed /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 during the period and balances with them at period end are as follows:

	Nine months ended	
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
10.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee inclusive of Sales tax	61,517	57,413
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,136	5,709
Issue of 2,086,378 units (2019: 78,443 units)	228,115	8,063
Redemption of 1,501,781 units (2019: 1,069,156 units)	163,653	111,112
Habib Bank Limited - Sponsor		
Mark-up earned during the period	76,288	24,108
Issue of Nil units (2019: 563,587 units)	-	58,322
Redemption of 4,621,263 units (2019: 143,777 units)	500,000	15,486
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Fund - Connected Persons		
Investment held in the Fund : 111,975 units (June 30, 2019: Nil units)	12,406	-
Redemption of 294,699 units (2019: Nil units)	31,670	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the trustee	4,616	5,475
Directors, Executives and Key Management personnel		
Issue of 6,725 units (2019: 1,905 units)	736	1,712
Redemption of 7,090 units (2019: 1,627 units)	780	169
Fauji Fertilizer Company Ltd due to holding 10% or more units		
Investment held in the Fund : 34,315,289 units (June 30, 2019: Nil units)	3,660,000	-
Redemption of 20,764,373 units (2019: Nil units)	2,282,399	-

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
10.2 Amounts outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management Fee	6,952	4,714
Sindh Sales Tax	904	613
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	501
Sale load payable	254	15
Investment held in the Fund : 605,707 units (June 30, 2019 : 21,109 units)	67,919	2,158
Associate		
Habib Bank Limited - Sponsor		
Investment held in the Fund : 4,116,245 units (June 30, 2019: 8,737,507 units)	461,564	893,148
Bank balances	2,974,299	503,798
Sale load payable	8,408	3,833
ATTOCK CEMENT PAK LTD EMP PROVIDENT FUND		
Investment held in the Fund : 349 units (June 30, 2019: 349 units)	39	35
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	482	919
Sindh Sales tax	63	119
Directors, Executives and Key Management personnel		
Investment held in the Fund : 22,569 units (June 30, 2019: 13,150 units)	2,531	1,349
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Fund - Connected Persons		
Investment held in the Fund : 356,701 units (June 30, 2019: 539,425 units)	39,998	55,140
Fauji Fertilizer Company Ltd due to holding 10% or more units		
Investment held in the Fund : 13,571,542 units (June 30, 2019: Nil units)	1,521,808	-

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, the total expense ratio of the Fund for the nine months ended March 31, 2020 is 1.13% (March 31, 2019: 1.08%) which includes 0.30% (March 31, 2019: 0.26%) representing government levies 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 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.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" 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.

	March 31, 2020							
	Carrying amount			Total	Fair Value			Total
	Fair value through profit or loss	Financial asset at amortised cost	Other financial assets / liabilities		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----								
- Government Securities		-	-	-	-	-	-	
On-balance sheet financial instruments								
Financial assets measured at fair value								
- Government securities	3,467,970	-	-	3,467,970				
Financial assets not measured at fair value								
Bank balance	-	-	6,907,730	6,907,730				
Investments								
- Term deposit receipts	-	-	-	-				
- Commercial paper	-	141,702	-	141,702				
Accrued mark-up	-	-	80,726	80,726				
Deposits and prepayments	-	-	184	184				
	3,467,970	141,702	6,988,640	10,598,312				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	7,206	7,206				
Payable to SECP	-	-	1,258	1,258				
Accrued expenses and other liabilities	-	-	13,640	13,640				
	-	-	22,104	22,104				

	June 30, 2019						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets not measured at fair value							
- Government securities	492,498		492,498				
Financial assets not measured at fair value							
Bank balance	-	5,485,942	5,485,942				
Investments							
- Term deposit receipts	-	-	-				
- Clean placements	-	-	-				
Accrued mark-up	-	55,136	55,136				
Deposits and prepayments	-	117	117				
	<u>492,498</u>	<u>5,541,195</u>	<u>6,033,693</u>				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	5,843	5,843				
Payable to SECP	-	1,038	1,038				
Accrued expenses and other liabilities	-	4,777	4,777				
Payable against purchase of investment		492,454	492,454				
	<u>-</u>	<u>504,112</u>	<u>504,112</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.

12.2 Transfers during the period

There were no transfers between various levels of fair value hierarchy during the period.

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on April 29, 2020.

14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

**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 Dubai Islamic Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

HBL Cash Fund
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2020

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	11,069,316	7,064,377
Investments	5	9,120,501	2,693,870
Mark-up receivable		113,340	104,600
Advances, deposits and prepayments	6	1,228	3,384
TOTAL ASSETS		20,304,384	9,866,231
LIABILITIES			
Payable to the Management Company	7	4,223	7,387
Payable to the Trustee	8	915	809
Payable to Securities and Exchange Commission of Pakistan	9	1,659	8,887
Payable against purchase of investments - net		5,397,124	984,910
Dividend payable		-	138
Accrued expenses and other liabilities	10	84,120	55,177
TOTAL LIABILITIES		5,488,041	1,057,308
NET ASSETS		14,816,343	8,808,923
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		14,816,343	8,808,923
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of Units) -----	
Number of units in issue		145,258,171	87,313,394
		----- (Rupees) -----	
Net assets value per unit		102.0001	100.8886

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 Cash Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

Note	Nine Months ended March 31,		Quarter ended March 31,		
	2020	2019	2020	2019	
	------(Rupees in '000)-----				
Income					
Capital gain/(loss) on sale of investments - net	6,991	(8,509)	10,369	(159)	
Income from Government securities	392,475	326,186	195,503	88,824	
Income from money market transactions and placements	173,056	192,543	47,868	98,246	
Mark-up on bank deposits	566,844	325,393	194,953	110,230	
	1,139,367	835,613	448,693	297,141	
Unrealised Appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	10,143	-	10,143	30	
	1,149,510	835,613	458,837	297,171	
Expenses					
Remuneration of the Management Company	7.1	42,021	63,256	15,127	22,304
Sindh Sales Tax on remuneration of the Management Company	7.2	5,463	8,223	1,967	2,899
Remuneration of the Trustee	8.1	5,391	7,227	2,113	2,237
Sindh Sales Tax on remuneration of the Trustee	8.2	701	939	275	291
Annual fee to Securities and Exchange Commission of Pakistan		1,659	6,922	650	2,103
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	10,677	9,229	2,821	2,803
Selling and marketing expense	7.4	5,707	-	-	-
Auditors' remuneration		336	330	111	109
Fee and subscription		256	229	92	76
Securities transaction costs and settlement charges		1,346	615	638	171
Bank charges		467	340	173	150
Printing charges		30	(62)	10	(62)
		74,054	97,248	23,977	33,081
Net income for the period from operating activities		1,075,456	738,365	434,860	264,090
Provision for Sindh Workers' Welfare Fund	10.2	(21,509)	(14,767)	(8,697)	(5,282)
Net income for the period before taxation		1,053,947	723,595	426,163	258,808
Taxation	12	-	-	-	-
Net income for the period after taxation		1,053,947	723,595	426,162	258,808
Allocation of net income for the period					
Income already paid on redemption		49,647	209,497	21,844	12,188
Accounting income available for distribution:					
Relating to capital gains		16,285	-	16,285	-
Excluding capital gains		988,015	514,098	388,034	246,620
		1,004,300	514,098	404,318	246,620
		1,053,947	723,595	426,162	258,808
Earnings per unit	13				

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 Cash Fund

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Nine Months ended		Quarter ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	------(Rupees in '000)-----			
Net income for the period after taxation	1,053,947	723,595	426,162	258,808
Other comprehensive income				
Items that will be reclassified subsequently to income statement	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
Total comprehensive income for the period	<u>1,053,947</u>	<u>723,595</u>	<u>426,162</u>	<u>258,808</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 Cash Fund

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended	
	March 31,	
	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,053,947	723,595
Adjustments for:		
Capital loss on sale of investment - net	(6,991)	8,509
Income from Government securities	(392,475)	(326,186)
Income from money market placements	(173,056)	(192,543)
Mark-up on bank deposits	(566,844)	(325,393)
	(85,420)	(112,018)
Decrease / (increase) in assets		
Investments - net	(2,007,359)	(1,892,656)
Advances, deposits and prepayments	2,157	(3,298)
	(2,005,202)	(1,895,954)
(Decrease) / increase in liabilities		
Payable to the Management Company	(3,164)	1,592
Payable to the Trustee	105	(139)
Payable to Securities and Exchange Commission of Pakistan	(7,228)	(999)
Accrued expenses and other liabilities	28,943	25,309
Dividend payable	(138)	236
	18,518	25,999
Cash generated from / (used in) operations	(2,072,104)	(1,981,973)
Income received from Government securities	392,475	326,186
Income received from money market placement	179,581	168,299
Mark-up received on bank deposits	551,513	297,100
	1,123,569	791,585
Net cash generated from / (used in) operating activities	(948,535)	(1,190,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	16,645,038	21,320,129
Amount paid on redemption of units	(10,795,945)	(23,159,240)
Dividend paid	(895,620)	(1,258,080)
Net cash generated from / (used in) financing activities	4,953,473	(3,097,191)
Net increase / (decrease) in cash and cash equivalents during the period	4,004,938	(4,287,579)
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	4 11,069,316	6,611,673

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 Cash Fund

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

FOR THE NINE MONTHS ENDED MARCH 31, 2020

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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is 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 categorized as a money market scheme as per the criteria laid down by the SECP for categorization 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 Company has assigned a management quality rating of 'AM2+' (AM Two Plus) positive outlook to the Management Company and assigned stability rating of AA(f) to the Fund as at December 31, 2019 and December 30, 2019, respectively.

Title of the assets of the Fund is 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') the directives issued by the SECP and the requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations the directives issued by the SECP and the requirements of the Trust Deed have been followed.

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- 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** The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2018.
- 2.1.4** This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.
- 2.1.5** 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 December 31, 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.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information

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, JUDGEMENTS AND CHANGES THEREIN

- 3.1** The accounting policies adopted for the preparation of this 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, unless otherwise stated.
- 3.2** The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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** There are certain standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not

relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cyber security threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

			March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		Note	(Rupees in '000)	
4	BANK BALANCES			
	Cash at bank			
	In savings accounts	4.1	11,069,316	5,464,377
	Call deposit receipts		-	1,600,000
			<u>11,069,316</u>	<u>7,064,377</u>

4.1 This represents bank accounts held with various banks. profit rates on these accounts range between 11.25% to 14.35% per annum (June 30, 2019: 8% to 13.60% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting o Rs. 5,214.027 million (June 30, 2019: Rs. 1,333.678 million).

			March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		Note	(Rupees in '000)	
5	INVESTMENTS			
	Financial assets			
	At fair value through profit or loss	5.1	8,533,278	984,996
	At amorti ed cost	5.2	587,223	1,708,874
			<u>9,120,501</u>	<u>2,693,870</u>

5.1 Financial assets at fair value through profit or loss

Market treasury bills	5.1.1	<u>8,533,278</u>	<u>984,996</u>
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5.1.1 Market Treasury Bills

Issue date	Tenure	As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at March 31, 2020	Balance as at March 31, 2020			Market value as percentage of net assets	Market value as percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
------(Rupees in '000)-----										
May 23, 2019	3 months	1,000,000	3,350,000	4,350,000	-	-	-	-	-	-
June 10, 2019	3 months	-	570,000	570,000	-	-	-	-	-	-
July 18, 2019	3 months	-	20,412,000	20,412,000	-	-	-	-	-	-
August 1, 2019	3 months	-	4,725,000	4,725,000	-	-	-	-	-	-
August 16, 2019	3 months	-	912,000	912,000	-	-	-	-	-	-
August 29, 2019	3 months	-	200,000	200,000	-	-	-	-	-	-
October 10, 2019	3 months	-	6,370,000	6,370,000	-	-	-	-	-	-
October 24, 2019	3 months	-	10,440,000	10,440,000	-	-	-	-	-	-
November 7, 2019	3 months	-	5,585,000	5,585,000	-	-	-	-	-	-
January 2, 2020	3 months	-	10,465,000	10,465,000	-	-	-	-	-	-
July 18, 2019	6 months	-	94,000	94,000	-	-	-	-	-	-
December 5, 2019	3 months	-	3,595,000	3,595,000	-	-	-	-	-	-
December 5, 2019	6 months	-	6,500,000	4,000,000	2,500,000	2,452,891	2,453,264	373	17%	27%
December 19, 2019	3 months	-	4,000,000	4,000,000	-	-	-	-	-	-
January 16, 2020	3 months	-	2,195,000	2,195,000	-	-	-	-	-	-
January 30, 2020	3 months	-	4,825,000	4,825,000	-	-	-	-	-	-
March 12, 2020	3 months	-	7,375,000	3,530,000	3,845,000	3,770,957	3,773,518	2,561	25%	41%
March 12, 2020	6 months	-	250,000	-	250,000	236,965	238,419	1,454	2%	3%
January 16, 2020	6 months	-	1,150,000	-	1,150,000	1,111,692	1,114,400	2,708	8%	12%
September 12, 2019	12 months	-	1,000,000	-	1,000,000	950,630	953,677	3,047	6%	10%
Total - As at March 31, 2020		1,000,000	94,013,000	86,268,000	8,745,000	8,523,135	8,533,278	10,144	57.59%	93.56%
Total - June 30, 2019		-	156,187,000	155,187,000	1,000,000	984,910	984,996	86	11.18%	36.56%

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
5.2	Financial assets at amortised cost		
Lease of placements	5.2.1	-	400,000
Commercial paper	5.2.2	587,223	1,308,874
		587,223	1,708,874

5.2.1 Lease of placement carry mark-up at the rate of NIL per annum (June, 30 2019: 11.35%).

5.2.2 Commercial paper

Name of investee company	As at July 1, 2019	Placement made during the year	Income accrued	Placement matured during the year	As at March 31, 2020	Percentage of total of investments	Percentage of net assets
----- (Rupees in '000) -----							
K Electric Limited	-	433,585	52,554	486,139	-	0%	0.00%
K Electric Limited	-	29,188	812	30,000	-	0%	0.00%
K Electric Limited	-	356,011	6,537	-	362,548	4%	2.45%
K Electric Limited	-	96,373	769	-	97,142	1%	0.66%
K Electric Limited	-	125,816	1,716	-	127,532	1%	0.86%
Total - as at December 31, 2019	-	1,040,973	62,388	516,139	587,222	6%	3.96%
Total - as at June 30, 2019		1,264,769	44,105	-	1,308,874	49%	15.00%

These commercial papers carry mark-up at the rate of 14.13%, 13.19% and 14.13% (June 30, 2019: 11.35%) per annum and will be matured by August 13, 2020, September 9, 2020 and August 25, 2020 respectively.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
6	ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposit with:			
Central Depository Company of Pakistan Limited		100	100
		100	100
Prepaid expenses		166	107
Advance tax	6.1	961	3,177
		1,228	3,384

6.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Furthermore, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO 2001.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration to the Management Company	7.1	3,737
	Sindh sales tax payable on the Management Company's remuneration	7.2	486
	Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	-
	Sales load payable	-	138
		<u>4,223</u>	<u>7,387</u>

7.1 As per the offering document of the Fund, the Management Company shall charge a fee at the rate of 7.5% of gross earnings of the Scheme, calculated on daily basis not exceeding 1% of the average daily net assets of the Scheme and subject to a minimum fee of 0.50% of the average daily net assets of the Scheme, subject to the guidelines as may be issued by the Commission from time to time. During the period, the fee has been charged, at the rate ranging between 0.15% to 0.68% of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.30% from February 13, 2020 onwards. The fee is payable monthly in arrears.

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

7.3 As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme or the actual cost, whichever is lower. However, SECP, vide S.R.O. 639(I)/2019, dated June 20, 2019, has removed the maximum limit of 0.1%.

During the period, the fee has been charged at the rate ranging between 0.1% to 0.2% of the daily annual net assets of the Fund. The fee is being charged at the rate of NIL from February 13, 2020 onwards.

7.4 As per SECP vide its circular No. SCD/PRDD/Circular/361/2016, dated December 30, 2016, selling and marketing expenses was chargeable to open end equity, upto maximum 0.4% of the average annual net assets of the Scheme or the actual cost, whichever is lower.

However, circular No. SCD/PRDD/Circular/04/2019, dated July 5, 2019, issued by SECP, supersedes all previous circulars issued with respect to selling and marketing expenses, according to which, selling and marketing expenses can be charged to all categories of open end mutual funds, except fund of funds with no cap. During the period, the fee has been charged at the rate ranging between 0% to 0.5% of the daily annual net assets of the Fund. No fee is being charged from September 1, 2019 onwards.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	8.1	915
			809

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

Earlier, the Trustee fee was charged as per the details disclosed in note 10.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.065% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

- 8.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	9.1 <u>1,659</u>	<u>8,887</u>

- 9.1** Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 7,528	7,528
	Provision for Sindh Workers' Welfare Fund	10.2 55,006	33,497
	Withholding tax payable	20,109	13,711
	Sales Load-payable to the related parties	1,044	56
	Auditors' remuneration	203	313
	Printing charges	-	13
	Brokerage payable	139	9
	Zakat Payable	51	50
	Others	41	-
		<u>84,120</u>	<u>55,177</u>

- 10.1** The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as 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 with Honorable Supreme Court of Pakistan 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. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.052 per unit (June 30, 2019: Rs. 0.09 per unit).

- 10.2** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare 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.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 55.006 million as at March 31, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2020 would have been higher by Rs.0.379 per unit (June 30, 2019: Rs.0.38 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2020 (June 30, 2019: Nil).

12 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 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealized) for the period ending June 30, 2020 to its unit holders.

13 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in this condensed interim financial information as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units 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.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative period and not in the current period are not disclosed in the comparative period.

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

14.1	Transaction during the period	Note	Nine Months ended	
			2020	March 31, 2019
			----- (Rupees in '000) -----	
HBL Asset Management Limited				
	Remuneration of the Management Company		42,021	63,256
	Sindh Sales Tax on remuneration of the Management Company		5,463	8,223
	Allocation of expenses related to registrar services, accounting, operation and valuation services		10,677	9,229
	Selling and marketing expense		5,707	-
	Issuance of 12,115,124 (2019: 1,333,914) units		1,228,690	135,369
	Redemption of 10,761,370 (2019: 2,153,599) units		1,092,000	219,175
	Dividend paid		5,483	1,234
Central Depository Company Of Pakistan Limited - Trustee				
	Remuneration of the trustee		5,391	7,226
	Sindh Sales Tax on remuneration of the trustee		701	939
	CDS connection charges		768	5
Habib Bank Limited - Sponsor				
	Mark-up on bank deposits		116,256	31,371
	Bank charges paid		311	220
Jubilee Life Insurance Company Limited				
	Sales of Market Treasury Bills		-	5,000,000
Directors and Executives of the Management Company				
	Issuance of 38,979 (2019: 349,436) units		3,953	35,519
	Redemption of 30,203 (2019: 655,516) units		3,062	66,428
	Dividend Income		70	3,899
HBL Financial Planning Fund - Active Allocation Plan - Associate				
	Issue of 82,297 (2019: 540,327) units		8,327	55,006
	Redemption of 405,595 (2019: 1,012,803) units		41,144	102,623
	Dividend paid		2,503	3,533
HBL Financial Planning Fund - Conservative Allocation Plan - Associate				
	Issue of 158,385 (2019: 82,991) units		16,019	8,365
	Redemption of 158,273 (2019: 544,080) units		16,038	56,350
	Dividend paid		1	3,148

	Note	Nine Months ended	
		2020	2019
----- (Rupees in '000) -----			
HBL Financial Planning Fund - Special Income Plan - Associate			
Issue of 47,154 (2019: Nil) units		4,795	-
Redemption of 47,154 (2019: Nil) units		4,780	-
Dividend paid		157	-
HBL Financial Planning Fund - Strategic Allocation Plan - Associate			
Issue of 5,435 (2019: 235,732) units		548	24,285
Redemption of 182,477 (2019: 442,621) units		18,456	45,071
Dividend paid		548	1,180
Attock Cement Pakistan Limited- Associate			
Issue of 397,076 (2019: Nil) units		40,362	-
Dividend paid		71	-
Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units			
Issue of 14,880,112 (2019: Nil) units		1,510,328	-
Redemption of 4,858,690 (2018: Nil) units		494,000	-
Dividend paid		195,569	-
Tourism Promotion Services (Pakistan) Limited - Connected person due to holding more than 10% units			
Issue of 14,872,749 (2019: Nil) units		1,504,319	-
Dividend paid		24,181	-
HBL Income Fund			
Purchase of The Hub Power Company Limited - Sukuk Certificates		187,022	-
HBL Islamic Asset Allocation Fund			
Purchase of The Hub Power Company Limited - Sukuk Certificates		101,404	-
Purchase of K-Electric Limited - Sukuk Certificates		29,188	-

14.2 Balances outstanding as at period / year end	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
HBL Asset Management Limited		
Units held: 1,673,383 (June 30, 2019: 319,629)	170,685	32,247
Payable to Management Company	3,737	5,628
Sindh sales tax on Management Company's remuneration	486	732
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	-	889
Sales load payable	157	138
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	915	809
Security deposit held	100	100
Habib Bank Limited - Sponsor		
Bank balances	5,214,027	1,333,678
Mark-up receivable	19,951	7,131
Sales load payable	887	56
Directors and Executives of the Management Company		
Units held: 20,901 (June 30, 2019: 305,217)	2,132	30,793
HBL Financial Planning Fund - Active Allocation Plan - Associate		
Units held: 178,871 (June 30, 2019: 502,169)	18,245	50,663
HBL Financial Planning Fund - Conservative Allocation Plan - Associate		
Units held: 111 (June 30, 2019: Nil)	11	-
HBL Financial Planning Fund - Special Income Plan - Associate		
Units held: Nil (June 30, 2019: Nil)	-	-
HBL Financial Planning Fund - Strategic Allocation Plan - Associate		
Units held: Nil (June 30, 2019: 177,042)	-	17,862
Attock Cement Pakistan Limited- Associate		
Units held: 397,076 (June 30, 2019: 177,042)	40,502	-
Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units		
Units held: 30,245,740 (June 30, 2019: 20,224,317)	3,085,068	2,040,402
Tourism Promotion Services (Pakistan) Limited - Connected person due to holding more than 10% units		
Units held: 14,872,749 (June 30, 2019: Nil)	1,517,022	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.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" 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:

		March 31, 2020 (Un-Audited)						
		Carrying amount		Fair value				
	Note	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets not measured at fair value	15.2							
Bank balances		-	11,069,316	11,069,316				
Investments		-	587,223	587,223				
Mark-up receivable		-	113,340	113,340				
Deposits		-	100	100				
		-	11,769,879	11,769,879				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	3,737	3,737				
Payable to the Trustee		-	810	810				
Accrued expenses and other liabilities		-	1,477	1,477				
		-	6,024	6,024				

		June 30, 2019 (Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value	Note 15.1							
Investments								
Market treasury bills		984,996	-	984,996	-	984,996	-	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				
Investments		-	1,708,874	1,708,874				
Mark-up receivable		-	104,601	104,601				
Deposits		-	100	100				
		<u>-</u>	<u>8,877,952</u>	<u>8,877,952</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	6,655	6,655				
Payable to the Trustee		-	716	716				
Accrued expenses and other liabilities		-	391	391				
		<u>-</u>	<u>7,762</u>	<u>7,762</u>				

15.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in Treasury Bills, Fund uses rates which are derived from PKRV rates at reporting date per certificate multiplied by the number of certificates 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 repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

15.3 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

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 nine months ended March 31, 2020 is 0.87% (2019: 0.90%) which includes 0.18% (2019: 0.27%) 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 April 29, 2020.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

**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 March 31, 2020

		(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	159,294	236,034
Investments	5	1,448,591	1,967,158
Dividend receivable and accrued mark-up		22,786	4,340
Advances, deposits, prepayments and other receivables	6	3,037	39,051
Total assets		1,633,709	2,246,583
Liabilities			
Payable to the Management Company	7	9,666	7,124
Payable to the Trustee		278	302
Payable to the Securities and Exchange Commission of Pakistan		328	4,181
Accrued expenses and other liabilities	8	77,612	88,459
Total liabilities		87,885	100,066
Net assets		1,545,824	2,146,517
Unit holders' fund (as per statement attached)		1,545,824	2,146,517
Contingencies and commitments	9		
		----- (Number of units) -----	
Number of units in issue		20,536,079	23,924,062
		----- (Rupees) -----	
Net assets value per unit		75.2736	89.7221

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 Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine Months and Quarter Ended March 31, 2020

	Nine Months ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	Note -----(Rupees in '000)-----			
Income				
Dividend income	84,305	161,898	24,328	34,525
Mark-up on deposits with banks	23,575	40,869	7,635	10,708
Income from Government Securities	281	-	102	-
Capital loss on sale of investments - net	47,503	(237,866)	(7,564)	(22,039)
	155,664	(35,099)	24,501	23,194
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net	(396,920)	(191,024)	(697,231)	247,196
Impairment loss on equity securities classified as 'available-for-sale'	-	-	-	-
	(241,256)	(226,123)	(672,730)	270,390
Expenses				
Remuneration of the Management Company	36,079	84,783	13,117	19,478
Remuneration of the Trustee	2,705	5,087	938	1,252
Annual fee to the Securities and Exchange Commission of Pakistan	328	3,564	116	819
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,296	3,751	1,621	861
Selling and marketing expense	12,706	15,006	4,902	3,448
Securities transaction costs	6,808	16,810	1,731	4,009
Auditors' remuneration	479	661	158	214
Settlement and bank charges	628	1,377	199	487
Other expenses	19	23	8	5
	64,049	131,064	22,790	30,574
Net loss from operating activities	(305,305)	(357,187)	(695,520)	239,816
Element of income and capital gains included	-	-	-	-
Provision for Sindh Workers' Welfare Fund	-	-	-	-
Net loss for the period before taxation	(305,305)	(357,187)	(695,520)	239,816
Taxation	-	-	-	-
Net loss for the period after taxation	(305,305)	(357,187)	(695,520)	239,816
Other comprehensive Income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(305,305)	(357,187)	(695,520)	239,816

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 Stock Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)
For the nine months ended March 31, 2020

	Nine Months ended March 31,							
	2020				2019			
	Capital Value	Undistributed income / (accumulated loss)	Unrealised income / (loss) on investment	Total	Capital Value	Undistributed income / (accumulated loss)	Unrealised income / (loss) on investment	Total
	-----Rupees in '000-----							
Net assets as at the beginning of the period	3,154,963	(1,008,446)	-	2,146,517	6,270,547	(378,651)	66,474	5,958,370
Adop on of IFRS 9	-	-	-	-	-	66,474	(66,474)	-
Issue of 7,902,539 units (2019: 5,396,462 units)								
- Capital value (at net asset value per unit at the beginning of the period)	709,032	-	-	709,032	714,364	-	-	714,364
- Element of loss	48,164	-	-	48,164	(11,698)	-	-	(11,698)
Total proceeds on issue of units	757,197	-	-	757,197	702,666	-	-	702,666
Redemp on of 11,290,523 units (2019: 25,642,518 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(1,013,009)	-	-	(1,013,009)	(3,344,369)	-	-	(3,344,369)
- Element of income	(39,576)	-	-	(39,576)	188,739	-	-	188,739
Total payments on redemp on of units	(1,052,585)	-	-	(1,052,585)	(3,155,630)	-	-	(3,155,630)
Total comprehensive loss for the period	-	(305,305)	-	(305,305)	-	(357,187)	-	(357,187)
Distribu on during the period	-	-	-	-	-	-	-	-
Net loss loss for the period less distribu on	-	(305,305)	-	(305,305)	-	(357,187)	-	(357,187)
Net assets as at the end of the period	2,859,575	(1,313,751)	-	1,545,824	3,817,583	(669,364)	-	3,148,219
Accumulated loss								
- Realised		(1,008,446)				(378,651)		
- Unrealised		-				-		
		(1,008,446)				(378,651)		
Net loss for the period		(305,305)				(357,187)		
Adop on of IFRS 9		-				66,474		
Distribu on during the period		-				-		
Accumulated loss carried forward		(1,313,751)				(669,364)		
Accumulated loss carried forward								
- Realised		(916,831)				(478,340)		
- Unrealised		(396,920)				(191,024)		
		(1,313,751)				(669,364)		
					Rupees			Rupees
Net asset value per unit at the beginning of the period				89.7221				107.0620
Net asset value per unit at end of the period				75.2736				101.2673

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

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 nine months ended March 31, 2020

	Nine Months ended March 31,	
	2020	2019
	----- Rupees in '000 -----	
Cash flows from operating activities		
Net loss for the period before taxation	(305,305)	(357,187)
Adjustments for Non-cash items:		
Mark-up on deposits with banks	(23,575)	(40,869)
Dividend income	(84,305)	(161,898)
Capital loss on sale of investments - net	(47,503)	237,866
Income on Government Securities	(281)	-
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	396,920	191,024
	(64,049)	(131,064)
Decrease / (Increase) in assets		
Investments - net	169,431	2,150,062
Advances, deposits, prepayments and other receivables	36,014	26,048
	205,445	2,176,110
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	2,542	(13,812)
Payable to the Trustee	(24)	(247)
Payable to the Securities and Exchange Commission of Pakistan	(3,853)	(1,983)
Accrued expenses and other liabilities	(10,847)	3,878
	(12,182)	(12,164)
Mark-up on bank deposits received	23,948	41,807
Dividend received	65,486	138,744
Net cash generated from operating activities	218,648	2,213,433
Cash flows from financing activities		
Amount received on issue of units	757,197	702,666
Payments against redemption of units	(1,052,585)	(3,155,630)
Net cash used in financing activities	(295,388)	(2,452,964)
Net (decrease) / increase in cash and cash equivalents	(76,740)	(239,531)
Cash and cash equivalents at beginning of the year	236,034	577,518
Cash and cash equivalents at end of the year	159,294	337,987

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 Stock Fund

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

For the nine months ended March 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Stock Fund (the Fund) was established under a Trust Deed, dated August 09, 2007, executed between HBL Asset Management Limited (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 August 21, 2007.
- 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 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 Limited. The units of the Fund were initially offered for public subscription at par from August 29, 2007 to August 31, 2007.
- 1.4** 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.
- 1.5** JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+' (AM Two Plus) to the Management Company.
- 1.6** 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 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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 March 31, 2020.

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.

2.4 Use of judgments and estimates

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets; and
- (ii) impairment of financial assets

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with 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 the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019,

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

4. BANK BALANCES	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Balances with banks in:			
Savings accounts	4.1	159,294	236,034
Current accounts		-	-
		<u>159,294</u>	<u>236,034</u>

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 11.15% - 14.05% (June 30, 2019: 8% - 13.6%) per annum.

5. INVESTMENTS	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
Financial assets at fair value through profit or loss account			
- Listed equity securities	5.1	1,448,591	1,967,158
		<u>1,448,591</u>	<u>1,967,158</u>

5.1 Listed equity securities - At fair value through profit or loss

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 Mar 31, 2020	2020		Par value as a percentage of issued capital of the investee company	
	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period		As at Mar 31, 2020	Total Investments		Net Assets
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	-	1,184,000	-	420,500	763,500	17,599	1.21%	1.14%	0.21%
Interloop Limited	751,250	342,000	-	560,000	533,250	19,122	1.32%	1.24%	6.13%
Kohinoor Textile Mills Ltd	331,000	-	-	331,000	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	496,500	486,700	-	538,000	445,200	26,147	1.80%	1.69%	0.13%
	<u>1,578,750</u>	<u>2,012,700</u>	<u>-</u>	<u>1,849,500</u>	<u>1,741,950</u>	<u>62,868</u>	<u>4.34%</u>	<u>4.07%</u>	
CEMENT & MATERIAL									
Cherat Cement Company Ltd.	-	324,000	-	38,000	286,000	15,842	1.09%	1.02%	0.16%
Kohat Cement Ltd	199,500	213,500	-	196,000	217,000	18,933	1.31%	1.22%	0.17%
Lucky Cement Ltd	143,650	223,000	-	100,500	266,150	98,662	6.81%	6.38%	0.08%
Maple Leaf Cement Factory Ltd	-	2,442,000	-	1,359,000	1,083,000	22,440	1.55%	1.45%	0.21%
	<u>343,150</u>	<u>3,202,500</u>	<u>-</u>	<u>1,693,500</u>	<u>1,852,150</u>	<u>155,876</u>	<u>10.76%</u>	<u>10.08%</u>	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	1,667,863	475,500	-	856,500	1,286,863	87,854	6.06%	5.68%	0.10%
K-Electric Limited	4,530,000	2,350,000	-	1,487,000	5,393,000	15,262	1.05%	0.99%	0.02%
Nishat Chunanian Power Limited	588,500	9,000	-	597,500	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	788,000	168,000	-	956,000	-	-	0.00%	0.00%	0.00%
	<u>7,574,363</u>	<u>3,002,500</u>	<u>-</u>	<u>3,897,000</u>	<u>6,679,863</u>	<u>103,116</u>	<u>7.12%</u>	<u>6.67%</u>	
ENGINEERING									
International Industries Limited	-	117,600	-	19,000	98,600	7,451	0.51%	0.48%	0.08%
International Steels Limited	-	551,500	-	313,500	238,000	8,613	0.59%	0.56%	0.05%
Mughal Iron & Steel Inds Limited	18,165	-	-	-	18,165	569	0.04%	0.04%	0.01%
	<u>18,165</u>	<u>669,100</u>	<u>-</u>	<u>332,500</u>	<u>354,765</u>	<u>16,634</u>	<u>1.15%</u>	<u>1.08%</u>	
TRANSPORT									
Pakistan National Shipping Corp Ltd	66,500	295,000	-	19,000	342,500	18,190	1.26%	1.18%	0.26%

Name of the Investee Company	Number of shares					Market Value As At Mar 31, 2020	2020		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at Mar 31, 2020		Total Investments	Net Assets	
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	204,800	146,000	-	199,500	151,300	44,449	3.07%	2.88%	0.19%
TECHNOLOGY & COMMUNICATION									
Systems Limited	-	63,500	-	63,500	-	-	0.00%	0.00%	0.00%
PHARMACEUTICALS									
AGP Limited	193,000	234,500	-	220,500	207,000	17,078	1.18%	1.10%	0.01%
GlaxoSmithKline Pakistan Ltd	-	126,900	-	-	126,900	21,451	1.48%	1.39%	0.04%
Highnoon Laboratories Limited	5,000	66,000	-	5,000	66,000	32,905	2.27%	2.13%	0.01%
The Searle Company Ltd	88,681	100,500	-	93,000	96,181	15,086	1.04%	0.98%	0.05%
	286,681	527,900	-	318,500	496,081	86,520	5.97%	5.60%	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	134,658	46,600	11,011	101,280	90,989	81,080	5.60%	5.25%	0.08%
Oil & Gas Development Company Limited	1,247,100	780,000	-	1,075,300	951,800	73,279	5.06%	4.74%	0.02%
Pakistan Oilfields Limited	221,410	64,800	-	286,210	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	806,745	950,900	165,929	973,200	950,374	68,246	4.71%	4.41%	0.05%
	2,409,913	1,842,300	176,940	2,435,990	1,993,163	222,606	15.37%	14.40%	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	469,368	489,000	70,873	666,000	363,241	44,134	3.05%	2.86%	0.11%
Sui Northern Gas Pipeline Limited	485,400	661,000	-	326,000	820,400	30,273	2.09%	1.96%	0.13%
	954,768	1,150,000	70,873	992,000	1,183,641	74,407	5.14%	4.81%	
COMMERCIAL BANKS									
Allied Bank Ltd	670,300	195,100	-	467,000	398,400	28,334	1.96%	1.83%	0.03%
Bank Al-Falah Ltd	2,562,600	1,633,000	-	1,107,500	3,088,100	98,232	6.78%	6.35%	0.19%
Bank Al-Habib Limited	951,500	622,500	-	537,500	1,036,500	55,836	3.85%	3.61%	0.09%
Bank of Punjab Ltd	4,711,000	5,769,000	-	4,230,500	6,249,500	47,871	3.30%	3.10%	1.18%
BankIslami Pakistan Limited	-	549,500	-	-	549,500	4,956	0.34%	0.32%	0.10%
Faysal Bank Limited	26,018	-	-	-	26,018	361	0.02%	0.02%	0.00%
Habib Bank Ltd*	916,219	758,900	-	1,234,700	440,419	45,464	3.14%	2.94%	0.03%
MCB Bank Ltd	295,300	380,900	-	406,000	270,200	40,335	2.78%	2.61%	0.02%
National Bank of Pakistan Ltd	492,500	1,931,500	-	1,588,500	835,500	23,611	1.63%	1.53%	0.04%
United Bank Limited	577,200	510,200	-	440,500	646,900	65,214	4.50%	4.22%	0.05%
	11,202,637	12,350,600	-	10,012,200	13,541,037	410,217	28.32%	26.54%	
FERTILIZER									
Engro Corporation Limited	495,150	193,500	-	356,200	332,450	88,731	6.13%	5.74%	0.06%
Engro Fertilizers Limited	1,133,000	676,500	-	1,506,500	303,000	17,471	1.21%	1.13%	0.02%
Fauji Fertilizer Company Limited	730,000	768,000	-	983,000	515,000	47,900	3.31%	3.10%	0.04%
	2,358,150	1,638,000	-	2,845,700	1,150,450	154,102	10.64%	9.97%	
CHEMICAL									
Engro Polymer & Chemicals Limited	1,686,579	1,537,000	-	1,844,500	1,379,079	33,815	2.33%	2.19%	0.15%
Loe Chemical Pakistan Ltd	748,500	1,572,000	-	2,320,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	13,700	88,800	-	-	102,500	24,565	1.70%	1.59%	0.48%
	2,448,779	3,197,800	-	4,165,000	1,481,579	58,380	4.03%	3.78%	
GLASS & CERAMICS									
Tariq Glass Industries Ltd	-	96,000	-	96,000	-	-	0.00%	0.00%	0.00%
PAPER & BOARD									
Century Paper & Board Mills Ltd	190,500	115,000	-	129,000	176,500	8,156	0.56%	0.53%	0.12%
INSURANCE									
Adamjee Insurance Company Limited	661,000	273,000	-	143,000	791,000	21,064	1.45%	1.36%	0.23%
TPL Insurance Limited	-	654,000	-	-	654,000	12,007	0.83%	0.78%	0.87%
	661,000	927,000	-	143,000	1,445,000	33,072	2.28%	2.14%	
Total as at Mar 31, 2020	30,298,156	31,235,900	247,813	29,191,890	32,589,979	1,448,591	100%	94%	
Carrying value as at Mar 31, 2020						1,845,511			

*Sponsor of the Management Company

5.1.1 Investments include shares having market value aggregating to Rs. 250.653 million (June 30, 2019: Rs. 268.127 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.

5.1.2 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 (MUFAP), 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 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 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. 2.51 million at March 31, 2020 (June 30, 2019: Rs. 2.59 million) and not yet deposited in 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.

5.2 Government Securities - Fair value through profit or loss

Issue Date	Tenure	Face Value			Market Value as at Mar 31, 2020	Market Value as Percentage of	
		As at July 1, 2019	Purchases during the year	Sales / Matured during the year		As at Mar 31, 2020	Total Investments
Treasury bills							
10/24/2019	3 months	-	175,000	175,000	-	-	-
11/7/2019	3 months	-	155,000	155,000	-	-	0.00%
						March 31, 2020	June 30, 2019
						(Un-Audited)	(Audited)
						Note	(Rupees in '000)

6. ADVANCES, DEPOSITS, PREPAYMENTS 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
Receivable against sale of securities	-	36,022
Advance tax	429	429
Advance against subscription of term Finance Certificates (TFC)	25,000	25,000
Prepaid annual listing fee	8	-
	28,037	64,051
Less: Provision in respect of advance against subscription of term finance certificates	(25,000)	(25,000)
	3,037	39,051

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
7. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee		3,228	3,701
Sindh Sales Tax		420	481
Sales load payable		453	160
Selling and marketing payable		4,902	2,597
Allocation of expenses related to registrar services, accounting, operation and valuation services		663	185
		<u>9,666</u>	<u>7,124</u>
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty	8.1	37,838	37,838
Provision for Sindh Workers' Welfare Fund	8.2	34,381	34,381
Withholding tax payable		811	838
Auditors remuneration		319	459
Payable against sale of securities		2,740	13,603
Payable to broker		783	558
Others		740	783
		<u>77,612</u>	<u>88,459</u>
8.1	The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.		
	In view of above, the Management Company, being prudent, 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 retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 1.84 per unit (June 30, 2019: 1.58 per unit).		
8.2	PROVISION FOR SINDH WORKERS' WELFARE FUND		
	The legal status of applicability of Worker's 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, 2018.		
	As there is loss for the nine months ended March 31, 2020, no provision for SWWF has been recognised in this condensed interim financial information. As at March 31, 2020, the provision in relation to SWWF amounted to Rs. 34.381 million (2019: Rs. 34.381 million). Had the provision not being made, the Net Asset Value per unit as at March 31, 2020 would have been higher by Rs.1.6742 (June 30, 2019: Rs. 1.437) per unit.		
9. CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.		
10. TAXATION			
	The Fund's income is exempt from income tax as per 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 to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 to its unit holders.		

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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 are as follows:

	Nine months ended	
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
11.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management Fee including sales tax thereon	36,079	84,783
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,296	3,751
Selling and marketing expense	12,706	15,006
Issuance of 1,944,438 units (March 31, 2019: Nil units)	200,000	-
Redemption of 1,789,099 units (March 31, 2019: Nil units)	181,348	-
Habib Bank Limited - Sponsor		
Bank charges paid	13	26
Mark-up on deposits with banks earned	1,926	1,900
Dividend income earned	2,874	5,463
Executives and their relatives		
Issuance of 8,958 units (March 31, 2019: 30,286 units)	926	3,067
Redemption of 10,319 units (March 31, 2019: 12,887 units)	1,092	1,305
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	2,705	5,087
Central Depository service charges	147	500
Habib Bank Limited - Sponsor		
Redemption of Nil units (March 31, 2019 : 22,754,700 units)	-	2,304,541
MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee		
Issuance of 195,769 units (March 31, 2019 : 240,296 units)	16,500	24,337
Redemption of 337,880 units (March 31, 2019 : 1,392,408 units)	29,451	141,020
MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee		
Issuance of 224,516 units (March 31, 2019 : 30,081 units)	20,319	3,047
Redemption of 220,509 units (March 31, 2019 : 149,674 units)	20,390	15,159
MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee		
Issuance of Nil units (March 31, 2019 : 235,777 units)	-	23,879
Redemption of 440,522 units (March 31, 2019 : 413,959 units)	36,967	41,925

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
(Rupees in '000)		
11.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee	3,228	3,701
Sindh Sales Tax	420	481
Sales load payable	453	160
Selling and marketing payable	4,902	2,597
Allocation of expenses related to registrar services, accounting, operation and valuation services	663	185
Investment held in the Fund: 155,339 units (June 30, 2019: Nil units)	11,693	-
Habib Bank Limited - Sponsor		
Investment held in the Fund: 8,616,219 units (June 30, 2019: 8,616,219 units)	648,574	773,065
Bank balances	6,654	40,102
Mark-up receivable	62	238
Directors and Executives of the Management Company and their relatives		
Directors and their relatives		
Investment held in the Fund: 3,508 units (June 30, 2019: 131,486 units)	264	11,797
HBL Employees Provident Fund - Associated Entity		
Investment held in the Fund: 7,125,389 units (June 30, 2019: 7,125,389 units)	536,353	639,305
MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee		
Investment held in the Fund: 325,954 units (June 30, 2019: 468,065 units)	24,536	41,996
MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee		
Investment held in the Fund: 145,772 units (June 30, 2019: 141,765 units)	10,973	12,719
MCBFSL - HBL Financial Planning Fund Strategic Allocation Plan - Trustee		
Investment held in the Fund: Nil units (June 30, 2019: 440,522 units)	-	39,525
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	278	267
Sindh Sales Tax	36	35
Security deposit	100	100

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 (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.

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.

		March 31, 2020 (Un-Audited)				Fair Value			
		Carrying Amount							
	Note	Fair value through profit or loss	At amortised 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									
		1,448,591	-	-	1,448,591	1,448,591	-	-	1,448,591
		1,448,591	-	-	1,448,591	1,448,591	-	-	1,448,591
Financial assets not measured at fair value									
12.1									
Bank balances									
		-	-	159,294	159,294				
Dividend receivable and accrued mark-up									
		-	-	5,141	5,141				
Advances, deposits and other receivables									
		-	-	2,600	2,600				
		-	-	167,035	167,035				
Financial liabilities not measured at fair value									
12.1									
Payable to the Management Company									
		-	-	9,246	9,246				
Payable to the Trustee									
		-	-	246	246				
Payable to the Securities and Exchange Commission of Pakistan									
		-	-	328	328				
Accrued expenses and other liabilities									
		-	-	4,582	4,582				
		-	-	14,402	14,402				

		June 30, 2019 (Audited)				Fair Value			
		Carrying amount							
	Note	Held-for-trading	Loans and receivables	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									
		1,967,158	-	-	1,967,158	1,967,158	-	-	1,967,158
		1,967,158	-	-	1,967,158	1,967,158	-	-	1,967,158
Financial assets not measured at fair value									
12.1									
Bank balances									
		-	-	236,034	236,034				
Dividend receivable and accrued mark-up									
		-	-	4,340	4,340				
Advances, deposits and other receivables									
		-	-	38,622	38,622				
		-	-	278,996	278,996				
Financial liabilities not measured at fair value									
12.1									
Payable to the Management Company									
		-	-	7,124	7,124				
Payable to Trustee									
		-	-	656	656				
Payable to the Securities and Exchange Commission of Pakistan									
		-	-	4,181	4,181				
Accrued expenses and other liabilities									
		-	-	15,402	15,402				
		-	-	27,363	27,363				

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 reprice 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 of the Fund for the nine months ended March 31, 2020 is 2.94%, which includes 0.22% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

15. GENERAL

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

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

15.3 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 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 March 31, 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	-	-	-

**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 March 31, 2020

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
Assets			
Bank balances	4	28,272	28,239
Investments	5	205,025	217,781
Dividend and profit receivable		3,200	956
Receivable against sale of investments		-	6,012
Advance, Deposits and prepayments		2,805	2,791
Total assets		239,302	255,779
Liabilities			
Payable to the Management Company	6	1,409	746
Payable to the Trustee		63	70
Payable to Securities and Exchange Commission of Pakistan		42	275
Payable against purchase of investments		18,637	-
Payable against redemption of units		522	82
Accrued expenses and other liabilities	7	10,346	9,009
Total liabilities		31,019	10,182
Net assets		208,283	245,597
Unit holders' fund (as per statement attached)		208,283	245,597
		----- (Number of Units) -----	
Number of units in issue		2,500,858	2,629,886
		----- (Rupees) -----	
Net assets value per unit		83.2844	93.3868

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 Equity Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2020

		Nine months ended		Quarter ended	
		March 31,		March 31,	
		2020	2019	2020	2019
Note ----- (Rupees in '000) -----					
Income					
Capital gain / (loss) on sale of investments - net		27,124	(4,519)	13,156	517
Dividend income		11,025	9,724	3,600	3,019
Profit on bank deposits		2,790	2,407	982	768
		40,939	7,612	17,738	4,304
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit and loss - held-for-trading' - net		(63,490)	(14,185)	(99,988)	16,745
		(22,551)	(6,573)	(82,250)	21,049
Expenses					
Remuneration of the Management Company	6.1 & 6.2	4,657	5,095	1,790	1,646
Remuneration of the Trustee		477	594	179	195
Annual fee to Securities and Exchange Commission of Pakistan		42	214	16	69
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	553	225	232	72
Selling and marketing expenses	6.4	1,649	902	677	292
Amortisation of preliminary expenses and floatation costs		-	-	-	-
Securities transaction costs and bank charges		383	350	(975)	(537)
Auditors' remuneration		352	320	110	107
Printing and postage expenses		-	-	-	-
Fees and subscription		2,778	1,062	2,757	982
		10,891	8,762	4,786	2,826
Net (loss) / income from operating activities		(33,442)	(15,335)	(87,036)	18,223
Provision for Sindh Workers' Welfare Fund	8	-	-	1,072	-
Net (loss) / income for the period before taxation		(33,442)	(15,335)	(85,964)	18,223
Taxation	9	-	-	-	-
Net (loss) / income for the period after taxation		(33,442)	(15,335)	(85,964)	18,223
Earnings per unit	10				

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 Equity Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months and quarter ended March 31, 2020

	Nine months ended		Quarter ended,	
	March 31,		March 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(33,442)	(15,335)	116	18,223
Other comprehensive income for the period				
Item that may be reclassified subsequently to income statement	-	-	-	-
Total comprehensive (loss) / income for the period	(33,442)	(15,335)	116	18,223

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)
For the nine months ended March 31, 2020

Note	Nine months ended March 31,					
	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	247,193	(1,596)	245,597	249,396	44,772	294,168
Issuance of 3,994,320 units (2019: 760,874 units)						
- Capital value (at net asset value per unit at the beginning of the period)	373,017	-	373,017	84,046	-	84,046
- Element of loss	46,342	-	46,342	275	-	275
Total proceeds on issuance of units			419,359			84,321
Redemption of 4,123,348 units (2019: 785,913 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(385,066)	-	(385,066)	(86,812)	-	(86,812)
- Element of income	(38,165)	-	(38,165)	1,571	-	1,571
Total payments on redemption of units			(423,231)			(85,241)
Net income for the period after taxation	-	(33,442)	(33,442)	-	(15,335)	(15,335)
Net assets at end of the period	247,193	(35,038)	208,283	249,396	29,437	277,913
Undistributed income brought forward						
- Realised		29,469			56,123	
- Unrealised		(31,065)			(11,351)	
		(1,596)			44,772	
Net Income for the period		(33,442)			(15,335)	
Undistributed income carried forward		(35,038)			29,437	
Undistributed income carried forward						
- Realised		28,452			43,622	
- Unrealised		(63,490)			(14,185)	
		(35,038)			29,437	
			(Rupees)			(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			83.2844			105.3467

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 Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
For the nine months ended March 31, 2020

	Nine months ended	
	March 31,	
Note	2020	2019
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net loss for the period before taxation	(33,442)	(15,335)
Adjustments for:		
Dividend Income	(11,025)	(9,724)
Profit on bank deposits	(2,790)	(2,407)
Capital (gain) / loss on sale of investments - net	(27,124)	4,519
Unrealised diminution on re-measurement of investments at fair value through 'profit and loss - held-for-trading' - net	63,490	14,185
	<u>(10,891)</u>	<u>(8,762)</u>
(Increase) / decrease in assets		
Investments - net	(23,610)	(18,708)
Receivable against sale of investments	6,012	-
Deposits, prepayments and other receivables	(14)	(37)
	<u>(17,612)</u>	<u>(18,745)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	663	(376)
Payable to the Trustee	(7)	5
Payable to Securities and Exchange Commission of Pakistan	(233)	(100)
Payable against purchase of investments	18,637	-
Payable against redemption of units	440	677
Accrued expenses and other liabilities	1,337	(199)
	<u>20,837</u>	<u>7</u>
Net cash generated from / (used in) operations		
	<u>(7,666)</u>	<u>(27,500)</u>
Dividend received	8,939	7,183
Profit received on bank deposits	2,632	2,445
	<u>11,571</u>	<u>9,628</u>
Net cash generated from / (used in) operating activities		
	<u>3,905</u>	<u>(17,872)</u>
Cash flows from financing activities		
Amount received on issue of units	419,359	41,578
Payment against redemption of units	(423,231)	(42,498)
Net cash used in financing activities		
	<u>(3,872)</u>	<u>(920)</u>
Net increase / (decrease) in cash and cash equivalents		
	<u>33</u>	<u>(18,792)</u>
Cash and cash equivalents at beginning of the period	28,239	43,148
Cash and cash equivalents at end of the period	4	24,356
	<u>28,272</u>	<u>24,356</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 Equity Fund

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

For the nine months ended March 31, 2020

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.

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. 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 at 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 the 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 the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2+' (AM Two 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 ('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 IFRSs, 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 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 audited financial statements of the Fund for the year ended June 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

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

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 3.6.

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 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 3.6.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

	Note	Unaudited March 31, 2020	Audited June 30, 2019
4. BANK BALANCES		(Rupees in '000')	
In saving accounts	4.1	28,220	27,147
In current accounts		52	1,092
		28,272	28,239

- 4.1** These accounts carry rate of return from 8.23% to 11.15% per annum (2019: 5.35% to 7.5% per annum).

	Note	Unaudited March 31, 2020	Audited June 30, 2019
5. INVESTMENTS			
Financial assets at fair value through profit or loss - held-for-trading			
- Listed equity securities	5.1	205,025	217,781
- Advanced against Book Building	5.2	-	-
		<u>205,025</u>	<u>217,781</u>

5.1 Financial assets at fair value through profit or loss - held-for-trading - listed equity securities

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

Name of the Investee Company	Number of Shares				As at March 31, 2020	Market Value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the year	Bonus / right issues	Sales during the period		As at March 31, 2020 (Rupees in '000)	As a percentage of total investments	As a percentage of net assets	
AUTOMOBILE ASSEMBLER									
HondaAtlas Cars (Pakistan) Limited	-	-	-	-	-	-	-	-	-
Indus Motor Company Limited	-	-	-	-	-	-	-	-	-
Millat Tractors Limited	-	-	-	-	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited (par value of Rs. 5 each)	20,400	27,300	-	47,700	-	-	-	-	-
CABLE & ELECTRICAL GOODS									
Pak Elektron Ltd	-	-	-	-	-	-	-	-	-
CEMENT									
Cherat Cement Company Limited.	-	186,000	-	63,000	123,000	6,813	3.32	3.27	0.01
Kohat Cement Limited	22,000	39,500	-	61,500	-	-	-	-	-
Lucky Cement Limited	16,400	102,000	-	68,500	49,900	18,498	9.02	8.88	-
Maple Leaf Cement Factory Limited	-	1,175,500	-	740,000	435,500	9,024	4.40	4.33	0.01
	38,400	1,503,000	-	933,000	608,400	34,335	16.74	16.48	
CHEMICAL									
Engro Polymer & Chemicals Limited	183,596	786,500	-	638,500	331,596	8,131	3.97	3.90	0.02
ICI Pakistan Limited	-	58,500	-	27,700	30,800	15,595	7.61	7.49	-
Lotte Chemical Pakistan Limited	90,000	408,500	-	498,500	-	-	-	-	0.01
Sitara Chemical Industries Limited	2,000	10,600	-	1,000	11,600	2,780	1.36	1.33	0.01
	275,596	1,264,100	-	1,165,700	373,996	26,506	12.94	12.72	
COMMERCIAL BANKS									
Allied Bank Limited	72,000	124,600	-	194,100	2,500	178	0.09	0.08	-
Bank Al-Falah Limited	281,550	628,000	-	328,500	581,050	18,482	9.01	8.87	0.04
Bank Al-Habib Limited	110,000	233,000	-	343,000	-	-	-	-	-
Bank of Punjab Limited	545,000	3,230,500	-	1,672,000	2,103,500	16,113	7.86	7.74	0.40
Faysal Bank Limited	1,800	-	-	-	1,800	25	0.01	0.01	-
Habib Bank Limited*	106,600	167,000	-	273,600	-	-	-	-	-
MCB Bank Limited**	35,300	51,800	-	87,100	-	-	-	-	-
National Bank of Pakistan Limited	64,000	1,198,000	-	769,500	492,500	13,918	6.79	6.68	0.02
United Bank Limited	65,200	90,000	-	155,200	-	-	-	-	-
	1,281,450	5,722,900	-	3,823,000	3,181,350	48,716	23.76	23.38	
ENGINEERING									
International Steels Limited	-	441,500	-	249,000	192,500	6,967	3.40	3.34	0.04
International Industries Limited	-	58,500	-	25,000	33,500	2,532	1.23	1.22	0.03
	-	500,000	-	274,000	226,000	9,499	4.63	4.56	

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 year	Bonus / right issues	Sales during the period	As at March 31, 2020	As at March 31, 2020 (Rupees in '000)	As a percentage of total investments	As a percentage of net assets	
FERTILIZER									
Engro Corporation Limited	55,930	90,300	-	98,600	47,630	12,712	6.20	6.10	0.01
Engro Fertilizers Limited	124,000	162,000	-	286,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	120,000	-	120,000	-	-	-	-	-
Fauji Fertilizer Company Limited	83,500	110,300	-	193,800	-	-	-	-	-
	263,430	482,600	-	698,400	47,630	12,712	6.20	6.10	
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	14,459	30,540	1,425	38,660	7,764	6,919	3.37	3.32	0.01
Oil & Gas Development Company Limited	139,700	297,000	-	436,700	-	-	-	-	-
Pakistan Oilfields Limited	24,940	16,500	-	41,440	-	-	-	-	-
Pakistan Petroleum Limited	91,042	219,000	26,108	336,150	-	-	-	-	-
	270,141	563,040	27,533	852,950	7,764	6,919	3.37	3.32	
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	52,276	254,000	11,155	231,500	85,931	10,441	5.09	5.01	0.03
Sui Northern Gas Pipeline Limited	52,000	315,500	-	367,500	-	-	-	-	-
	104,276	569,500	11,155	599,000	85,931	10,441	5.09	5.01	
PAPER & BOARD									
Century Paper & Board Mills Limited	25,000	29,000	-	54,000	-	-	-	-	-
PHARMACEUTICALS									
Abbott Laboratories (Pak) Limited	-	9,000	-	9,000	-	-	-	-	-
AGP Limited	19,500	47,500	-	67,000	-	-	-	-	-
GlaxoSmithKline Pakistan Limited	-	119,600	-	52,500	67,100	11,342	5.53	5.45	0.02
Highnoon Laboratories Limited	-	35,150	-	5,500	29,650	14,782	7.21	7.10	0.00
The Searle Company Limited	8,774	21,500	-	30,000	274	43	0.02	0.02	0.00
	28,274	232,750	-	164,000	97,024	26,167	12.76	12.57	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	188,188	246,500	-	434,688	-	-	-	-	-
K-Electric Limited (par value of Rs. 3.5 each)	616,000	435,000	-	1,051,000	-	-	-	-	-
Pakgen Power Limited	90,000	43,000	-	133,000	-	-	-	-	-
	894,188	724,500	-	1,618,688	-	-	-	-	-
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	-	440,500	-	148,500	292,000	6,680	3.26	3.21	0.15
Hum Network Limited	-	284,500	-	-	284,500	612	0.30	0.29	0.03
Systems Limited	2,750	199,000	-	175,412	26,338	2,927	1.43	1.41	0.02
	2,750	924,000	-	323,912	602,838	10,219	4.99	4.91	
TEXTILE COMPOSITE									
Nishat Mills Limited	53,000	85,500	-	138,500	-	-	-	-	-
Gul Ahmed Textile Mills Limited	-	698,500	-	392,500	306,000	7,053	3.44	3.39	0.09
Interloop Limited	85,436	415,500	-	194,500	306,436	10,989	5.36	5.28	3.52
	138,436	1,199,500	-	725,500	612,436	18,042	8.80	8.67	

	Note	Unaudited March 31, 2020	Audited June 30, 2019
6. PAYABLE TO MANAGEMENT COMPANY			
		(Rupees in '000')	
Remuneration of the Management Company	6.1	513	415
Sindh Sales tax on remuneration of the Management Company	6.2	67	54
Sales load payable		6	1
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	146	21
Selling and marketing expenses	6.4	677	255
		1,409	746

6.1 In line with amendments introduced in Regulation 61 of the NBFC Regulation the Management Company has reduced its remuneration at 2% of the average annual net assets of the Fund effective from May 25, 2016. Uptill May 24, 2016, the Management Company was charging its Remuneration at 3% per annum. The remuneration is paid to the Management Company monthly in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) 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 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to Fund maximum up to 0.1% of average annual net assets of the scheme or actual whichever is less.

6.4 SECP vide its circular No.SCD/PRDD/Circular/361/2016 dated December 30, 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. According to said circular, the selling and marketing expenses have been allowed initially for a period of three years (from January 01, 2017 till December 31, 2019) being chargeable to open end equity, asset allocation and index funds. Maximum cap on the expenses has been set at 0.4% per annum of net assets of fund or actual expenses, whichever being lower.

	Note	Unaudited March 31, 2020	Audited June 30, 2019
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
		(Rupees in '000')	
Provision for Federal Excise Duty	7.1	5,685	5,685
Withholding tax payable		271	36
Provision for Sindh Workers' Welfare Fund	7.2	2,768	2,768
Dividend payable		-	-
Brokerage payable		1,282	71
Auditors' remuneration		171	264
Printing and other related cost		113	154
Others		56	31
		10,346	9,009

7.1 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 March 31, 2019 would have been higher by Rs. 2.27 per unit (June 30, 2019: Rs. 2.16 per unit).

- 7.2** 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 nine months period ended March 31, 2020, therefore, no provision for SWWF has been recognised in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2020 would have been higher by Rs. 2.16 per unit (June 30, 2019: Rs. 1.05 per unit).

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

9. TAXATION

The Fund's income is exempt from income tax as per 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 to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2019 to its unit holders.

10. 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.

11. 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:

11.1 Transactions during the period	Nine months ended March 31,	
	2020	2019
	(Rupees in '000')	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	4,121	4,509
Sindh Sales Tax on remuneration of the Management Company	536	586
Allocation of expenses related to registrar services, accounting, operation and valuation services	553	225
Sales load paid	1	21
Issue 2,474,060 units (2019: 177,048 units)	260,000	20,000
Redemption of 2,572,643 units (2019: 311,621 units)	263,136	34,000
MCB Bank Limited (Formerly NIB Bank Limited) - connected person holding 10% or more units		
Bank charges	1	2
Profit on bank deposits	18	196
Service Provident Fund Trust		
Issue of 274,974 units (2019: Nil units)	25,666	-
The Citizens Foundation		
Issue of 475,449 units (2019: Nil units)	45,520	-
Redemption of 180,942 units (2019: Nil units)	15,444	-
Directors and Executives of the Management Company		
Issue of 15,266 units (2019: 41,868 units)	1,531	4,327
Redemption of 12,683 units (2019: 7,343 units)	1,167	809
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	477	594
Central Depository Service charges	55	32
Habib Bank Limited - associated company		
Bank charges	4	1

	Unaudited March 31, 2020	Audited June 30, 2019
11.2 Balances outstanding as at period / year end	(Rupees in '000')	
HBL Asset Management Limited - Management Company		
Units held: 300,175 units (June 30, 2019: 398,758 units)	25,000	37,239
Remuneration payable to the Management Company	513	415
Sindh sales tax on remuneration of the Management Company	67	54
Sales load payable	6	1
Selling and marketing expenses	677	255
Allocation of expenses related to registrar services, accounting, operation and valuation services	146	21
MCB Bank Limited (Formerly NIB Bank Limited) - connected person holding 10% or more units		
Bank balances	575	256
Units held: 1,022,050 units (June 30, 2019: 1,022,050 units)	85,121	95,446
Service Provident Fund Trust		
Units held: 274,974 units (June 30, 2019: Nil units)	22,901	-
The Citizens Foundation		
Units held: 475,449 units (2019: 180,942 units)	39,598	16,898
Habib Bank Limited - associated company		
Bank balances	8,870	5,175
Directors and Executives of the Management Company		
Units held in the Fund: 3,185 units (June 30, 2019: 36,471 units)	265	3,406
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	58	70
CDS Charges payable	5	5
Security deposit	100	100

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 (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.

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.

		March 31, 2020							
		Carrying amount			Fair Value				
		Fair value through profit or loss - held-for-trading	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in '000) -----							
On-balance sheet financial instruments									
Financial assets measured at fair value									
At fair value through profit or loss account - held-for-trading - Listed equity securities									
		205,025	-	-	205,025	205,025	-	-	205,025
		205,025	-	-	205,025	205,025	-	-	205,025
Financial assets not measured at fair value									
	12.1								
		-	28,272	-	28,272				
		-	3,200	-	3,200				
		-	-	-	-				
		-	31,472	-	31,472				
Financial liabilities not measured at fair value									
	12.1								
		-	-	1,409	1,409				
		-	-	63	63				
		-	-	1,595	1,595				
		-	-	3,067	3,067				

		June 30, 2019							
On-balance sheet financial instruments		Carrying amount			Fair Value				
		Fair value through profit or loss - held-for-trading	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)							
Financial assets measured at fair value									
At fair value through profit or loss - held-for-trading									
- 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									
	12.1								
Bank balances									
		-	28,239	-	28,239				
Dividend receivable and accrued mark-up									
		-	956	-	956				
Receivable against sale of investments									
		-	6,012	-	6,012				
		-	35,207	-	35,207				
Financial liabilities not measured at fair value									
	12.1								
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				

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.

12.2 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended March 31, 2020 is 3.89% which includes 0.59% representing government levy and SECP fee.

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 April 29, 2020.

15. GENERAL

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

15.2 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

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 MARCH 31, 2020

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
(Rupees in '000)			
ASSETS			
Bank balances	4	76,037	61,148
Investments	5	429,998	698,072
Dividends and profit receivable		3,613	680
Deposits and prepayments		2,911	2,893
TOTAL ASSETS		512,559	762,793
LIABILITIES			
Payable to the Management Company	6	2,975	2,310
Payable to the Trustee		113	148
Payable to Securities and Exchange Commission of Pakistan		109	868
Accrued expenses and other liabilities	7	19,633	19,736
Unclaimed dividend (including dividend payable)		5,389	5,389
TOTAL LIABILITIES		28,219	28,451
NET ASSETS		484,341	734,342
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		484,341	734,342
CONTINGENCIES AND COMMITMENTS			
	8	----- (Number of units) -----	
Number of units in issue		60,648,414	66,037,528
		----- (Rupees) -----	
Net assets value per unit		7.9860	11.1201

The annexed notes from 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 Energy Fund
Condensed Interim Income Statement (Un-audited)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
----- (Rupees in '000) -----					
INCOME					
Capital loss on sale of investments - net		(1,502)	(29,570)	(5,097)	(3,352)
Dividend income		16,909	20,852	3,754	4,794
Profit on bank deposits		5,893	8,060	2,203	2,623
		<u>21,300</u>	<u>(658)</u>	<u>860</u>	<u>4,065</u>
Unrealised diminution on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net		<u>(200,830)</u>	<u>(109,961)</u>	<u>(313,793)</u>	<u>23,434</u>
		<u>(179,530)</u>	<u>(110,619)</u>	<u>(312,933)</u>	<u>27,499</u>
EXPENSES					
Remuneration of the Management Company	6.1 & 6.2	11,952	16,145	4,393	4,934
Remuneration of the Trustee		1,228	1,606	439	494
Annual fee to Securities and Exchange Commission of Pakistan		109	679	39	208
Allocation of expenses related to registrar services, accounting operation and valuation services	6.3	1,412	714	532	218
Selling and marketing expense	6.4	4,201	2,858	1,633	874
Securities transaction costs		1,701	975	584	288
Auditors' remuneration		330	480	110	3
Settlement and bank charge		366	380	121	119
Fees and subscription		19	78	8	26
		<u>21,318</u>	<u>23,915</u>	<u>7,859</u>	<u>7,164</u>
Net loss for the period from operating activities		<u>(200,848)</u>	<u>(134,534)</u>	<u>(320,792)</u>	<u>20,335</u>
Provision for Sindh Workers' Welfare Fund	7.2	-	-	-	-
Net loss for the period before taxation		<u>(200,848)</u>	<u>(134,534)</u>	<u>(320,792)</u>	<u>20,335</u>
Taxation	9	-	-	-	-
Net loss for the period after taxation		<u>(200,848)</u>	<u>(134,534)</u>	<u>(320,792)</u>	<u>20,335</u>
Other comprehensive loss for the period		-	-	-	-
Total comprehensive loss for the period		<u>(200,848)</u>	<u>(134,534)</u>	<u>(320,792)</u>	<u>20,335</u>
Earnings per unit	11				

The annexed notes from 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 Energy Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended March 31,					
	2020			2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the period	720,151	14,191	734,342	803,982	257,047	1,061,029
Issuance of 671,898,837 Units (2019: 7,814,936 units)						
Capital value (at net asset value per unit at the beginning of the period)	7,471,563	-	7,471,563	114,768	-	114,768
Element of loss	(7,116,987)	-	(7,116,987)	(10,138)	-	(10,138)
Total proceeds on issuance of units	354,576	-	354,576	104,630	-	104,630
Redemption of 34,723,315 Units (2019: 10,847,582 units)						
Capital value (at net asset value per unit at the beginning of the period)	(386,126)	-	(386,126)	(159,305)	-	(159,305)
Element of income	(17,603)	-	(17,603)	6,979	-	6,979
Total payments on redemption of units	(403,729)	-	(403,729)	(152,326)	-	(152,326)
Total comprehensive loss for the period	-	(200,848)	(200,848)	-	(134,534)	(134,534)
Net assets at end of the period	670,998	(186,657)	484,341	756,286	122,513	878,800
Undistributed income brought forward						
Realised		191,887			240,997	
Unrealised		(177,696)			16,050	
		14,191			257,047	
Net loss for the period		(200,848)			(134,534)	
Undistributed income carried forward		(186,657)			122,513	
Undistributed income carried forward						
Realised		14,173			232,474	
Unrealised		(200,830)			(109,961)	
		(186,657)			122,513	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>11.1201</u>			<u>14.6857</u>
Net assets value per unit at end of the period			<u>7.9860</u>			<u>12.6963</u>

The annexed notes from 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 Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Note	Half year ended March 31	
		2020	2019
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before tax on		(200,848)	(134,534)
Adjustments for:			
Capital loss on sale of investments - net		1,502	29,570
Dividend income		(16,909)	(20,852)
Profit on bank deposits		(5,893)	(8,060)
Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net		200,830	109,961
		(21,318)	(23,915)
Decrease / (Increase) in assets			
Investments - net		65,742	31,056
Deposits and prepayments		(18)	(44)
		65,724	31,012
(Decrease) / Increase in liabilities			
Payable to the Management Company		665	(1,653)
Payable to the Trustee		(35)	(29)
Payable to Securities and Exchange Commission of Pakistan		(759)	(231)
Accrued expenses and other liabilities		(103)	(52)
Unclaimed dividend (including dividend payable)		-	(5)
		(232)	(1,970)
Cash generated from / (used in) operations			
Dividend received		13,920	20,613
Profit received on bank deposits		5,949	7,975
		19,869	28,588
Net cash generated from / (used in) operating activities			
		64,043	33,715
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		354,576	104,630
Amount paid against redemption of units		(403,729)	(152,326)
Net cash (used in) / generated from financing activities		(49,153)	(47,696)
Net increase in cash and cash equivalents		14,890	(13,981)
Cash and cash equivalents at beginning of the period		61,148	100,388
Cash and cash equivalents at end of the period	4	76,037	86,407

The annexed notes from 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 Energy Fund

Notes To The Condensed Interim Financial Information (Un-audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL 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 D/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 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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')

provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP have been followed.

- 2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of 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 audited financial statements of the Fund for the year ended June 30, 2019.
- 2.1.3** The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2020.
- 2.1.4** This condensed interim financial information is unaudited and has not been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the nine months March 31, 2020 have not been reviewed.
- 2.1.5** 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 March 31, 2020.

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.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees, except otherwise stated.

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

- 3.1** The accounting policies adopted for the preparation of this 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, unless otherwise stated
- 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** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
4	BANK BALANCES		
		(Rupees in '000)	
	In saving accounts	76,026	61,129
	In Current Accounts	11	19
		<u>76,037</u>	<u>61,148</u>
4.1	Mark-up rates on these accounts range between 11% to 13.75% per annum (June 30, 2019: 8% to 13.5% per annum).		
5	INVESTMENTS		
		(Rupees in '000)	
	Financial assets at 'fair value through profit or loss'		
	Listed equity securities	429,998	698,072

5.1 Investment in listed equity securities - Financial Assets at 'fair value through profit or loss'

Shares of Listed Companies - Fully paid up ordinary shares of Rupees 10 each unless stated otherwise

Name of the Investee Company	Notes	Number of shares					As at March 31, 2020			Market value as percentage of		Par value as a percentage of issued capital of the investee company
		As at July 1, 2019	Purchases during the period	Bonus Issue	Sales during the period	As at March 31, 2020	Carrying Amount	Market Value	Unrealised appreciation/(diminution) on re-measurement of investments	Total investments	Net assets	
(Rupees in '000)												
OIL & GAS EXPLORATION COMPANIES												
Mari Petroleum Company Limited	5.3	109,618	31,720	10,331	72,900	78,769	76,707	70,191	(6,516)	16.32%	14.49%	0.07%
Oil and Gas Development Company Limited	5.2	987,000	348,800	-	568,300	767,500	99,523	59,090	(40,433)	13.74%	12.20%	0.02%
Pakistan Oilfields Limited	5.3	191,574	140,200	-	228,800	102,974	42,252	27,001	(15,251)	6.28%	5.57%	0.04%
Pakistan Petroleum Limited	5.2 & 5.3	738,610	423,200	144,122	503,600	802,332	96,863	57,615	(39,248)	13.40%	11.90%	0.04%
		2,026,802	943,920	154,453	1,373,600	1,751,575	315,346	213,897	(101,449)	49.74%	44.16%	
OIL & GAS MARKETING COMPANIES												
A ock Petroleum Limited	5.3	43,690	104,300	-	72,500	75,490	23,534	17,816	(5,718)	4.14%	3.68%	0.09%
Hascol Petroleum Limited	5.3	2,000	125,000	-	127,000	-	-	-	-	0.00%	0.00%	0.00%
Hi-Tech Lubricants Ltd		624,500	-	-	624,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	5.3	369,496	431,000	54,399	354,500	500,395	86,022	60,798	(25,224)	14.14%	12.55%	0.15%
Sui Northern Gas Pipeline Limited		736,400	612,500	-	210,500	1,138,400	83,184	42,007	(41,177)	9.77%	8.67%	0.18%
Sui Southern Gas Company Limited		-	732,500	-	56,000	676,500	14,951	7,847	(7,103)	1.82%	1.62%	0.08%
		1,776,086	2,005,300	54,399	1,445,000	2,390,785	207,691	128,469	(79,223)	29.88%	26.52%	
POWER GENERATION & DISTRIBUTION												
Hub Power Company Ltd		951,398	592,000	-	582,000	961,398	74,143	65,635	(8,508)	15.26%	13.55%	0.07%
K-Electric Limited		8,799,500	1,913,500	-	2,940,000	7,773,000	33,648	21,998	(11,651)	5.12%	4.54%	0.03%
Paikgen Power Limited		1,114,000	159,500	-	1,273,500	-	-	-	-	0.00%	0.00%	0.00%
		10,864,898	2,665,000	-	4,795,500	8,734,398	107,791	87,632	(20,159)	20.38%	18.09%	
REFINERY												
A ock Refinery Limited		-	80,000	-	80,000	-	-	-	-	-	-	-
		-	80,000	-	80,000	-	-	-	-	-	-	-
Total - As at March 31, 2020		14,667,786	5,694,220	208,852	7,694,100	12,876,758	630,828	429,998	(200,830)	100.00%	88.78%	
Total - As at June 30, 2019		12,556,325	9,083,516	245,193	7,217,248	14,667,786	875,768	698,072	177,696	100.00%	95.00%	

5.2 These above investments include shares having market value of Rs. 37.459 million (June 30, 2019: Rs. 64.154 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.

- Oil and Gas Development Company Limited (300,000 shares)
- Pakistan Petroleum Limited (200,000 shares)

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 High Court of Sindh 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 High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.242 million at March 31, 2020 (June 30, 2019: Rs.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 of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
6 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration to the Management Company		1,003	1,282
Sindh Sales Tax on Management Company's remuneration		130	167
Allocation of expenses related to registrar services, accounting, operation and valuation services		206	64
Selling and marketing expenses		1,633	798
		2,975	2,310

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Rupees in '000)
	Provision for Federal Excise Duty	7.1	13,920
	Provision for Sindh Workers' Welfare Fund	7.2	4,985
	Auditors' remuneration		179
	Payable to brokers		181
	Withholding tax payable		56
	Printing charges payable		35
	Zakat payable		207
	Other payables		70
			<u>19,633</u>
			<u>19,736</u>

7.1 The legal status of applicability of Federal Excise Duty (FED) 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 filed by tax authorities with Honorable Supreme Court of Pakistan 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. 13.920 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.23 per unit (June 30, 2019: Rs. 0.21 per unit).

7.2 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 nine months ended March 31, 2019, therefore, no provision for SWWF has been recognised in this condensed interim financial information. However, the Management is carrying provision of SWWF amounting to Rs.4.9 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.08 per unit (June 30, 2019: Rs. 0.08 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

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 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2019 to its unit holders.

10 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.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative period and not in the current period are not disclosed in the comparative period.

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

	Nine months ended	
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
10.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	10,577	14,288
Sindh Sales Tax on remuneration of the Management Company	1,375	1,857
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,412	714
Selling and marketing expenses	4,201	2,858
Issue of 5,791,795 (2019: Nil) units	75,000	-
Redemption of 7,917,522 (2019: 1,621,891) units	99,215	22,500
Habib Bank Limited - Sponsor		
Bank charges	7	1
Issue of nil (2019: Nil) units	-	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,228	1,606
CDS charges	47	39
CDC Annual Fee	-	57
Directors and Executives of the Management Company		
Issue of 22,180 (2019: Nil) units	226	-
Redemption of 7,628 (2019: Nil) units	100	-
HBL Islamic Asset Allocation Fund		
Purchase of Nil shares of Pakistan Petroleum Limited (2019: 23,000) shares	-	4,110

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
10.2	Balances outstanding as at period / year end		
		(Rupees in '000)	
	Note		
	HBL Asset Management Limited - Management Company		
	Management fee payable	1,003	1,282
	Sindh Sales Tax on Management Company's remuneration	130	167
	Allocation of expenses related to registrar services, accounting, operation and valuation services	206	64
	Selling and marketing expenses	1,633	798
	Units held: 72,051 (June 30, 2019: 2,197,777) units	575	24,440
	Habib Bank Limited - Sponsor		
	Bank balances	3,028	1,886
	Units held: 19,690,192 (June 30, 2019: 19,690,192) units	157,246	218,957
	MCB Bank Limited - Connected Person		
	- Holding more than 10% of Units		
	Units held: 6,468,401 (June 30, 2019: 6,468,401) units	51,657	71,929
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee fee payable	113	128
	Sales Tax on Trustee Fee	15	17
	CDS charges payable	3	3
	Security deposit	300	300
	Directors and Executives of the Management Company		
	Units held: 14,552 (June 30, 2019: 449,955) units	116	5,004

11 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.

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 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.

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 (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2020 is 2.96% (March 2019: 2.50%) which includes 0.26% (March 2019: 0.30%) representing government levy and SECP fee.

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

15 GENERAL

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

15.2 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 Ass t Fund
Name of Auditor	KPMG Taseer Hadi & Co. Chartered Accountant
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited HBL Bank Limited JS Bank Limited Zarai Taraqati Bank Limi ed Allied Bank Limited Sindh Bank Limited Soneri Bank Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2020

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- Rupees in '000-----	
Assets			
Bank balances	6	61,227	60,225
Investments	7	105,259	148,196
Dividend receivable and accrued mark-up		2,202	1,134
Receivable against sale of investments		-	2,631
Advances, deposits and prepayments	8	3,522	3,480
Total assets		172,210	215,666
Liabilities			
Payable to the Management Company	9	578	541
Payable to the Trustee		33	65
Payable to the Securities and Exchange Commission of Pakistan		30	234
Accrued expenses and other liabilities	10	11,668	11,672
Total liabilities		12,309	12,512
Net assets		159,901	203,154
Unit holders' fund (as per statement attached)		159,901	203,154
Contingencies and Commitments			
	11	-----Number of units-----	
Number of units in issue		1,787,635	2,123,916
		-----Rupees-----	
Net assets value per unit		89.4482	95.6506

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement (Un-Audited)
For The Nine Months Ended March 31, 2020

	Note	Nine Months ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
Rupees in '000					
Income					
Dividend income		5,133	6,034	1,256	1,660
Mark-up on deposits with banks		6,353	7,200	1,857	2,524
Mark-up / return on investments		2,651	2,256	633	916
Capital loss on sale of investments - net		2,987	(3,045)	304	197
Other income		43	12	10	9
		17,167	12,457	4,060	5,306
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net		(20,101)	(11,265)	(41,155)	9,534
Impairment loss on equity securities classified as available-for-sale		-	-	-	-
		(2,934)	1,192	(37,095)	14,840
Expenses					
Remuneration of the Management Company		3,222	4,946	1,101	1,523
Remuneration of the Trustee		339	594	111	195
Annual fee to Securities and Exchange Commission of Pakistan		30	186	10	57
Allocation of expenses related to registrar services, accounting, operation and valuation services		326	220	109	68
Auditors' remuneration		301	297	101	98
Securities transaction costs		241	329	28	115
Sealment and bank charges		216	310	80	78
Fee and subscription		21	44	7	(1)
Selling and marketing expense		519	383	186	135
		5,215	7,309	1,733	2,268
Net loss from operating activities		(8,149)	(6,117)	(38,828)	12,572
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		-	-	-	-
Provision for Sindh Workers' Welfare Fund	10.2	-	-	614	-
Net loss for the period before taxation		(8,149)	(6,117)	(38,214)	12,572
Taxation	12	-	-	-	-
Net loss for the period after taxation		(8,149)	(6,117)	(38,214)	12,572
Allocation of income for the period					
Income already paid on redemption of units		-	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		(8,149)	(6,117)		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Nine Months Ended March 31, 2020

	Nine Months ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	-----Rupees in '000-----			
Net loss for the period after taxation	(8,149)	(6,117)	(38,214)	12,572
Other comprehensive (loss) / income for the period	-	-	-	-
Total comprehensive loss for the period	(8,149)	(6,117)	(38,214)	12,572

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

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 Nine Months Ended March 31, 2020

	Nine Months ended March 31,	
	2020	2019
	(Rupees in '000)	
Cash flows from operating activities		
Net loss for the period before tax on	(8,149)	(6,117)
Adjustments for non-cash items:		
Capital loss on sale of investments - net	(2,987)	3,045
Profit from bank deposits	(6,353)	(7,200)
Return from investments	(2,651)	(2,256)
Dividend income	(5,133)	(6,034)
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	20,101	11,265
	(5,172)	(7,297)
Decrease / (increase) in assets		
Investments	28,454	18,007
Advances, deposits and prepayments	(42)	(31)
	28,412	17,976
Increase / (decrease) in liabilities		
Payable to the Management Company	37	(49)
Payable to the Trustee	(32)	2
Payable to the Securities and Exchange Commission of Pakistan	(204)	(324)
Accrued expenses and other liabilities	(4)	(102)
	(203)	(473)
Net cash generated from operations	23,037	10,206
Profits received on bank deposits	6,512	7,203
Markup received on investments	2,356	1,427
Dividend income received	4,201	4,851
	13,069	13,481
Net cash generated from operating activities	36,106	23,687
Cash flows from financing activities		
Amount received on issue of units	8,377	15,601
Payment against redemption of units	(43,481)	(82,517)
Net cash used in financing activities	(35,104)	(66,916)
Net decrease in cash and cash equivalents	1,002	(43,229)
Cash and cash equivalents at beginning of the period	60,225	118,090
Cash and cash equivalents at end of the period	61,227	74,861

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

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 Nine Months Ended March 31, 2020

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.

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

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 Limited.

The fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorization of open-end Collective Investment Scheme (CISs).

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.

VIS Credit Rating Company has assigned a management quality rating of AM2+' (Positive outlook) to the Management Company while the Fund is currently not rated.

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 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 financial statements of the Fund for the year, ended June 30, 2019.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
6.	BANK BALANCES	<i>Note</i>	
	Balances with banks in:		
	Savings accounts	6.1	60,225
		<u>61,227</u>	<u>60,225</u>
6.1	This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 6.00% - 14.05% per annum (June 30, 2019: 4.00% - 13.5% per annum).		
		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
7.	INVESTMENTS	<i>Note</i>	
	Financial assets at fair value through profit or loss		
	- Listed equity securities	7.1	118,637
	- Term finance certificates	7.2	29,559
		<u>105,259</u>	<u>148,196</u>

7.1 Listed equity securities - At fair value through profit or loss

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

Name of Investee Company	Number of Shares				As at March 31, 2020	Market value as at March 31, 2020 (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	
Automobile Assembler									
Indus Motor Company Limited	1,300	-	-	1,300	-	-	-	-	-
	1,300	-	-	1,300	-	-	-	-	-
Automobile Parts and Accessories									
Thal Limited (Par value Rs. 5 per share)	8,000	3,500	-	1,000	10,500	3,085	2.93	1.93	0.01%
	8,000	3,500	-	1,000	10,500	3,085	2.93	1.93	
INSURANCE									
Adamjee Insurance Co Ltd	-	50,000	-	5,000	45,000	1,198	1.14	0.75	0.01%
	-	50,000	-	5,000	45,000	1,198	1.14	0.75	
Cement									
Maple Leaf Cement Factory Limited	-	19,000	-	-	19,000	394	0.37	0.25	0.00%
Lucky Cement Limited	11,400	5,500	-	2,000	14,900	5,523	5.25	3.45	0.00%
Kohat Cement Limited	13,000	13,000	-	16,500	9,500	829	0.79	0.52	0.01%
	24,400	37,500	-	18,500	43,400	6,746	5.62	3.70	
Chemical									
Engro Polymer & Chemicals Limited	70,000	73,000	-	57,000	86,000	2,109	2.00	1.32	0.01%
Loe Chemical Pakistan Ltd	50,000	-	-	50,000	-	-	-	-	0.00%
Sitara Chemical Industries Limited	2,500	5,400	-	-	7,900	1,893	1.80	1.18	0.04%
	122,500	78,400	-	107,000	93,900	4,002	3.80	2.50	
Commercial Banks									
Allied Bank Limited	30,000	10,000	-	25,500	14,500	1,031	0.98	0.64	0.00%
Bank Alfalah Limited	145,100	21,000	-	17,000	149,100	4,743	4.51	2.97	0.01%
Bank Al-Habib Limited	64,000	22,000	-	22,500	63,500	3,421	3.25	2.14	0.01%
Bank of Punjab	132,000	-	-	-	132,000	1,011	0.96	0.63	0.02%
Faysal Bank Limited	2,250	-	-	-	2,250	31	0.03	0.02	0.00%
Habib Bank Limited *	71,971	-	-	30,000	41,971	4,333	4.12	2.71	0.00%
MCB Bank Limited	30,500	-	-	17,000	13,500	2,015	1.91	1.26	0.00%
National Bank of Pakistan Limited	39,500	94,500	-	65,000	69,000	1,950	1.85	1.22	0.00%
United Bank Limited	47,300	2,000	-	7,000	42,300	4,264	4.05	2.67	0.00%
	562,621	149,500	-	184,000	528,121	22,799	21.66	14.26	
Engineering									
Mughal Iron & Steel Inds Limited	2,500	-	-	-	2,500	78	0.07	0.05	0.00%
	2,500	-	-	-	2,500	78	0.07	0.05	
Fertilizers									
Dawood Hercules Corporation Limited**	12,500	-	-	12,500	-	-	-	-	0.00%
Engro Corporation Limited	27,050	10,000	-	15,000	22,050	5,885	5.59	3.68	0.00%
Engro Fertilizers Limited	73,500	18,000	-	51,500	40,000	2,306	2.19	1.44	0.00%
Fauji Fertilizer Company Limited	62,500	11,200	-	27,500	46,200	4,297	4.08	2.69	0.00%
	175,550	39,200	-	106,500	108,250	12,488	11.86	7.81	

Name of Investee Company	Number of Shares				As at March 31, 2020	Market value as at March 31, 2020 (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	
Oil & Gas Exploration									
Mari Petroleum Company Limited	6,958	3,528	-	4,511	5,975	5,324	5.06	3.33	0.00%
Oil & Gas Development Company Limited	63,300	80,900	-	57,900	86,300	6,644	6.31	4.16	0.00%
Pakistan Oilfields Limited	12,120	5,500	-	17,620	-	-	-	-	0.00%
Pakistan Petroleum Limited	47,755	85,500	9,888	56,837	86,306	6,198	5.89	3.88	0.00%
	130,133	175,428	9,888	136,868	178,581	18,166	17.26	11.36	
Oil & Gas Marketing Companies									
Pakistan State Oil Company Limited	25,004	15,500	4,900	25,500	19,904	2,418	2.30	1.51	0.01%
Sui Northern Gas Pipeline Limited	20,500	46,500	-	27,500	39,500	1,458	1.39	0.91	0.01%
	45,504	62,000	4,900	53,000	59,404	3,876	3.68	2.42	
Paper & Board									
Century Paper & Board Mills Ltd	14,000	-	-	14,000	-	-	-	-	0.00%
Security Papers Limited	10,000	-	-	10,000	-	-	-	-	0.00%
	24,000	-	-	24,000	-	-	-	-	
Pharmaceuticals									
AGP Limited	21,000	17,000	-	21,000	17,000	1,403	1.33	0.88	0.00%
Highnoon Laboratories Limited	-	5,000	-	-	5,000	2,493	2.37	1.56	0.00%
The Searle Company Limited	7,761	8,200	-	8,000	7,961	1,249	1.19	0.78	0.00%
	28,761	30,200	-	29,000	29,961	5,145	4.89	3.22	
Power Generation and Distribution									
K-Electric Limited (Par value Rs. 3.5 per share)	253,000	200,000	-	67,000	386,000	1,092	1.04	0.68	0.00%
Hub Power Company Limited	89,983	56,000	-	63,500	82,483	5,631	5.35	3.52	0.01%
Pakgen Power Limited	51,500	-	-	51,500	-	-	-	-	0.00%
	394,483	256,000	-	182,000	468,483	6,723	5.35	3.52	
Textile Composite									
Gul Ahmed Textile Mills Ltd	-	35,000	-	-	35,000	807	0.77	0.50	0.01%
Interloop Limited	34,250	-	-	7,500	26,750	959	0.91	0.60	0.31%
Nishat Mills Limited	14,700	5,000	-	5,500	14,200	834	0.79	0.52	0.00%
	48,950	40,000	-	13,000	75,950	2,600	2.47	1.63	
TRANSPORT									
Pakistan National Shipping Corp Ltd	13,000	13,000	-	8,500	17,500	929	0.88	0.58	0.01%
	13,000	13,000	-	8,500	17,500	929	0.88	0.58	
	1,581,702	934,728	14,788	869,668	1,661,550	87,836	81.62	53.73	
Cost of investments at March 31, 2020						108,018			

* Sponsor of the Management Company

** Related party due to common directorship

7.1.1 Investments include shares having market value aggregating to Rs. 26.374 million (June 30, 2019: 36.119 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

7.1.2 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 (MUFAP), 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 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 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. 272,424 at March 31, 2019 (June 30, 2019: Rs 262,707) and not yet deposited in 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.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	<i>Note</i>	(Rupees in '000)	
7.2 Term Finance Certificates - Fair value through profit and loss			
Term finance certificates - Listed	7.2.1	-	-
Term finance certificates - Unlisted	7.2.2	17,423	31,973
		17,423	31,973

7.2.1 Term Finance Certificates - Listed

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

Name of the Investee Company	Number of certificates				Market value / Carrying value* as at March 31, 2020 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at March 31, 2020		Total Investments	Net Assets
Financial Services							
Saudi Pak Leasing Company Limited - (Note 5.2.1.1 & 13)	6,000	-	-	6,000	-	-	-
Cost of investment as at December 31, 2018					15,197		

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

7.2.1.1 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 a re classification as non-performing exposure. Accordingly, the exposure has been fully provided.

7.2.2 Term Finance Certificates - Fair value through profit and loss

7.2.2.1 Term Finance Certificates - Unlisted

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

Investee Company	Number of certificates			As at March 31, 2020	Market value as at March 31, 2020 (Rupees in '000)	Market value as a percentage	
	As at July 01, 2019	Purchases during the period	Sales / Matured during the period			Total Investments	Net Assets
Commercial Banks							
The Bank of Punjab	135	-	-	135	13,410	12.7%	8.4%
Dawood Harcules Corporation limited**	50	-	-	50	4,013	3.8%	2.5%
	185	-	-	185	17,423	16.55%	10.90%

Cost of investments at March 31, 2020

17,342

7.2.2.2 Significant terms and conditions of Term Finance Certificates outstanding at March 31, 2020 are:

Name of security	Remaining principal (per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
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Term Finance Certificates - Listed

Saudi Pak Leasing Company Limited	2,533	6% Fixed rate	March 13, 2008	March 13, 2017
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Term Finance Certificates - Unlisted

Bank of Punjab	99,880	6 Month KIBOR + 0.5%	February 19, 2016	February 19, 2026
Dawood Harcules Corporation limited**	80,000	3 month KIBOR + 1.0%	March 01, 2018	March 01, 2023

** Related party due to common directorship

March 31,
2020
(Un-Audited)
Note
(Rupees in '000)

8. ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with National Clearing Company of Pakistan Limited		3,051	3,016
Security deposit with Central Depository Company of Pakistan Limited		100	100
Advance against subscription of Term Finance Certificates (TFC)	8.1	25,000	25,000
Prepaid annual Legal and listing fee		7	-
Advance tax		364	364
		28,523	28,480
Provision in respect of advance against subscription of term finance certificates	8.1 & 15	(25,000)	(25,000)
		3,523	3,480

8.1 The Fund had subscribed towards the term finance certificates of an issuer 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 March 31, 2020. 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 March 31, 2019, 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.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	<i>Note</i>	(Rupees in '000)	
9. PAYABLE TO THE MANAGEMENT COMPANY			
Management fee		295	363
Sindh Sales Tax		38	47
Sales load payable		6	-
Allocation of expenses related to registrar services, accounting, operation and valuation services		52	18
Selling and marketing payable		187	113
		578	541
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		300	296
Federal Excise Duty	10.1	6,610	6,610
Payable to brokers		56	56
Provision for Sindh Workers' Welfare Fund	10.2	4,597	4,597
Other payables		105	113
		11,668	11,672
10.1	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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.		
	In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2019 aggregating to Rs. 6.610 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 3.70 per unit (June 30, 2019: 3.1122 per unit).		
10.2	PROVISION FOR SINDH WORKERS' WELFARE FUND		
	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 half year ended March 31, 2020, no provision for SWWF has been recognised in these condensed interim financial information. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 2.57 per unit (June 30, 2019: 2.16 per unit).		
11. CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.		
12. 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. The Fund has not recorded tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended June 30, 2020 to its unit holders.		

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

Connected persons / related parties comprise 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 / related parties are in the normal course of business, at agreed / 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 during the period and balances with them at period end are as follows:

	Nine months ended	
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
13.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	3,222	4,946
Allocation of expenses related to registrar services, accounting, operation and valuation services	326	220
Selling and marketing cost payable	519	383
Habib Bank Limited - Sponsor		
Redemption of 179,998 units (2019: 200,000 units)	20,000	20,618
Bank charges paid during the period	7	7
Mark-up earned during the period	308	277
Mark-up received during the period	326	268
Dividend income earned during the period	204	212
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	339	594
Central Depository service charges	13	14

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
Note	(Rupees in '000)	
13.2 Amounts outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee payable	295	363
Sales tax payable	38	47
Sales load payable	6	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	52	18
Selling and Marketing Cost	187	113
Habib Bank Limited - Sponsor		
Investment held in the Fund: 822,848 units (June 2019: 1,002,846 units)	73,602	95,923
Bank balances	2,846	2,967
Mark-up receivable on deposits with bank	12	18
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	29	58
Sindh Sales Tax	4	7
Rafiuddin Zakir Mahmood Connected Persons Due to 10% and more		
Investment held in the Fund: 298,482 units (June 2019: 298,482 units)	26,699	28,550

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. 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.

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 amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		March 31, 2020							
		Carrying amount				Fair Value			
		Mandatorily at Fair value through profit or loss	Designated as at Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Note		------(Rupees in '000)-----							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
	Listed equity securities	87,836	-	-	87,836	87,836	-	-	87,836
	Term Finance Certificates	17,423	-	-	17,423	-	17,423	-	17,423
		105,259	-	-	105,259	87,836	17,423	-	105,259
Financial assets not measured at fair value									
14.1	Bank balances	-	-	61,227	61,227				
	Dividend receivable and accrued mark-up	-	-	2,202	2,202				
	Advances, deposits and other receivables	-	-	3,522	3,522				
		-	-	66,951	66,951				
Financial liabilities not measured at fair value									
14.2	Payable to the Management Company	-	-	534	534				
	Payable to the SECP	-	-	30	30				
	Payable to the Trustee	-	-	59	59				
	Payable against purchase of investments	-	-	-	-				
	Accrued expenses and other liabilities	-	-	461	461				
		-	-	1,084	1,084				
		------(Rupees in '000)-----							
		Carrying amount				Fair Value			
		Mandatorily at Fair value through profit or loss	Designated as at Fair value through profit or loss	Amortized cost	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	118,637	-	-	118,637	118,637	-	-	118,637
	- Term finance certificates	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				
	Dividend receivable and accrued mark-up	-	-	1,134	1,134				
	Receivable against sale of investments	-	-	2,631	2,631				
	Advances, deposits and other receivables	-	-	3,480	3,480				
		-	-	67,470	67,470				
Financial liabilities not measured at fair value									
	Payable to the Management Company	-	-	494	494				
	Payable to the Trustee	-	-	58	58				
	Accrued expenses and other liabilities	-	-	465	465				
		-	-	1,017	1,017				

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 repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

14.2 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

**15. DISCLOSURE UNDER CIRCULAR 16 OF 2010 ISSUED BY THE SECP
- CATEGORISATION OF OPEN END SCHEME**

The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Balanced Scheme' in accordance with the said circular. As at December 31, 2018, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

The following securities are included in the portfolio of the Fund which have rating lower than A- (A minus).

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)						
Saudi Pak Leasing Company Limited	TFC	15,197	15,197	-	-	-
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

16. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the nine months ended March 31, 2020 is 2.62% (March 31, 2019: 2.50%) which includes 0.22% (March 31, 2019: 0.28%) representing government levy, Worker's Welfare Fund and SECP fee.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

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

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 MARCH 31, 2020

	Note	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)			
		Active	Conservative	Strategic	Special	Total	Active	Conservative	Strategic	Total
		Allocation Plan	Allocation Plan	Allocation Plan	Income Plan		Allocation Plan	Allocation Plan	Allocation Plan	
(Rupees in '000)										
ASSETS										
Bank balances	4	1,522	613	233	1,090	3,458	1,293	31	41	1,365
Investments	5	49,902	52,552	-	139,417	241,871	100,890	67,822	169,458	338,170
Mark-up accrued		-	-	-	14	14	-	-	-	-
Preliminary expenses and flotation costs		675	584	-	-	1,259	877	758	188	1,823
Advances and prepayments	6	97	60	-	-	157	112	74	44	230
TOTAL ASSETS		52,196	53,809	233	140,521	246,759	103,172	68,685	169,731	341,588
LIABILITIES										
Payable to the Management Company	7	12	882	-	29	923	11	6	14	31
Payable to the Trustee		5	5	-	11	21	9	6	15	30
Payable to Securities and Exchange										
Commission of Pakistan	8	12	9	9	16	46	168	91	184	443
Payable against redemption of units		-	-	11	-	11	-	1	-	1
Accrued expenses and other liabilities	9	400	227	213	313	1,153	379	1,530	205	2,114
TOTAL LIABILITIES		429	1,123	233	369	2,154	567	1,634	418	2,619
NET ASSETS		51,767	52,686	-	140,152	244,605	102,605	67,051	169,313	338,969
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)										
		51,767	52,686	-	140,152	244,605	102,605	67,051	169,313	338,969
CONTINGENCIES AND COMMITMENTS										
(Number of Units)										
Number of units in issue		555,491	483,857	-	1,296,867	2,336,215	1,057,933	645,802	1,709,667	3,413,402
(Rupees)										
Net assets value per unit		93.1914	108.8866	-	108.0698		96.9864	103.8264	99.0331	

The annexed notes from 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 Financial Planning Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND PERIOD ENDED MARCH 31, 2020

	For the nine months ended March 31, 2020	For the nine months ended March 31, 2020	For the period from July 1, 2019 to October 10, 2019	For the period from September 16, 2019 to March 31, 2020	Nine months ended March 31, 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)									
Income									
Capital gain / (loss) on sale of investments - net	67	1,334	2,123	229	3,753	(5,332)	983	(2,049)	(6,398)
Dividend income	2,503	1	548	157	3,209	3,533	3,149	1,180	7,862
Mark-up on bank deposits	73	28	3	833	937	76	29	5	110
Back-end load	-	-	-	240	240	-	-	154	154
	2,643	1,363	2,674	1,459	8,139	(1,723)	4,161	(710)	1,728
Unrealized (diminution) / appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net	(3,353)	1,169	-	10,945	8,761	(3,785)	(673)	(306)	(4,764)
	(710)	2,532	2,674	12,404	16,900	(5,508)	3,489	(1,016)	(3,035)
Expenses									
Remuneration of the Management Company	7.1	9	9	61	79	19	11	5	35
Sindh Sales Tax on remuneration of the Management Company	7.2	1	2	8	11	2	1	1	4
Remuneration of the Trustee		55	39	43	73	130	71	136	337
Sindh Sales Tax on remuneration of the Trustee		7	5	5	9	17	9	18	44
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	12	9	9	16	137	74	144	355
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	7.3	118	10	(169)	163	144	78	152	374
Amortisation of preliminary expenses and flotation costs		201	174	188	-	563	201	173	879
Auditors' remuneration		70	60	29	74	233	77	67	222
Fees and subscription		24	18	58	3	103	14	7	30
Bank charges		14	12	3	14	43	28	21	100
		511	338	166	421	1,436	769	512	2,380
Net (loss) / income from operating activities		(1,221)	2,194	2,508	11,983	15,464	(6,277)	2,976	(2,115)
Provision for Sindh Workers' Welfare Fund	9.1	-	(44)	(50)	(240)	(334)	-	(60)	(60)
Net (loss) / income for the period before taxation		(1,221)	2,150	2,458	11,743	15,130	(6,277)	2,917	(2,115)
Taxation	11	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation		(1,221)	2,150	2,458	11,743	15,130	(6,277)	2,917	(2,115)
Allocation of net income for the period									
Income already paid on redemption of units			74	-	940			813	
Accounting income available for distribution									
Relating to capital gains		2,189	2,080	10,233					
Excluding capital gains		(113)	378	570					
		2,076	2,458	10,803					
		2,150	2,458	11,743					

Earnings per unit

12

The annexed notes from 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 Financial Planning Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2020 (CONTINUED)

	For the quarter ended March 31, 2020	For the quarter ended March 31, 2020	For the period from October 1, 2019 to October 10, 2019	For the quarter ended March 31, 2020	Quarter ended March 31, 2019					
					Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Special Income Plan	Total	Active Allocation Plan
Note (Rupees in '000)										
Income										
Capital gain / (loss) on sale of investments - net	977	1,215	-	229	2,421	(950)	(6)	(960)	(1,916)	
Dividend income	756	1	-	50	807	1,590	1,307	626	3,523	
Mark-up on bank deposits	7	22	-	326	355	28	16	1	45	
Back-end load	-	-	-	210	210	-	-	130	130	
	1,740	1,238	-	815	3,793	668	1,318	(203)	1,783	
Unrealized (diminution) / appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net	(11,860)	(3,145)	-	6,279	(8,726)	8,659	721	9,011	18,391	
	(10,120)	(1,907)	-	7,094	(4,933)	9,327	2,039	8,808	20,174	
Expenses										
Remuneration of the Management Company	7.1	3	6	-	21	30	5	4	1	10
Sindh Sales Tax on remuneration of the Management Company	7.2	-	1	-	3	4	1	1	-	2
Remuneration of the Trustee		17	13	-	32	62	1	1	-	2
Sindh Sales Tax on remuneration of the Trustee		2	2	-	4	8	-	-	-	-
Annual fee to the Securities and Exchange Commission of Pakistan		4	3	-	7	14	39	16	46	101
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	7.3	36	29	-	73	138	41	16	49	106
Amortisation of preliminary expenses and flotation costs		66	57	-	-	123	66	57	166	289
Auditors' remuneration		18	15	-	44	77	25	22	26	73
Fees and subscription		8	6	-	3	17	6	4	4	14
Bank charges		3	3	-	4	10	8	6	16	30
		157	135	-	191	483	192	128	308	628
Net (loss) / income from operating activities		(10,277)	(2,042)	-	6,903	(5,416)	9,135	1,911	8,500	19,546
Provision for Sindh Workers' Welfare Fund	9.1	181	41	-	(138)	84	-	(38)	-	(38)
Net (loss) / income for the period before taxation		(10,096)	(2,001)	-	6,765	(5,332)	9,135	1,874	8,500	19,509
Taxation	11	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation		(10,096)	(2,001)	-	6,765	(5,332)	9,135	1,874	8,500	19,509
Earnings per unit	12									

The annexed notes from 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 Financial Planning Fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2020 (CONTINUED)

	For the period				Quarter ended March 31, 2019					
	For the quarter	For the quarter	from October 1,	For the quarter						
	ended March 31,	ended March 31,	2019 to October	ended March 31,						
	2020	2020	10, 2019	2020						
Active	Conservative	Strategic	Special	Total	Active	Conservative	Strategic			
Allocation	Allocation	Allocation	Income		Allocation	Allocation	Allocation	Total		
Plan	Plan	Plan	Plan		Plan	Plan	Plan			
----- (Rupees in '000) -----										
Net (loss) / income for the period after taxation	(10,096)	(2,001)	-	6,765	(5,332)	9,135	1,874	8,500	19,509	
Other comprehensive income										
Items that will be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-	
Items that will not be reclassified subsequently to income statement	-	-	-	-	-	-	-	-	-	
Total comprehensive (loss) / income for the period	<u>(10,096)</u>	<u>(2,001)</u>	<u>-</u>	<u>6,765</u>	<u>(5,332)</u>	<u>9,135</u>	<u>1,874</u>	<u>8,500</u>	<u>19,509</u>	

The annexed notes from 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 Financial Planning Fund
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS AND PERIOD ENDED MARCH 31, 2020

	For the half year ended March 31, 2020	For the half year ended March 31, 2020	For the period from July 1, 2019 to October 10, 2019	For the period from September 16, 2019 to March 31, 2020	Nine months ended March 31, 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)									
CASH FLOWS FROM OPERATING ACTIVITIES									
Net (loss) / income for the period before taxation	(1,221)	2,150	2,458	11,743	15,130	(6,277)	2,917	(2,115)	(5,475)
Adjustments for:									
Capital (gain) / loss on sale of investment - net	(67)	(1,334)	(2,123)	(229)	(3,753)	5,332	(983)	2,049	6,398
Dividend income	(2,503)	(1)	(548)	(157)	(3,209)	(3,533)	(3,149)	(1,180)	(7,862)
Mark-up on bank deposits	(73)	(28)	(3)	(833)	(937)	(76)	(29)	(5)	(110)
Unrealized diminution / (appreciation) on re-measurement of investments classified as 'fair value through profit or loss' - net	3,353	(1,169)	-	(10,945)	(8,761)	3,785	673	306	4,764
Back-end load	-	-	-	(240)	(240)	-	-	-	-
Provision of Sindh Workers' Welfare fund	-	44	50	240	-	-	60	-	60
Amortisation of preliminary expenses and flotation costs	201	174	188	-	563	201	173	505	879
	(310)	(164)	22	(421)	(1,207)	(568)	(338)	(440)	(1,346)
Decrease / (increase) in assets									
Investments - net	47,703	17,773	171,581	(128,243)	108,814	164,377	64,710	31,513	260,600
Advances and prepayments	15	14	44	-	73	12	13	40	65
	47,718	17,787	171,625	(128,243)	108,887	164,389	64,723	31,553	260,665
(Decrease) / Increase in liabilities									
Payable to the Management Company	1	876	(14)	29	892	(25)	(5)	-	(30)
Payable to the Trustee	(4)	(1)	(15)	11	(9)	(44)	(18)	(20)	(82)
Payable to Securities and Exchange Commission of Pakistan	(156)	(82)	(175)	16	(397)	(69)	(35)	1	(103)
Accrued expenses and other liabilities	21	(1,347)	(42)	73	(1,295)	(23)	(26)	(29)	(78)
	(138)	(554)	(246)	129	(809)	(161)	(84)	(48)	(293)
Cash generated from / (used in) operations	47,270	17,069	171,401	(128,535)	106,871	163,660	64,301	31,065	259,026
Dividend received	2,503	1	548	157	3,209	3,533	3,149	1,180	7,862
Mark-up received on bank deposits	73	28	3	819	923	80	30	5	115
Back-end load	-	-	-	240	240	-	-	-	-
Net cash generated from / (used in) operating activities	49,846	17,098	171,952	(127,319)	111,243	167,273	67,480	32,250	267,003
CASH FLOWS FROM FINANCING ACTIVITIES									
Amount received on issue of units	2,546	43,900	1,538	152,733	200,717	726	99	-	825
Amount paid on redemption of units	(52,163)	(60,416)	(172,475)	(24,010)	(309,064)	(167,822)	(67,991)	(32,316)	(268,129)
Dividend paid	-	-	(823)	(314)	(1,137)	-	-	-	-
Net cash (used in) / generated from financing activities	(49,617)	(16,516)	(171,760)	128,409	(109,484)	(167,096)	(67,892)	(32,316)	(267,304)
Net increase / (decrease) in cash and cash equivalents during the period	229	582	192	1,090	1,759	177	(412)	(66)	(301)
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	1,522	613	233	1,090	3,124	1,455	30	83	1,568

The annexed notes from 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 Financial Planning Fund
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine months ended March 31, 2020			Nine months ended March 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
	Active Allocation Plan					
	(Rupees in '000)					
Net assets at beginning of the period	110,998	(8,393)	102,605	325,538	4,919	330,457
Issuance of 23,367 units (2019: 7,216 units)						
Capital value (at net asset value per unit at the beginning of the period)	2,266	-	2,266	740	-	740
Element of income / (loss)	280	-	280	(14)	-	(14)
Total proceeds on issuance of units	2,546	-	2,546	726	-	726
Redemption of 525,809 units (2019: 1,669,657 units)						
Capital value (at net asset value per unit at the beginning of the period)	(50,996)	-	(50,996)	(171,390)	-	(171,390)
Income already paid on redemption of units	-	-	-	-	-	-
Element of income	(1,167)	-	(1,167)	3,568	-	3,568
Total payments on redemption of units	(52,163)	-	(52,163)	(167,822)	-	(167,822)
Total comprehensive income / (loss) for the period	-	(1,221)	(1,221)	-	(6,277)	(6,277)
Net assets at end of the period	61,381	(9,614)	51,767	158,442	(1,358)	157,084
Accumulated (loss) / undistributed income brought forward						
Realised (loss) / income		(1,078)			6,342	
Unrealized loss		(7,315)			(1,423)	
		(8,393)			4,919	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		-			-	
Total comprehensive loss for the period		-			(6,277)	
Undistributed income / accumulated (loss) carried forward		(8,393)			(1,358)	
Undistributed income / accumulated (loss) carried forward						
Realised (loss) / income		(5,040)			2,427	
Unrealized (loss)		(3,353)			(3,785)	
		(8,393)			(1,358)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			96.9864			102.6500
Net assets value per unit at end of the period			93.1914			100.9000

The annexed notes from 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 Financial Planning Fund
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine months ended March 31, 2020			Nine months ended March 31, 2019		
	Conservative Allocation Plan					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	62,239	4,812	67,051	128,919	4,776	133,695
Issuance of 392,801 units (2019: 955 units)						
Capital value (at net asset value per unit at the beginning of the period)	40,783	-	40,783	98	-	98
Element of income	3,117	-	3,117	1	-	1
Total proceeds on issuance of units	43,900	-	43,900	99	-	99
Redemption of 554,746 units (2019: 647,476 units)						
Capital value (at net asset value per unit at the beginning of the period)	(57,597)	-	(57,597)	(67,183)	-	(67,183)
Income already paid on redemption of units	-	(74)	(74)	-	(813)	(813)
Element of income	(2,744)	-	(2,744)	5	-	5
Total payments on redemption of units	(60,341)	(74)	(60,415)	(67,178)	(813)	(67,991)
Total comprehensive income for the period	-	2,150	2,150	-	2,917	2,917
Net assets at end of the period	45,798	6,888	52,686	61,840	6,880	68,720
Undistributed income brought forward						
Realised income		7,045			3,501	
Unrealized (loss) / income		(2,233)			1,275	
		4,812			4,776	
Accounting income available for distribution						
Relating to capital gains		2,189			-	
Excluding capital gains		(113)			2,104	
		2,076			2,104	
Undistributed income carried forward		6,888			6,880	
Undistributed income carried forward						
Realised income		5,719			7,553	
Unrealized income / (loss)		1,169			(673)	
		6,888			6,880	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			103.8264			103.7607
Net assets value per unit at end of the period			108.8866			107.0455

The annexed notes from 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 Financial Planning Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE PERIOD FROM SEPTEMBER 16, 2019 TO MARCH 31, 2020 (CONTINUED)

	For the period from September 16, 2019 to March 31, 2020		
	Special Income Plan		
	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----		
Net assets at beginning of the period	-	-	-
Issuance of 1,530,015 units			
Capital value (at net asset value per unit at the beginning of the period)	153,001	-	153,001
Element of income	(268)	-	(268)
Total proceeds on issuance of units	152,733	-	152,733
Redemption of 233,148 units			
Capital value (at net asset value per unit at the beginning of the period)	(23,315)	-	(23,315)
Income already paid on redemption of units	-	(940)	(940)
Element of loss	245	-	245
Total payments on redemption of units	(23,070)	(940)	(24,010)
Total comprehensive income for the period	-	11,743	11,743
Refund of capital	(2)	-	(2)
Distribution during the period	-	(312)	(312)
	(2)	11,431	11,429
Net assets at end of the period	129,661	10,491	140,152
Undistributed income brought forward			
Realised income		-	
Unrealized income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		10,233	
Excluding capital gains		570	
		10,803	
Undistributed income carried forward		10,803	
Undistributed income carried forward			
Realised income		(142)	
Unrealized income		10,945	
		10,803	

(Rupees)

Net assets value per unit at beginning of the period

-

Net assets value per unit at end of the period

108.0698

The annexed notes from 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 Financial Planning Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2020

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 10, 2017.

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund currently has three different plans; namely, Active Allocation Plan, Conservative Allocation Plan and Special Income Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) from September 11, 2017 to October 10, 2017, the units of Strategic Allocation Plan were offered from August 07, 2017 to October 10, 2017 and the units of Special Income Plan were offered from June 11, 2019 to September 13, 2019. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual, however, 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 the 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 scheme(s) 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 scheme(s), income scheme(s) and money market scheme(s). 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 scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The plan commenced on October 11, 2017 for the duration of 24 months (two years) and matured on October 10, 2019.
- 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 scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk and 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. HBL Financial Planning Fund - Special Income Plan is due to mature on September 16, 2021, unless the Management Company decides otherwise.

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 MCBFSL as the 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of 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 audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2019, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2019.

2.1.4 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 March 31, 2020.

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.

This condensed interim financial information has been prepared following accrual basis of accounting, except for cash flow information.

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, JUDGEMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted for the preparation of this 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, unless otherwise stated.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan 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 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cyber security threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

4 BANK BALANCES

	Note	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)			
		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)			
In savings accounts	4.1	1,522	613	233	1,090	3,458	1,293	31	41	1,365

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 11.28% to 13% per annum (June 30, 2019: 10.28% to 13.5% per annum).

5 INVESTMENTS

	Note	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)			
		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)			
Financial assets classified at fair value through profit or loss										
Units of mutual funds	5.1	49,902	52,552	-	139,417	241,871	100,890	67,822	169,458	338,170

5.1 Units of Mutual Funds

Name of investee funds	Number of units				As at March 31, 2020			Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at March 31, 2020	Carrying amount	Market value	Appreciation / (diminution)	Net assets of the plan	Total investments of the plan
	(Rupees in '000)								
Active Allocation Plan									
HBL Cash Fund	502,169	82,297	405,594	178,872	18,032	18,237	205	35.23	36.55
HBL Stock Fund	468,065	195,769	337,881	325,953	28,754	24,535	(4,219)	47.40	49.17
HBL Income Fund	77,566	-	16,575	60,991	6,469	7,130	661	13.77	14.29
As at March 31, 2020 (Un-Audited)	1,047,800	278,066	760,050	565,816	53,255	49,902	(3,353)	96.40	100
As at June 30, 2019 (Audited)	3,081,646	1,011,208	3,045,054	1,047,800	108,205	100,890	(7,315)	90.31	100
Conservative Allocation Plan									
HBL Cash Fund	-	158,385	158,273	112	11	11	-	0.02	0.02
HBL Stock Fund	141,765	224,516	220,509	145,772	12,729	10,973	(1,756)	20.83	20.88
HBL Money Market Fund	539,425	112,002	280,574	370,853	38,642	41,568	2,926	78.90	79.10
As at March 31, 2020 (Un-Audited)	681,190	494,903	659,356	516,737	51,382	52,552	1,170	99.75	100
As at June 30, 2019 (Audited)	1,248,185	675,530	1,242,525	681,190	70,054	67,822	(2,232)	100	100
Strategic Allocation Plan									
HBL Cash Fund	177,043	5,435	182,478	-	-	-	-	-	-
HBL Stock Fund	440,522	-	440,522	-	-	-	-	-	-
HBL Income Fund	745,068	-	745,068	-	-	-	-	-	-
HBL Government Securities Fund	312,079	345,994	658,073	-	-	-	-	-	-
As at March 31, 2020 (Un-Audited)	1,674,712	351,429	2,026,141	-	-	-	-	-	-
As at June 30, 2019 (Audited)	1,922,296	1,382,079	1,629,662	1,674,713	174,424	169,458	(4,966)	100	100

Name of investee funds	Number of units				As at March 31, 2020			Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at March 31, 2020	Carrying amount	Market value	Appreciation / (diminution)	Net assets of the plan	Total investments of the plan
(Rupees in '000)									
Special Income Plan									
HBL Cash Fund	-	47,154	47,154	-	-	-	-	-	-
HBL Government Securities Fund	-	1,220,437	41,552	1,178,885	128,472	139,417	10,945	99.48	100.00
As at March 31, 2020 (Un-Audited)	-	1,267,591	88,706	1,178,885	128,472	139,417	10,945	99.48	100
As at June 30, 2019 (Audited)	-	-	-	-	-	-	-	-	-
Total as at March 31, 2020 (Un-Audited)	3,403,702	2,391,989	3,534,253	2,261,438	233,109	241,871	8,762		
Total as at June 30, 2019	6,252,127	3,068,817	5,917,241	3,403,703	352,683	338,170	(14,513)		

7 PAYABLE TO THE MANAGEMENT COMPANY

	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)			
	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) -----									
Remuneration payable of the Management Company	7.1	2	3	-	4	9	3	-	3
Sindh Sales Tax payable on the Management Company's remuneration	7.2	-	-	-	1	1	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	10	10	-	24	44	8	6	28
Sales Load		-	869	-	-	-	-	-	-
		12	882	-	29	54	11	6	31

- 7.1** As per the offering document of the Fund, the Management Company shall charge a fee at the rate not exceeding 1% of the average annual net assets on daily basis of the plans. 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.
- 7.2** 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.
- 7.3** As per Regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accountin , operation and valuation services related to a Collecti e Investment Scheme (CIS) are chargeable to the CIS. Previously, such expenses were chargeable maximum upto 0.1% of the average annual net assets on daily basis of the Scheme or the actual cost, whichever is lower. However, SECP vide S.R.O. 639(I)/2019, dated June 20, 2019, has removed the maximum limit of 0.1%.

During the period, the fee has been charged at the rate ranging between 0.1% to 0.2%, in case of Acti e Allocation Plan, Conservati e Allocation Plan and Strategic Allocation Plan and, at the rate of 0.2%, in case of Special Income Plan, of the daily annual net assets of the Fund. The fee is being charged at the rate of 0.2%, from July 8, 2019 onwards, in case of Acti e Allocation Plan and Conservati e Allocation Plan and, from September 16, 2019 onwards, in case of Special Income Plan. The fund has reversed the said expenses in Conservati e Allocation Plan and Strategic Allocation Plan pertaining to preceding year amounting o Rs. 0.075 million and Rs. 0.26 million, respecti ely.

9 ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)				
	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) -----										
Provision for Sindh Workers' Welfare Fund	9.1	111	170	155	240	676	111	126	105	342
Withholding tax payable		-	-	-	-	-	-	253	-	253
Printing charges payable		-	4	18	-	22	13	17	19	49
Auditors' remuneration		57	52	28	51	188	78	67	78	223
Others		231	1	12	24	268	177	1,067	3	1,247
		399	227	213	315	1,154	379	1,530	205	2,114

9.1 The legal status of applicability of Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the audited financial statements of the Fund for the year ended June 30, 2019. MUFAP has taken up the matter with the concerned ministry (Sindh Finance Ministry) for appropriate resolution of the matter which is pending.

As at March 31, 2020, the provision in relation to SWWF amounted to Rs. 0.111 million, Rs. 0.170 million, Rs. 0.155 million and Rs. 0.240 million in Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively (June 30, 2019: Rs. 0.111 million, Rs. 0.126 million, Rs. 0.105 million, respectively). Had the provision not been made, the net asset value per unit as at March 31, 2020 would have been higher by Rs. 0.20, Rs. 0.35, Nil and Rs. 0.19 per unit of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively (June 30, 2019: Rs. 0.105, Rs. 0.195, Rs. 0.061, respectively).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2020 (June 30, 2019: Nil).

11 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 its accounting income for the year, as reduced by the capital gains, whether realised or unrealized, is distributed to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute at least 90% of the Fund's accounting income, as reduced by the capital gains, whether realised or unrealized, for the year ending June 30, 2020, to its unit holders.

12 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in this condensed interim financial information, as, in the opinion of the Management Company, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

13 TRANSACTIONS WITH CONNECTED PERSONS

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

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative period and not in the current period are not disclosed in the comparative period.

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

13.1 Transactions during the period

	For the nine	For the nine	For the	For the	Total	Nine months ended March 31, 2019			
	months	months	period from	period from		Active	Conservative	Strategic	Total
	ended March	ended March	July 1, 2019	September		Allocation	Allocation	Allocation	
	31, 2020	31, 2020	to October	16, 2019 to		Plan	Plan	Plan	
	Active	Conservative	Strategic	Special					
	Allocation	Allocation	Allocation	Income		Allocation	Allocation	Allocation	Total
	Plan	Plan	Plan	Plan		Plan	Plan	Plan	
	(Rupees in '000)				(Un-Audited)	(Rupees in '000)			
HBL Asset Management Limited - Management Company									
Remuneration of the Management Company	9	9	-	61	79	19	11	5	35
Sindh Sales Tax on remuneration of the Management Company	1	2	-	8	11	2	1	1	4
Allocation of expenses related to registrar services, accounting, operation and valuation services	118	10	(169)	163	122	144	78	152	374
Issue of 4,120 (2019: Nil) units	-	-	412	-	412	-	-	-	-
Redemption of 1,003,322 (2019: Nil) units	-	-	100,332	-	100,332	-	-	-	-
Dividend income	-	-	485	-	485	-	-	-	-
Habib Bank Limited - Sponsor									
Bank charges	14	12	3	14	43	14	7	9	30
Mark-up on bank deposits	72	8	2	1	83	75	28	4	107
MCB Financial Services Limited - Trustee									
Remuneration of the Trustee	55	39	43	73	210	130	71	136	337
Sindh Sales Tax on remuneration of the Trustee	7	5	5	9	26	17	9	18	44
Asif Nadeem Minhas - Connected Person due to 10% holding									
Redemption of 9,199 (2019: Nil) units	962	-	-	-	962	-	-	-	-
Jamil Iqbal - Connected Person due to 10% holding									
Issue of 141,504 (2019: Nil) units	-	-	-	14,311	14,311	-	-	-	-
Shazia Afshan Minhas - Connected Person due to 10% holding									
Issue of 188,343 (2019: Nil) units	-	-	-	19,234	19,234	-	-	-	-
HBL Income Fund - CIS managed by the Management Company									
Purchase of Nil (2019: 71,498) units	-	-	-	-	-	8,000	-	-	8,000
Purchase of Nil (2019: 107,852) units	-	-	-	-	-	-	-	8,700	8,700
Redemption of 16,575 (2019: Nil) units	1,910	-	-	-	1,910	-	-	-	-
Redemption of 745,068 (2019: Nil) units	-	-	81,178	-	81,178	-	-	-	-
HBL Stock Fund - CIS managed by the Management Company									
Purchase of 195,769 (2019: 240,296) units	16,500	-	-	-	16,500	25,300	-	-	25,300
Purchase of 224,516 (2019: 38,156) units	-	20,319	-	-	20,319	-	3,900	-	3,900
Purchase of Nil (2019: 235,777) units	-	-	-	-	-	-	-	24,716	24,716
Redemption of 337,880 (2019: 1,393,404) units	29,451	-	-	-	29,451	143,087	-	-	143,087
Redemption of 220,509 (2019: 149,674) units	-	20,390	-	-	20,390	-	15,408	-	15,408
Redemption of 440,522 (2019: 413,959) units	-	-	36,967	-	36,967	-	-	41,640	41,640
HBL Cash Fund - CIS managed by the Management Company									
Purchase of 82,297 (2019: 540,402) units	8,303	-	-	-	8,303	48,033	-	-	48,033
Purchase of 158,385 (2019: 82,992) units	-	16,017	-	-	16,017	-	3,149	-	3,149
Purchase of 5,435 (2019: 235,733) units	-	-	548	-	548	-	-	21,780	21,780
Purchase of 47,154 (2019: Nil) units	-	-	-	4,757	4,757	-	-	-	-
Redemption of 405,595 (2019: 1,012,804) units	41,144	-	-	-	41,144	102,624	-	-	102,624
Redemption of 158,273 (2019: 544,083) units	-	16,038	-	-	16,038	-	56,350	-	56,350
Redemption of 182,478 (2019: 442,622) units	-	-	18,456	-	18,456	-	-	45,071	45,071
Redemption of 47,154 (2019: Nil) units	-	-	-	4,780	4,780	-	-	-	-
Dividend income	2,503	1	548	157	3,209	3,533	3,149	1,180	7,862
HBL Money Market Fund - CIS managed by the Management Company									
Purchase of 112,002 (2019: Nil) units	-	12,406	-	-	12,406	-	-	-	-
Redemption of 280,574 (2019: Nil) units	-	30,087	-	-	30,087	-	-	-	-
HBL Government Securities Fund - CIS managed by the Management Company									
Purchase of 345,994 (2019: Nil) units	-	-	36,967	-	36,967	-	-	-	-
Purchase of 1,220,437 (2019: Nil) units	-	-	-	133,000	133,000	-	-	-	-
Redemption of 658,073 (2019: Nil) units	-	-	72,496	-	72,496	-	-	-	-
Redemption of 41,552 (2019: Nil) units	-	-	-	4,734	4,734	-	-	-	-

	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)			
	Active	Conservative	Strategic	Special	Total	Active	Conservative	Strategic	Total
	Allocation	Allocation	Allocation	Income		Allocation	Allocation	Allocation	
Plan	Plan	Plan	Plan		Plan	Plan	Plan		
	(Rupees in '000)					(Rupees in '000)			
HBL Asset Management Limited - Management Company									
Remuneration payable of the Management Company	2	3	-	4	9	3	-	-	3
Sindh Sales Tax payable on remuneration of the Management Company	-	-	-	1	1	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	10	10	-	24	44	8	6	14	28
Units held: Nil (June 30, 2019: 999,202)	-	-	-	-	-	-	-	98,954	98,954
Habib Bank Limited - Sponsor									
Mark-up accrued	-	-	-	-	-	-	-	-	-
Bank balances	1,510	436	220	324	2,490	1,283	9	28	1,320
MCB Financial Services Limited - Trustee									
Remuneration payable of the Trustee	4	4	-	10	18	8	5	13	26
Sindh Sales Tax payable on remuneration of the Trustee	1	1	-	1	3	1	1	2	4
Patient Welfare Association - Connected Person due to 10% holding									
Units held: 400,000 (June 30, 2019: 400,000)	-	43,555	-	-	43,555	-	41,531	-	41,531
Asif Nadeem Minhas - Connected Person due to 10% holding									
Units held: 95,279 (June 30, 2019: 104,477)	8,879	-	-	-	8,879	10,133	-	-	10,133
Safia Aziz Mirza - Connected Person due to 10% holding									
Units held: Nil (June 30, 2019: 149,247)	-	-	-	-	-	14,475	-	-	14,475
Shahida Saleem - Connected Person* due to 10% holding									
Units held: 48,606	-	5,293	-	-	5,293	-	-	-	-
Shazia Afshan Minhas - Connected Person due to 10% holding									
Units held: 188,611 (June 30, 2019: Nil)	-	-	-	20,383	20,383	-	-	-	-
Jamil Iqbal - Connected Person due to 10% holding									
Units held: 141,504 (June 30, 2019: Nil)	-	-	-	15,292	15,292	-	-	-	-
HBL Income Fund - CIS managed by the Management Company									
Units held: 60,991 (June 30, 2019: 77,566)	7,130	-	-	-	7,130	8,227	-	-	8,227
Units held: Nil (June 30, 2019: 745,068)	-	-	-	-	-	-	-	79,030	79,030
HBL Stock Fund - CIS managed by the Management Company									
Units held: 325,953 (June 30, 2019: 468,065)	24,535	-	-	-	24,535	42,046	-	-	42,046
Units held: 145,772 (June 30, 2019: 141,765)	-	10,973	-	-	10,973	-	12,735	-	12,735
Units held: Nil (June 30, 2019: 440,522)	-	-	-	-	-	-	-	39,572	39,572
HBL Cash Fund - CIS managed by the Management Company									
Units held: 178,872 (June 30, 2019: 502,169)	18,237	-	-	-	18,237	50,616	-	-	50,616
Units held: 112 (June 30, 2019: Nil)	-	11	-	-	11	-	-	-	-
Units held: Nil (June 30, 2019: 177,043)	-	-	-	-	-	-	-	17,845	17,845
HBL Money Market Fund - CIS managed by the Management Company									
Units held: 370,853 (June 30, 2019: 539,425)	-	41,568	-	-	41,568	-	55,087	-	55,087
HBL Government Securities Fund - CIS managed by the Management Company									
Units held: Nil (June 30, 2019: 312,079)	-	-	-	-	-	-	-	33,012	33,012
Units held: 1,178,885 (June 30, 2019: Nil)	-	-	-	139,417	139,417	-	-	-	-

*Comparative transactions / balances of these parties have not been disclosed as these parties were not related parties in the last period

14 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 the mutual funds, are based on the quoted NAVs at the close of the period end date. The quoted NAVs 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 arms length basis.

As per the requirements of IFRS 13 (Fair Value Measurements), 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.

		March 31, 2020 (Un-Audited)						
		Active Allocation Plan						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets measured at fair value								
Investments		49,902	-	49,902	49,902	-	-	49,902
		49,902	-	49,902	49,902	-	-	49,902
Financial assets not measured at fair value								
Bank balances	14.1	-	1,522	1,522				
		-	1,522	1,522				
Financial liabilities not measured at fair value								
Payable to the Management Company	14.1	-	12	12				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	60	60				
		-	76	76				

		June 30, 2019 (Audited)						
		Active Allocation Plan						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		Note ----- (Rupees in '000) -----						
	Investments	100,890	-	100,890	100,890	-	-	100,890
		<u>100,890</u>	<u>-</u>	<u>100,890</u>	<u>100,890</u>	<u>-</u>	<u>-</u>	<u>100,890</u>
Financial assets not measured at fair value		14.1						
	Bank balances	-	1,293	1,293				
		<u>-</u>	<u>1,293</u>	<u>1,293</u>				
Financial liabilities not measured at fair value		14.1						
	Payable to the Management Company	-	11	11				
	Payable to the Trustee	-	8	8				
	Accrued expenses and other liabilities	-	93	93				
		<u>-</u>	<u>112</u>	<u>112</u>				

		March 31, 2020 (Un-Audited)						
		Conservative Allocation Plan						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		Note ----- (Rupees in '000) -----						
	Investments	52,552	-	52,552	52,552	-	-	52,552
		<u>52,552</u>	<u>-</u>	<u>52,552</u>	<u>52,552</u>	<u>-</u>	<u>-</u>	<u>52,552</u>
Financial assets not measured at fair value		14.1						
	Bank balances	-	613	613				
		<u>-</u>	<u>613</u>	<u>613</u>				
Financial liabilities not measured at fair value		14.1						
	Payable to the Management Company	-	882	882				
	Payable to the Trustee	-	4	4				
	Accrued expenses and other liabilities	-	55	55				
		<u>-</u>	<u>941</u>	<u>941</u>				

		June 30, 2019 (Audited)						
		Conservative Allocation Plan						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		Note ----- (Rupees in '000) -----						
	Investments	67,822	-	67,822	67,822	-	-	67,822
		<u>67,822</u>	<u>-</u>	<u>67,822</u>	<u>67,822</u>	<u>-</u>	<u>-</u>	<u>67,822</u>
Financial assets not measured at fair value		14.1						
	Bank balances	-	31	31				
		<u>-</u>	<u>31</u>	<u>31</u>				
Financial liabilities not measured at fair value		14.1						
	Payable to the Management Company	-	6	6				
	Payable to the Trustee	-	5	5				
	Payable against redemption of units	-	1	1				
	Accrued expenses and other liabilities	-	1,151	1,151				
		<u>-</u>	<u>1,163</u>	<u>1,163</u>				

March 31, 2020 (Un-Audited)							
Strategic Allocation Plan							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----							
Financial assets measured at fair value							
Investments	-	-	-	-	-	-	
Financial assets not measured at fair value							
Bank balances	-	233	233	-	-	-	
Financial liabilities not measured at fair value							
Payable against redemption of units	-	11	11	-	-	-	
Accrued expenses and other liabilities	-	58	58	-	-	-	
	-	69	69	-	-	-	

June 30, 2019 (Audited)							
Strategic Allocation Plan							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----							
Financial assets measured at fair value							
Investments	169,458	-	169,458	169,458	-	-	169,458
Financial assets not measured at fair value							
Bank balances	-	41	41	-	-	-	
Financial liabilities not measured at fair value							
Payable to the Management Company	-	14	14	-	-	-	
Payable to the Trustee	-	13	13	-	-	-	
Accrued expenses and other liabilities	-	100	100	-	-	-	
	-	127	127	-	-	-	

March 31, 2020 (Un-Audited)							
Special Income Plan							
Carrying amount			Fair Value				
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----							
Financial assets measured at fair value							
Investments	139,417	-	139,417	139,417	-	-	139,417
Financial assets not measured at fair value							
Bank balances	-	1,090	1,090	-	-	-	
Mark-up accrued	-	14	14	-	-	-	
Financial liabilities not measured at fair value							
Payable to the Management Company	-	28	28	-	-	-	
Payable to the Trustee	-	10	10	-	-	-	
Accrued expenses and other liabilities	-	30	30	-	-	-	
	-	68	68	-	-	-	

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 repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

14.2 Transfers during the period

No transfers were made between various levels of fair value hierarchy during the period.

15 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 half year ended March 31, 2020 is 0.64%, 0.67%, 0.13% and 0.44% (March 31, 2019: 0.40%, 0.54%, 0.54%), which includes 0.02%, 0.11%, 0.08% and 0.18% (March 31, 2019: 0.05%, 0.07%, 0.05%) representing government levy and SECP fee, of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Special Income Plan, respectively.

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorized for issue on April 29, 2020 by the Board of Directors of the Management Company.

17 GENERAL

17.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

17.2 Corresponding figures have been arranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

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 March 31, 2020

Note	March 31, 2020 (Un-Audited)			June 30, 2019 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
	(Rupees in '000)						
Assets							
Bank balances	4	318,021	322,161	640,182	127,708	786,197	913,905
Investments	5	3,690,561	1,305,973	4,996,534	4,556,990	4,101,848	8,658,838
Dividend receivable and accrued mark-up		7,756	21,976	29,732	187,264	8,480	195,744
Deposits, prepayments and other receivables		675	3,390	4,065	184	3,101	3,285
Total assets		4,017,013	1,653,500	5,670,513	4,872,146	4,899,626	9,771,772
Liabilities							
Payable to the Management Company	6	23,127	7,596	30,723	14,910	13,538	28,448
Payable to the Trustee		549	245	794	561	578	1,139
Payable to the Securities and Exchange Commission of Pakistan		792	418	1,210	6,017	4,876	10,893
Payable against purchase of investment		-	3,747	3,747	-	2,079	2,079
Accrued expenses and other liabilities	7	2,465	167,808	170,273	2,363	280,915	283,278
Unclaimed dividend		-	133,168	133,168	-	134,158	134,158
Total liabilities		26,933	312,983	339,915	23,851	436,144	459,995
Net assets		3,990,079	1,340,517	5,330,598	4,848,295	4,463,482	9,311,777
Unit holders' fund (as per statement attached)		3,990,079	1,340,517	5,330,598	4,848,295	4,463,482	9,311,777
Contingencies and commitments							
	8	-----Number of units-----					
Number of units in issue		<u>283,500,000</u>	<u>98,174,772</u>		<u>283,500,000</u>	<u>277,434,381</u>	
		----- (Rupees) -----					
Net assets value per unit		<u>14.0744</u>	<u>13.6544</u>		<u>17.1016</u>	<u>16.0884</u>	

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 Growth Fund

Condensed Interim Income Statement (Un-Audited)

For the Nine Months and Quarter ended March 31, 2020

Note	Nine Months ended March 31, 2020			Nine Months ended March 31, 2019			Quarter ended March 31, 2020			Quarter ended March 31, 2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)												
Income												
Capital gain/(loss) on sale of investments - net	50	111,856	111,906	-	(86,076)	(86,076)	-	29,661	29,661	-	(11,220)	(11,220)
Dividend income	114,020	101,074	215,094	95,017	170,349	265,366	-	19,404	19,404	-	54,003	54,003
Mark-up on deposits with banks	23,547	41,996	65,543	10,879	55,398	66,277	8,650	11,315	19,965	4,801	20,537	25,338
Mark-up on investments	6,322	2,503	8,825	-	-	-	2,292	-	2,292	-	-	-
Back end load	-	-	-	-	7,821	7,821	-	-	-	-	3,250	3,250
	143,938	257,429	401,367	105,896	147,492	253,388	10,942	60,380	71,322	4,801	66,569	71,370
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	(327,510)	(327,510)	-	(310,535)	(310,535)	78	(584,187)	(584,109)	-	300,699	300,699
	143,938	(70,082)	73,857	105,896	(163,043)	(57,147)	11,020	(523,807)	(512,787)	4,801	367,268	372,069
Expenses												
Remuneration of the Management Company	87,423	45,314	132,737	114,134	89,648	203,782	33,319	10,923	44,242	34,476	28,913	63,389
Remuneration of the Trustee	5,013	2,680	7,693	6,226	4,908	11,134	1,872	622	2,494	1,878	1,570	3,448
Annual fee to the Securities and Exchange Commission of Pakistan	792	418	1,210	4,798	3,769	8,567	295	97	392	1,449	1,248	2,697
Allocation of expenses related to registrar services, accounting, operation and valuation services	10,124	5,798	15,922	5,050	4,033	9,083	4,068	1,337	5,405	1,525	1,346	2,871
Selling and marketing expense	30,739	15,826	46,565	20,044	15,613	35,657	12,412	4,072	16,484	6,101	5,118	11,219
Settlement and bank charges	11	1,086	1,097	9	1,100	1,109	1	207	208	4	389	393
Auditors' remuneration	389	221	610	283	158	441	219	66	285	107	14	121
Fees and subscription	1,067	31	1,098	1,194	452	1,646	480	(33)	447	983	148	1,131
Conversion expense from closed end to open end fund	-	-	-	-	396	396	-	-	-	-	-	-
Securities transaction charges	-	11,333	11,333	-	8,330	8,330	-	1,525	1,525	-	2,913	2,913
	135,558	82,708	218,265	151,738	128,407	280,145	52,666	18,816	71,482	46,523	41,659	88,182
Net Income/(loss) operating activities	8,380	(152,789)	(144,408)	(45,842)	(291,450)	(337,292)	(41,646)	(542,623)	(584,269)	(41,722)	325,609	283,887
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare fund	7.1	(168)	(168)	-	-	-	16	16	16	-	-	-
Net Income/(loss) for the period before taxation	8,213	(152,789)	(144,576)	(45,842)	(291,450)	(337,292)	(41,630)	(542,623)	(584,253)	(41,722)	325,609	283,887
Taxation	9	-	-	-	-	-	-	-	-	-	-	-
Net Income/(loss) for the period after taxation	8,213	(152,789)	(144,576)	(45,842)	(291,450)	(337,292)	(41,630)	(542,623)	(584,253)	(41,722)	325,609	283,887
Allocation of net income for the period:												
Income already paid on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution:												
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-
	8,213	(152,789)	(144,576)	(45,842)	(291,450)	(337,292)	(41,630)	(542,623)	(584,253)	(41,722)	325,609	283,887

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 Growth Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine Months and Quarter ended March 31, 2020

	Nine Months Ended March 31,						Quarter Ended March 31,					
	2020			2019			2020			2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	-----[Rupees in '000]-----											
Net income/(loss) for the period after taxation	8,213	(152,789)	(144,576)	(45,842)	(291,450)	(337,292)	(41,630)	(542,623)	(584,253)	(41,722)	325,609	283,887
Items that will not be reclassified to income statement												
Unrealised diminution on re-measurement of investments classified as fair value through other comprehensive income	(866,429)	-	(866,429)	(1,368,058)	-	(1,368,058)	(2,308,589)	-	(2,308,589)	(230,364)	-	(230,364)
Total comprehensive loss for the period	(858,216)	(152,789)	(1,011,005)	(1,413,900)	(291,450)	(1,705,350)	(2,350,219)	(542,623)	(2,892,842)	(272,086)	325,609	53,523

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 Growth Fund

Statement of Movement in Unit Holders' Fund

For the Nine Months ended March 31, 2020

	2020					2019										
	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	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total
(Rupees)																
Net assets at beginning of the 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	1,226,556	5,621,904	2,992,500	12,675,960	-	-	-
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	984,688	-	(984,688)	-	-	-	-
Issue of 283,500,000 Class B units at the time of conversion	-	-	-	-	-	-	-	-	-	(5,443,546)	-	-	(5,443,546)	2,835,000	2,608,546	5,443,546
Issue of 5,754,308 units (2019: 1,488,105 units)	-	-	-	-	-	92,578	-	92,578	-	-	-	-	-	24,806	-	24,806
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	14,665	-	14,665	-	-	-	-	-	(75)	-	(75)
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	107,243	-	107,243	-	-	-	-	-	24,731	-	24,731
Redemption of 185,013,916 units (2019: 167,344,178 units)	-	-	-	-	-	(2,976,578)	-	(2,976,578)	-	-	-	-	-	134,287	-	134,287
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	-	-	-	-	(268,354)	-	(268,354)
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Relating to net income for the year after tax on	-	-	-	-	-	(100,840)	-	(100,840)	-	-	-	-	-	-	-	-
Total payment on redemption of units	-	-	-	-	-	(3,077,418)	-	(3,077,418)	-	-	-	-	-	(134,067)	-	(134,067)
Income available for distribution	-	8,213	(866,429)	-	(858,216)	-	(152,789)	(152,789)	-	(45,182)	(1,368,058)	-	(1,413,240)	-	(291,450)	(291,450)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution during the year period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income for the period less distribution	-	8,213	(866,429)	-	(858,216)	-	(152,789)	(152,789)	-	(45,182)	(1,368,058)	-	(1,413,240)	-	(291,450)	(291,450)
Net assets at end of the period	2,835,000	(3,122,918)	2,270,185	2,007,812	3,990,079	(249,564)	1,590,082	1,340,517	2,835,000	(3,278,144)	4,253,846	2,007,812	5,818,514	(109,336)	2,317,096	5,042,760
Undistributed loss brought forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	-	(3,131,131)	-	-	-	-	1,742,871	-	-	1,518,756	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-	-	-	-	(292,200)	-	-	-	-	-	-
	-	(3,131,131)	-	-	-	-	1,742,871	-	-	1,226,556	-	-	-	-	-	-
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	984,688	-	-	-	-	-	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	(5,443,546)	-	-	-	2,608,546	-	-
Accounting income available for distribution:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income/(loss) available for distribution	-	8,213	-	-	-	-	(152,789)	-	-	(45,842)	-	-	-	-	(291,450)	-
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(3,122,918)	-	-	-	-	1,590,082	-	-	(3,278,144)	-	-	-	2,317,096	-	-
(Accumulated loss) / Undistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised	-	(3,122,918)	-	-	-	-	1,917,592	(327,510)	-	(3,278,144)	-	-	-	2,602,720	(611,234)	-
- Unrealised	-	-	-	-	-	-	-	-	-	-	-	-	-	(611,234)	-	-
	-	(3,122,918)	-	-	-	-	1,590,082	-	-	(3,278,144)	-	-	-	2,317,096	-	-
Net assets value per unit at beginning of the period	17.1016	-	-	-	-	-	16.0884	-	25.5112	-	-	-	-	19.2012	-	-
Net assets value per unit at end of the period	14.0744	-	-	-	-	-	13.6544	-	20.5239	-	-	-	-	18.1565	-	-

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 Non-Financial Institutions 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 Nine Months ended March 31, 2020

	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
Cash flow from operating activities						
Net Income/(loss) for the period before tax on	8,213	(152,789)	(144,576)	(45,842)	(291,450)	(337,292)
Adjustments of non-cash items						
Capital gain on sale of investments - net	(50)	(111,856)	(111,906)	-	86,076	86,076
Unrealised gain/(loss) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	327,510	327,510	-	310,535	310,535
Dividend income	(114,020)	(101,074)	(215,094)	(95,017)	(170,349)	(265,366)
Income on Government securities	(6,322)	(2,503)	(8,825)	-	-	-
Mark-up on deposits with banks	(23,547)	(41,996)	(65,543)	(10,879)	(55,398)	(66,277)
	(135,726)	(82,708)	(218,434)	(151,738)	(120,586)	(272,324)
(Increase) / Decrease in assets						
Investments	6,372	2,582,723	2,589,095	-	97,359	97,359
Security deposits	(491)	(289)	(780)	(709)	(374)	(1,083)
	5,881	2,582,434	2,588,315	(709)	96,985	96,276
Increase / (decrease) in liabilities						
Payable to Management Company	8,217	(5,942)	2,275	17,875	(9,624)	8,251
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(333)	(345)	660	(140)	520
Payable to the Securities and Exchange Commission of Pakistan	(5,225)	(4,458)	(9,683)	4,798	(8,628)	(3,830)
Payable against purchase of investment	-	1,668	1,668	-	(22,747)	(22,747)
Accrued expenses and other liabilities	102	(113,107)	(113,005)	223	(2,318)	(2,095)
Unclaimed dividend	-	(990)	(990)	-	(937)	(937)
	3,082	(123,162)	(120,080)	23,556	(44,394)	(20,838)
Cash (used in) / generated from operations	(126,763)	2,376,565	2,249,802	(128,891)	(67,995)	(196,886)
Dividend received	296,015	85,365	381,380	282,777	127,828	410,605
Mark-up received on bank deposit	21,060	44,209	65,269	9,295	53,098	62,393
	317,075	129,574	446,649	292,072	180,926	472,998
Net cash generated from operating activities	190,312	2,506,139	2,696,451	163,180	112,931	276,112
Cash flow from financing activities						
Amount received on issue of units	-	107,243	107,243	-	24,731	24,731
Amount paid on redemption of units	-	(3,077,418)	(3,077,418)	-	(134,067)	(134,067)
Dividend paid	-	-	-	-	-	-
Net cash used in financing activities	-	(2,970,175)	(2,970,175)	-	(109,336)	(109,336)
Net increase in cash and cash equivalents	190,312	(464,036)	(273,724)	163,180	3,595	166,775
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	4 318,021	322,161	640,182	163,180	732,773	895,953

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 Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine Months ended March 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Growth Fund was established under a Trust Deed, 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 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** VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (Positive outlook) 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

- 2.1.1** This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

-
-
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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 the condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

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 in the preparation of this condensed interim financial information are consistent with 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 the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in the condensed interim financial information.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

	March 31, 2020			June 30, 2019			
	Class A	Class B	Total	Class A	Class B	Total	
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
4. BANK BALANCES							
Balances with banks in:							
Savings account	318,021	322,161	640,182	127,708	786,197	913,905	
4.1	This represents bank accounts held with different banks. Mark-up rates on these accounts range between 11.0% to 14.05% p.a (June 30, 2019: 5.35% - 13.50% p.a).						
			(Unaudited)			(Audited)	
			March 31, 2020			June 30, 2019	
Note	Class A	Class B	Total	Class A	Class B	Total	
	----- (Rupees in '000) -----			----- (Rupees in '000) -----			
5. INVESTMENTS							
At fair value through profit or loss							
- Listed equity securities	5.1	-	1,305,973	1,305,973	-	4,101,848	4,101,848
- Government securities	5.2	-	-	-	-	-	-
At fair value through other comprehensive income							
- Listed equity securities	5.3	3,690,561	-	3,690,561	4,556,990	-	4,556,990
		3,690,561	1,305,973	4,996,534	4,556,990	4,101,848	8,658,838

5.1 Listed equity securities - t fair value through profit and loss

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

Name of the Investee Company	Number of shares				Balance as at March 31, 2020	Market value (Rupees in '000)	Percentage in relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period			As at March 31, 2020	Net Assets of the fund	Total Investments
CLASS B									
INSURANCE									
Adamjee Insurance Co Ltd	1,221,500	318,000	-	854,500	685,000	18,242	1.36%	1.40%	0.20%
TPL Insurance Limited	1,695	750,000	-	-	751,695	13,801	1.03%	1.06%	1.00%
	1,223,195	1,068,000	-	854,500	1,436,695	32,043			
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Ltd	-	1,451,000	-	836,000	615,000	14,176	1.06%	1.09%	0.17%
Interloop Limited	1,578,415	329,000	-	1,476,000	431,415	15,471	1.15%	1.18%	4.96%
Kohinoor Textile Mills Limited	714,500	-	-	714,500	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	1,031,900	781,500	-	1,431,400	382,000	22,435	1.67%	1.72%	0.11%
	3,324,815	2,561,500	-	4,457,900	1,428,415	52,081			
CEMENT									
Cherat Cement Company Ltd.	-	282,000	-	33,000	249,000	13,792	1.03%	1.06%	0.14%
Kohat Cement Ltd	382,500	210,500	-	397,000	196,000	17,101	1.28%	1.31%	0.15%
Lucky Cement Limited	298,800	247,900	-	323,300	223,400	82,814	6.18%	6.34%	0.07%
Maple Leaf Cement Factory Limited	-	3,058,000	-	2,160,000	898,000	18,607	1.39%	1.42%	0.17%
	681,300	3,798,400	-	2,913,300	1,566,400	132,314			
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	3,419,856	699,500	-	3,018,000	1,101,356	75,190	5.61%	5.76%	0.08%
K-Electric Limited	10,610,500	1,050,000	-	6,835,000	4,825,500	13,656	1.02%	1.05%	0.02%
Nishat Chunian Power Limited	1,101,000	-	-	1,101,000	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	1,600,000	50,000	-	1,650,000	-	-	0.00%	0.00%	0.00%
	16,731,356	1,799,500	-	12,604,000	5,926,856	88,846			
ENGINEERING									
Aisha Steel Mills Limited - Pref. Shares	257,327	-	-	-	257,327	2,831	0.21%	0.22%	0.58%
Aisha Steel Mills Limited - Conv. Cum. Pref. Shares	1,628,663	-	-	-	1,628,663	70,033	5.22%	5.36%	55.94%
International Industries Ltd	-	92,000	-	2,000	90,000	6,801	0.51%	0.52%	0.08%
International Steels Limited	-	573,000	-	334,000	239,000	8,649	0.65%	0.66%	0.05%
	1,885,990	665,000	-	336,000	2,214,990	88,314			

Name of the Investee Company	Number of shares					Balance as at March 31, 2020	Percentage in relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2020	Market value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paidup Capital
TRANSPORT									
Pakistan National Shipping Corporation Limited	140,500	266,500	-	169,000	238,000	12,640	0.94%	0.97%	0.18%
	140,500	266,500	-	169,000	238,000	12,640			
PHARMACEUTICALS									
AGP Limited	400,000	221,000	-	439,500	181,500	14,974	1.12%	1.15%	0.01%
GlaxoSmithKline Pakistan Ltd	-	98,800	-	-	98,800	16,701	1.25%	1.28%	0.03%
Highnoon Laboratories Limited	32,000	69,000	-	40,500	60,500	30,163	2.25%	2.31%	0.01%
The Searle Company Limited	147,853	121,000	-	172,000	96,853	15,191	1.13%	1.16%	0.05%
	579,853	509,800	-	652,000	437,653	77,029			
PAPER & BOARD									
Century Paper & Board Mills Limited	294,000	125,000	-	258,500	160,500	7,417	0.55%	0.57%	0.11%
	294,000	125,000	-	258,500	160,500	7,417			
GLASS & CERAMICS									
Tariq Glass Industries Limited	-	124,500	-	124,500	-	-	0.00%	0.00%	0.00%
	-	124,500	-	124,500	-	-			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	280,214	32,040	15,839	252,620	75,473	67,254	5.02%	5.15%	0.07%
Oil & Gas Development Company Limited	2,478,100	609,500	-	2,356,500	731,100	56,287	4.20%	4.31%	0.02%
Pakistan Oilfields Limited	453,460	80,200	-	533,660	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	1,697,730	1,087,000	222,606	2,265,300	742,036	53,286	3.98%	4.08%	0.04%
	4,909,504	1,808,740	238,445	5,408,080	1,548,609	176,827			
OIL & GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	924,280	510,000	97,776	1,217,100	314,956	38,267	2.85%	2.93%	0.10%
Sui Northern Gas Pipeline Limited	921,700	477,000	-	688,500	710,200	26,206	1.95%	2.01%	0.11%
	1,845,980	987,000	97,776	1,905,600	1,025,156	64,474			
COMMERCIAL BANKS									
Allied Bank Limited	1,392,300	173,300	-	1,217,400	348,200	24,764	1.85%	1.90%	0.03%
Bank Al-Falah Limited	5,190,550	1,658,000	-	4,239,500	2,609,050	82,994	6.19%	6.35%	0.16%
Bank Al-Habib Limited	1,976,000	822,500	-	1,945,500	853,000	45,951	3.43%	3.52%	0.08%
Bank of Punjab Limited	9,620,500	5,189,000	-	10,020,000	4,789,500	36,688	2.74%	2.81%	0.91%
BankIslami Pakistan Limited	-	603,000	-	-	603,000	5,439	0.41%	0.42%	0.11%
Faysal Bank Limited	25,250	-	-	-	25,250	350	0.03%	0.03%	0.00%
Habib Bank Limited*	1,925,500	711,500	-	2,264,500	372,500	38,453	2.87%	2.94%	0.03%
MCB Bank Limited	651,700	444,800	-	857,300	239,200	35,708	2.66%	2.73%	0.02%
National Bank of Pakistan Limited	987,000	1,855,000	-	2,114,000	728,000	20,573	1.53%	1.58%	0.03%
United Bank Limited	1,214,900	464,300	-	1,117,700	561,500	56,605	4.22%	4.33%	0.05%
	22,983,700	11,921,400	-	23,775,900	11,129,200	347,525			
FERTILIZER									
Engro Corporation Limited	1,026,770	199,500	-	938,400	287,870	76,833	5.73%	5.88%	0.05%
Engro Fertilizers Limited	2,237,000	776,000	-	2,592,500	420,500	24,246	1.81%	1.86%	0.03%
Fauji Fertilizer Company Limited	1,466,500	911,100	-	1,940,500	437,100	40,655	3.03%	3.11%	0.03%
	4,730,270	1,886,600	-	5,471,400	1,145,470	141,733			
CHEMICAL									
Engro Polymer & Chemicals Limited	3,299,199	2,217,000	-	4,284,500	1,231,699	30,201	2.25%	2.31%	2.31%
Loe Chemical Pakistan Limited	1,476,000	2,396,500	-	3,872,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	28,200	69,900	-	13,500	84,600	20,275	1.51%	1.55%	1.55%
	4,803,399	4,683,400	-	8,170,500	1,316,299	50,476			
AUTOMOBILE PARTS & ACCESSORIES									
Thal Limited	416,600	76,300	-	376,300	116,600	34,255	2.56%	2.62%	0.14%
	416,600	76,300	-	376,300	116,600	34,255			

Name of the Investee Company	Number of shares					Balance as at March 31, 2020	Percentage in Relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2020	Market Value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paidup Capital
TECHNOLOGY & COMMUNICATION									
Systems Limited	-	50,000	-	50,000	-		0.00%	0.00%	-
	-	50,000	-	50,000	-				
Total as at March 31, 2020 (Unaudited)	64,550,462	32,331,640	336,221	67,527,480	29,690,843	1,305,973			
Total as at June 30, 2019 (Audited)	57,003,556	57,051,202	1,093,752	50,598,058	64,550,462	4,101,848			
Cost at March 31, 2020						1,633,484			

*Sponsor of the Management Company

5.1.1 These investments includes shares having market value of 114.423 million (2019: 292.264 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Pakistan Stock Exchange.

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 (MUFAP), 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 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 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. 0.735 million at March 31, 2020 (June 30, 2019: Rs. 0.839 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.

5.2 Investment in government securities - 'at fair value through profit or loss'

Class A

Issue date	Tenor	Face value			As at March 31, 2020 ('000)	Market value as at March 31, 2020 ('000)	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the period ('000)	Sales / matured during the period ('000)			

----- Rupees in '000' -----

24-Oct-19	3 months	-	225,000	225,000	-	-	
7-Nov-19	3 months	-	225,000	225,000	-	-	0.00%
Total as at March 31, 2020		-	450,000	450,000	-	-	

Carrying value as at 'March 31, 2020

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Class B

Issue date	Tenor	Face value			As at March 31, 2020 ('000)	Market value as at March 31, 2020 ('000)	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the period ('000)	Sales / matured during the period ('000)			
24-Oct-19	3 months	-	175,000	175,000	-	-	-
7-Nov-19	3 months	-	145,000	145,000	-	-	-
Total as at March 31, 2020		-	320,000	320,000	-	-	-

----- Rupees in '000' -----

Carrying value as at 'March 31, 2020

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5.3 Listed equity securities - At fair value through other comprehensive income

Name of the Investee Company	Number of shares					Balance as at 31 March 2020	Percentage in Relation to		
	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2020	Market Value (Rupees in '000)	Net Assets of the fund	Total Investments	Investee Paid up Capital
CLASS A									
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	22,804,087	-	4,560,817	-	27,364,904	3,324,836	83.33%	90.09%	8.39%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	365,725	9.17%	9.91%	1.56%
Total March 31, 2020 (Unaudited)	32,715,333	-	4,560,817	-	37,276,150	3,690,561			
Total June 30, 2019 (Audited)	28,914,652	-	3,800,681	-	32,715,333	4,556,990			
Cost at 31 March 2020						1,420,375			

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 NB C Regulations, 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 (MUFAP), 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 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 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. 27.71 million at March 31, 2020 (June 30, 2019: Rs. 32.325) 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)			(Audited)			
	March 31,			June 30,			
	Class A	Class B	Total	Class A	Class B	Total	
	------(Rupees in '000)-----			------(Rupees in '000)-----			
6. PAYABLE TO MANAGEMENT COMPANY							
Management fee	8,023	2,638	10,661	8,284	7,524	15,808	
Sindh sales tax	1,043	343	1,386	1,077	978	2,055	
Sale load payable	-	1	-	-	-	-	
Allocation of expenses relating to registrar services, accounting, operation and valuation services	1,649	542	2,191	414	376	790	
Selling and marketing expenses	12,412	4,072	16,484	5,135	4,660	9,795	
	<u>23,127</u>	<u>7,596</u>	<u>30,722</u>	<u>14,910</u>	<u>13,538</u>	<u>28,448</u>	
7. ACCRUED EXPENSES AND OTHER LIABILITIES							
Provision for Sindh Workers' Welfare Fund	7.1	2,232	40,775	43,007	2,065	40,775	42,840
Provision for Federal Excise Duty							
Sales tax on Management Fee	7.2	-	125,303	125,303	-	125,303	125,303
Brokerage		-	550	550	-	624	624
Auditors' remuneration		211	103	314	258	194	452
National Clearing Company Pakistan Limited Charges		-	31	31	-	45	45
Withholding tax		16	74	90	12	54	66
Payable to Class A		-	-	-	-	113,070	113,070
Others		6	973	979	28	850	878
		<u>2,465</u>	<u>167,808</u>	<u>170,274</u>	<u>2,363</u>	<u>280,915</u>	<u>283,278</u>

7.1 PROVISION FOR 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, being prudent, the Fund has recognised provision for SWWF amounting to Rs. 2.232 million for class A and Rs 40.775 million for Class B (June 30, 2019 Rs 2.065 million of Class A and Rs. 40.775 million for Class B) in this condensed interim financial information. Had the provision not been made, net asset value per unit at March 31, 2020 would have been higher by Re. 0.0079 and Re 0.4150 for Class A and Class B (June 30, 2019 Re. 0.007 and 0.147 for Class A and B respectively) per unit.

7.2 FEDERAL EXERCISE 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 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 March 31, 2020 would have been higher by Re. 1.2763 (June 30, 2019: Re. 0.452) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at March 31, 2020 and as at June 30, 2019.

9. TAXATION

The Fund's income 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 is also exempt from the provision of Section 113 (minimum tax) under the Clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. 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.

10. TOTAL EXPENSES RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio for the nine months ended March 31, 2020 is 2.58% and 2.98% which includes 0.22% and 0.27% representing government levy, and SECP fee of the Class A and Class B respectively. (2019: 2.23% and 2.41% which includes 0.28% and 0.29% representing government levy, and SECP fee of the Class A and Class B respectively)

11. TRANSACTION AND BALANCES WITH CONNECTED PERSONS

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.

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 are as follows:

	Nine Months Ended March 31,					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----						
11.1 Transactions during the period						
HBL Asset Management Limited - Management Company						
Remuneration of the Management Company	77,365	40,101	117,466	101,004	79,335	180,339
Sales tax on remuneration of the management company	10,058	5,213	15,271	13,130	10,313	23,443
Allocation of expenses related to registrar services, accounting, operation and valuation services	10,124	5,798	15,922	5,050	4,033	9,083
Selling and marketing expense	30,739	15,826	46,565	20,044	15,613	35,657
Investment of 4,131,192 units (2019: Nil Units)	-	81,079	81,079	-	-	-
Redemption of 4,131,192 units (2019: Nil Units)	-	75,243	75,243	-	-	-
Habib Bank Limited - Sponsor						
Dividend income	-	2,990	2,990	-	5,807	5,807
Mark-up on deposits with banks	-	118	118	-	76	76
Bank charges	-	1	-	-	-	-
MCB Bank Limited- Connected person - due to holding more than 10% Units						
Mark-up on deposits with banks	9	-	9	2,494	9,974	12,468
Bank charges	1	-	1	3	12	15
Dividend income	-	-	-	-	13,746	13,746
Central Depository Company of Pakistan Limited-Trustee						
Trustee Fee	5,013	2,680	7,693	6,226	4,908	11,134
Annual Listing Fee	329	64	393	158	-	158
CDS Charges	-	353	353	-	512	512
Pension Reserves Investment Trust Fund						
Redemption of 36,096,714 units (2019: Nil Units)	-	519,879	519,879	-	-	-
Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% certificate						
Redemption of 15,406,721 units (2019: Nil Units)	-	277,028	277,028	-	-	-

	Nine Months Ended March 31,					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
HBL Islamic Asset Allocation Fund						
Purchase Nil shares of OGDC (2019: 20,000 shares)	-	-	-	-	2,834	2,834
Purchase Nil shares of PPL (2019: 27,000 shares)	-	-	-	-	4,824	4,824
Purchase Nil shares of EPCL (2019: 65,000 shares)	-	-	-	-	2,343	2,343
Purchase Nil shares of MLCF (2019: 40,000 shares)	-	-	-	-	1,552	1,552
Purchase Nil shares of EFERT (2019: 25,000 shares)	-	-	-	-	1,793	1,793
Purchase Nil shares of PSO (2019: 8,000 shares)	-	-	-	-	1,680	1,680
Purchase Nil shares of LOTCHEM (2019: 50,000 shares)	-	-	-	-	687	687
Purchase Nil shares of LUCK (2019: 6,000 shares)	-	-	-	-	2,601	2,601
Purchase Nil shares of KOHC (2019: 10,000 shares)	-	-	-	-	879	879
Purchase Nil shares of HUBC (2019: 35,000 shares)	-	-	-	-	2,728	2,728

Note	(Unaudited)			(Audited)		
	March 31,			June 30,		
	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		

11.2 Balances at period end

	(Unaudited)			(Audited)		
	March 31,			June 30,		
	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
HBL Asset Management Company Limited - Management Company						
Payable to Management Company	8,023	2,638	10,661	8,284	7,524	15,808
Sindh sales tax on remuneration of Management Company	1,043	343	1,386	1,077	978	2,055
Allocation of expenses relating to registrar services, accounting, operation and valuation services	1,649	542	2,191	414	376	790
Selling and marketing expense payable	12,412	4,072	16,484	5,135	4,660	9,795
Habib Bank Limited - Sponsor						
Banks Balances- savings accounts	-	1,432	1,432	-	1,366	1,366
MCB Bank Limited- Connected person - due to holding more than 10% Units						
Banks Balance - savings account	190	-	190	175	333,226	333,401
Mark-up Receivable	-	-	-	-	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: Nil Units (June 2019: 43,482,858 Units)	-	-	-	-	699,571	699,571
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	-	304,067
Units held: 15,000,000 Units (June 2019: 30,406,721 Units)	-	204,816	204,816	-	489,196	489,196
Central Depository Company of Pakistan Limited - Trustee						
Trustee remuneration payable	549	245	794	561	518	1,079
Security deposit with trustee	100	175	275	100	175	275
CDS charges payable	-	66	66	-	60	60
Jubilee General Insurance Company Limited - associate						
Units held: 142,500 Units (June 2019: 142,500 Units)	1,425	0	1,425	1,425	-	1,425
Units held: 142,500 Units (June 2019: 142,500 Units)	-	1,946	1,946	-	2,293	2,293
Directors and Executives of the Management Company						
Units held: 18,000 Units (June 2019: 18,000 Units)	180	-	180	180	-	180
Units held: 18,000 Units (June 2019: 18,000 Units)	-	246	246	-	290	290

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 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:

- Fair value measurements using quoted price (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.

12.1

	Class A						
	March 31, 2020 (Un-audited)						
	Carrying amount			Fair Value			
Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	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	3,690,561	-	3,690,561	3,690,561	-	-	3,690,561
Investment in government securities	-	-	-	-	-	-	-
	<u>3,690,561</u>	<u>-</u>	<u>3,690,561</u>	<u>3,690,561</u>	<u>-</u>	<u>-</u>	<u>3,690,561</u>
Financial assets not measured at fair value							
Bank balances	-	318,021	318,021				
Dividend and profit receivable	-	7,756	7,756				
Security Deposit	-	591	591				
	<u>-</u>	<u>326,368</u>	<u>326,368</u>				
Financial liabilities not measured at fair value							
Payable to Management Company	-	23,127	23,127				
Payable to trustee	-	549	549				
Payable to Securities and Exchange Commission of Pakistan	-	792	792				
Accrued expenses and other liabilities	-	217	217				
	<u>-</u>	<u>24,685</u>	<u>24,685</u>				

		Class B						
		March 31, 2020 (Unaudited)						
		Carrying amount			Fair Value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities	1,305,973	-	-	1,305,973	1,305,973	-	-	1,305,973
				1,305,973	1,305,973	-	-	1,305,973
Financial assets not measured at fair value								
Bank balances	-	-	322,161	322,161				
Dividend and profit receivable	-	-	21,976	21,976				
Security Deposit	-	-	2,748	2,748				
			346,885	346,885				
Financial liabilities not measured at fair value								
Payable to Management Company	-	-	7,596	7,596				
Payable to trustee	-	-	245	245				
Payable to Securities and Exchange Commission Of Pakistan	-	-	418	418				
Accrued expenses and other liabilities	-	-	1,657	1,657				
			9,916	9,916				
					16.0884			
		June 30, 2019 (Audited)						
		Class A			Fair Value			
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities	-	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				
Security Deposit	-	-	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				
		June 30, 2019 (Audited)						
		Class B			Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive	At amortised cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities	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				
Security Deposit	-	-	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.

13. Date Of Authorisation For Issue

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on April 29, 2020.

14. General

Figures has been rounded off to the nearest thousand rupee.

**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 March 31, 2020

	March 31, 2020 (Un-Audited)			June 30, 2019 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----							
Assets							
Bank balances	4	112,584	199,834	312,418	49,550	390,621	440,171
Investments	5	1,335,175	990,255	2,325,430	1,619,479	2,154,419	3,773,898
Dividend receivable and accrued mark-up		2,891	14,285	17,176	61,446	4,254	65,700
Receivable against sale of equity		-	5,489	5,489	-	21,933	21,933
Advances, deposits and prepayments		437	3,237	3,674	100	3,217	3,317
Total assets		1,451,087	1,213,100	2,664,187	1,730,575	2,574,444	4,305,019
Liabilities							
Payable to the Management Company	6	8,303	5,667	13,970	5,304	7,099	12,403
Payable to the Trustee		259	210	468	259	352	611
Payable to the Securities and Exchange Commission of Pakistan		283	270	554	2,156	2,548	4,704
Payable against purchase of investment		-	11,561	11,561	-	16,064	16,064
Accrued expenses and other liabilities		937	79,140	80,077	1,158	122,353	123,511
Redemption payable		-	-	-	-	-	-
Unclaimed dividend		-	85,460	85,460	-	86,019	86,019
Total liabilities		9,782	182,307	192,089	8,877	234,435	243,312
Net assets		1,441,305	1,030,793	2,472,098	1,721,698	2,340,009	4,061,707
Unit holders' fund (as per statement attached)		1,441,305	1,030,793	2,472,098	1,721,698	2,340,009	4,061,707
Contingencies and commitments							
8 ----- Number of units -----							
Number of units in issue		284,125,000	144,604,380		284,125,000	278,335,332	
----- (Rupees) -----							
Net assets value per unit		5.0728	7.1284		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 nine months and Quarter ended March 31, 2020

Note	Nine months ended March 31,						Quarter ended March 31,					
	2020			2019			2020			2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)												
Income												
Capital gain/(loss) on sale of investments - net	8	120,444	120,452	-	(46,365)	(46,365)	-	8,753	8,753	-	(4,430)	(4,430)
Dividend income	42,639	68,767	111,406	35,533	89,088	124,621	-	14,859	14,859	-	28,273	28,273
Mark-up on deposits with banks	8,832	23,798	32,629	3,984	27,846	31,830	3,245	7,013	10,259	1,812	10,214	12,026
Mark-up on Government securities	1,967	860	2,827	-	-	-	713	-	713	-	-	-
Back end load income	-	-	-	-	4,301	4,301	-	-	-	-	957	957
	53,446	213,869	267,315	39,517	74,870	114,387	3,958	30,625	34,583	1,812	35,014	36,826
Unrealised (loss)/gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	(250,645)	(250,645)	-	(160,942)	(160,942)	24	(433,274)	(433,249)	-	155,788	155,788
	53,446	(36,776)	16,670	39,517	(86,072)	(46,555)	3,983	(402,649)	(398,666)	1,812	190,802	192,614
Expenses												
Remuneration of Management Company	31,236	29,536	60,773	40,936	46,808	87,744	11,957	7,942	19,899	12,359	15,135	27,494
Remuneration of Trustee	2,021	1,963	3,984	2,496	2,837	5,333	760	516	1,276	746	909	1,655
Annual fee to the Securities and Exchange Commission - Pakistan	283	271	554	1,721	1,968	3,689	106	70	176	520	637	1,157
Selling & marketing expense	10,984	10,327	21,311	7,189	8,164	15,353	4,454	2,972	7,427	2,187	2,678	4,865
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,614	3,607	7,221	1,811	2,071	3,882	1,460	987	2,446	547	670	1,217
Securities transaction costs	-	6,441	6,441	-	4,339	4,339	-	689	689	-	1,519	1,519
Auditors' remuneration	267	287	555	217	193	410	143	89	232	71	34	105
Printing charges	3	-	3	28	30	58	3	-	-	-	-	-
Fee and subscription charges	1,036	28	1,064	524	475	999	334	-	334	188	171	359
Settlement & bank charges	10	811	821	640	735	1,375	1	568	569	2	259	261
Conversion expense from closed end to open end fund	-	-	-	-	283	283	-	-	-	-	-	-
	49,455	53,270	102,725	55,562	67,903	123,465	19,218	13,833	33,049	16,620	22,012	38,632
Net Income/(loss) from operating activities	3,991	(90,046)	(86,055)	(16,045)	(153,975)	(170,020)	(15,236)	(416,482)	(431,715)	(14,808)	168,790	153,982
Provision for Sindh Workers' Welfare Fund	7.1	(80)	(80)	-	-	-	305	6,529	6,833	-	-	-
Net Income/(loss) for the period before taxation	3,911	(90,046)	(86,135)	(16,045)	(153,975)	(170,020)	(14,931)	(409,954)	(424,881)	(14,808)	168,790	153,982
Taxation	9	-	-	-	-	-	-	-	-	-	-	-
Net Income/(loss) for the period after taxation	3,911	(90,046)	(86,135)	(16,045)	(153,975)	(170,020)	(14,931)	(409,954)	(424,881)	(14,808)	168,790	153,982
Allocation of net income/(loss) for the period:												
Income already paid on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution:												
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-
	3,911	(90,046)	(86,135)	-	-	-	(14,931)	(409,954)	(424,881)	-	-	-
	3,911	(90,046)	(86,135)	(16,045)	(153,975)	(170,020)	(14,931)	(409,954)	(424,881)	(14,808)	168,790	153,982

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 nine months and Quarter ended March 31, 2020

	Nine Months ended						Quarter ended					
	2020			2019			2020			2019		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	------(Rupees in '000)-----											
Net Income/(loss) for the period after taxation	3,911	(90,046)	(86,135)	(16,045)	(153,975)	(170,020)	3,911	(90,046)	(86,135)	(14,808)	168,790	153,982
Items that will not be reclassified to income statement												
Unrealized gain/(loss) on re-measurement of investments classified as fair value through other comprehensive income	(284,304)	-	(284,304)	(481,009)		(481,009)	(815,480)	-	(815,480)	(83,759)		(83,759)
Total comprehensive loss for the period	(280,393)	(90,046)	(370,439)	(497,054)	(153,975)	(651,029)	(811,569)	(90,046)	(901,615)	(98,567)	168,790	70,223

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 Cash Flow (Un- Audited)
For the nine months ended March 31, 2020

Note	Nine Months ended March 31					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)					
Cash flow from operating activities						
Net income/(loss) for the period before tax on	3,911	(90,046)	(86,135)	(16,045)	(153,975)	(170,020)
Adjustments of non-cash items						
Capital loss on sale of investment	(8)	(120,444)	(120,452)	-	46,365	46,365
Unrealised gain/(loss) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	250,645	250,645	-	160,942	160,942
Dividend income	(42,639)	(68,767)	(111,406)	(35,533)	(89,088)	(124,621)
Mark-up on deposits with banks	(8,832)	(23,798)	(32,629)	(3,984)	(27,846)	(31,830)
	(47,568)	(52,410)	(99,977)	(55,562)	(63,602)	(119,164)
(Increase) / Decrease in assets						
Investments	7	1,033,963	1,033,971	-	42,201	42,201
Receivable against sale of investments	-	16,444	16,444	-	-	-
Advances, deposits and prepayments	(337)	(20)	(357)	(166)	(151)	(317)
	(330)	1,050,387	1,050,058	(166)	42,050	41,884
Increase / (decrease) in liabilities						
Payable to Management Company	2,999	(1,432)	1,567	6,414	(2,658)	3,756
Payable to Central Depository Company of Pakistan Limited - Trustee	(0)	(142)	(143)	298	(69)	229
Payable to the Securities and Exchange Commission of Pakistan	(1,873)	(2,278)	(4,150)	1,721	(3,336)	(1,615)
Payable against purchase of investment	-	(4,503)	(4,503)	-	(9,402)	(9,402)
Unclaimed dividend	-	(559)	(559)	-	(219)	(219)
Redemption payable	-	-	-	-	-	-
Accrued expenses and other liabilities	(221)	(43,213)	(43,434)	180	(2,455)	(2,275)
	905	(52,128)	(51,223)	8,613	(18,139)	(9,526)
Cash (used in) / generated from operations	(46,992)	945,850	898,857	(47,115)	(39,691)	(86,806)
Dividend received	102,109	57,865	159,974	105,711	66,891	172,602
Mark-up received on bank deposit	7,918	24,669	32,586	3,385	26,752	30,137
	110,027	82,533	192,560	109,096	93,643	202,739
Net cash generated from operating activities	63,035	1,028,383	1,091,418	61,981	53,952	115,933
Cash flow from financing activities						
Amount received on issue of units	-	83,389	83,389	-	52,869	52,869
Amount paid on redemption of units	-	(1,302,559)	(1,302,559)	-	(104,597)	(104,597)
Net cash used in financing activities	-	(1,219,170)	(1,219,170)	-	(51,728)	(51,728)
Net increase in cash and cash equivalents	63,035	(190,787)	(127,752)	61,981	2,224	64,205
Cash and cash equivalents at beginning of the period	49,550	390,621	49,550	-	371,142	371,142
Cash and cash equivalents at end of the period	4	112,584	199,834	1,140,967	61,981	373,366
						435,347

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 Movement In Unitholders' Fund (Un-Audited)

For the nine months ended March 31, 2020

	Nine Months ended March 31,																	
	2020						2019											
	Class A			Class B			Class A			Class B								
Capital value	Undistributed Income	Unrealised income / (loss) on investment	Premium on issue of certificates	General reserve	Total	Capital value	Undistributed Income	Total	Capital value	(Accumulated loss)	Unrealised income/ (loss) on investment	Premium on issue of certificates	General reserve	Total	Capital value	(Accumulated loss)	Total	
(Rupees in '000)																		
Net assets at beginning of the period	2,841,250	(2,221,541)	1,101,989	-	-	1,721,698	2,784,354	(444,345)	2,340,009	2,841,250	(384,828)	1,993,954	984,688	225	5,435,289	-	-	-
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	-	984,688	-	(984,688)	-	-	-	-	-
Transfer from general reserve	-	-	-	-	-	-	-	-	-	-	225	-	-	(225)	-	-	-	-
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	
Issue of 8,385,711 units (2018:2,585,247 units)	-	-	-	-	-	-	70,500	-	70,500	-	-	-	-	-	-	53,736	-	53,736
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	12,889	-	12,889	-	-	-	-	-	-	(867)	-	(867)
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	83,389	-	83,389	-	-	-	-	-	-	52,869	-	52,869
Redemption of 142,116,663 units (2018:4,651,082 units)	-	-	-	-	-	-	(1,194,797)	-	(1,194,797)	-	-	-	-	-	-	(106,050)	-	(106,050)
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,453	-	1,453
- Amount paid out of element of income	-	-	-	-	-	-	(107,762)	-	(107,762)	-	-	-	-	-	-	-	-	-
- Relating to net income for the year after tax on	-	-	-	-	-	-	(1,302,559)	-	(1,302,559)	-	-	-	-	-	-	(104,597)	-	(104,597)
Total payment on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	3,911	(284,304)	-	-	(280,393)	-	(90,046)	(90,046)	-	(16,045)	(481,009)	-	-	(497,054)	-	-	(153,975)
Distributed on during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	3,911	(284,304)	-	-	(280,393)	-	(90,046)	(90,046)	-	(16,045)	(481,009)	-	-	(497,054)	-	-	(153,975)
Net assets at end of the period	2,841,250	(2,217,630)	817,685	-	-	1,441,305	1,565,184	(534,391)	1,030,793	2,841,250	(2,268,638)	1,512,945	-	-	2,085,557	2,789,522	(142,547)	2,646,975
Undistributed (loss)/income brought forward	-	(2,221,541)	-	-	-	-	(69,471)	-	(69,471)	-	(229,448)	-	-	(2,085,557)	-	-	-	-
- Realised	-	-	-	-	-	-	(374,874)	-	(374,874)	-	(155,380)	-	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-	(444,345)	-	(444,345)	-	(384,828)	-	-	-	-	-	-	-
Transfer from premium on issue of certificates	-	-	-	-	-	-	-	-	-	-	984,688	-	-	-	-	-	-	-
Transfer from general reserve	-	-	-	-	-	-	-	-	-	-	225	-	-	-	-	-	-	-
Transferred to Class B - Segment on conversion of Fund	-	-	-	-	-	-	-	-	-	-	(2,852,678)	-	-	-	-	-	11,428	-
Accounting income available for distribution:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income/(loss) available for distribution	-	3,911	-	-	-	-	-	-	-	-	(16,045)	-	-	-	-	-	-	(153,975)
Accumulated loss carried forward	-	(2,217,630)	-	-	-	-	(444,345)	-	(444,345)	-	(2,268,638)	-	-	-	-	-	-	(142,547)
Accumulated loss carried forward	-	(2,217,630)	-	-	-	-	(193,700)	-	(193,700)	-	(2,268,638)	-	-	-	-	-	-	18,395
- Realised	-	-	-	-	-	-	(250,645)	-	(250,645)	-	-	-	-	-	-	-	-	(160,942)
- Unrealised	-	-	-	-	-	-	(444,345)	-	(444,345)	-	(2,268,638)	-	-	-	-	-	-	(142,547)
Net assets value per unit at beginning of the period	6.0597	-	-	-	-	-	8.4072	-	8.4072	9.0897	-	-	-	-	10.0402	-	-	-
Net assets value per unit at end of the period	5.0728	-	-	-	-	-	7.1284	-	7.1284	7.3403	-	-	-	-	9.4903	-	-	-

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 Non-Financial Institutions Regulation Act, 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

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

For the nine months ended March 31, 2020

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 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 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 Limited. Whereas Class-B Units can be redeemed at the redemption price.

- 1.5** VIS Credit Rating Company has assigned an asset manager rating of 'AM2+' (Positive outlook) 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

- 2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

Wherever provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirement of the Trust Deed have been followed.

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 December 31, 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 in the preparation of this condensed interim financial information are consistent with 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 the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

3.5 Risk management in the current economic scenario

The Fund's financial risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID - 19.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020.

In addition Securities Exchange Commission of Pakistan (SECP) has taken several measures to facilitate the Asset Management Companies and Funds under their management to continue their operations and ensure continuous access of investors to their investments. The key measures include:

1. Time period to regularize the exposure limits breach under Regulation 55(13) of Non-Banking Finance Companies Regulations, 2008 is extended from four months to six months.
2. Time for announcement of NAV is extended from 18:30PM to the start of next working day.
3. The time period classification of a debt security to non-performing category is extended from 15 days to 180 days.
4. Debt securities which are regular in payment of mark-up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing.
5. Debt securities which are rescheduled / restructured between these 180 days shall continue to be treated as performing.
6. Time period for submission of quarterly financial statements of mutual funds extended till May 31, 2020.

COVID 19 will impact Mutual Funds in Pakistan on a number of fronts including increase in overall credit risk pertaining to the corporate debt instruments portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Management Company's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

The Management Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of its staff and uninterrupted service to customers. The senior management of the Management Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Note	March 31, 2020 (Un-Audited)			June 30, 2019 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
(Rupees in '000)							
4. BANK BALANCES							
Balances with banks in:							
Savings accounts	4.1	112,584	199,834	312,418	49,550	390,621	440,171

4.1 This represents bank accounts held with different banks. Mark-up rates on these accounts range between 8.0% to 14.05% p.a (June 30, 2019: 5.35% - 13.50% p.a).

Note	March 31, 2020 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total

----- (Rupees in '000) -----

5. INVESTMENTS

At fair value through profit or loss

- Listed equity securities	5.1	-	990,255	990,255	-	2,154,419	2,154,419
Government securities	5.2	-	-	-	-	-	-

At fair value through other comprehensive income

- Listed equity securities	5.3	2,150,655	-	2,150,655	1,619,479		1,619,479
		2,150,655	990,255	3,140,910	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 March 31, 2020 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2020		Total Investments	Net Assets	
CLASS B									
TRANSPORT									
Pakistan National Shipping Corp Ltd	75,500	217,500	-	81,500	211,500	11,233	1.13%	1.09%	0.16%
	75,500	217,500	-	81,500	211,500	11,233			
Automobile Parts and Accessories									
Thal Limited (Par value Rs. 5 per share)	217,800	79,000	-	208,500	88,300	25,941	2.62%	2.52%	0.11%
	217,800	79,000	-	208,500	88,300	25,941			
PAPER & BOARD									
Century Paper & Board Mills Ltd	150,000	98,500	-	126,500	122,000	5,638	0.57%	0.55%	0.08%
	150,000	98,500	-	126,500	122,000	5,638			
Chemicals									
Engro Polymer & Chemicals Ltd	1,726,462	1,219,000	-	2,007,000	938,462	23,011	2.32%	2.23%	0.10%
Loe Chemical Pakistan Ltd	786,000	1,538,500	-	2,324,500	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	17,900	50,300	-	8,000	60,200	14,427	1.46%	1.40%	0.28%
	2,530,362	2,807,800	-	4,339,500	998,662	37,438			
Cement									
Cherat Cement company Ltd	-	210,000	-	19,000	191,000	10,579	1.07%	1.03%	0.11%
Kohat Cement Ltd	204,500	158,000	-	212,000	150,500	13,131	1.33%	1.27%	0.12%
Lucky Cement Ltd	156,700	180,000	-	162,500	174,200	64,576	6.52%	6.26%	0.05%
Maple Leaf Cement Factory Ltd	-	1,883,000	-	1,195,000	688,000	14,256	1.44%	1.38%	0.13%
	361,200	2,431,000	-	1,588,500	1,203,700	102,542			
Commercial Banks									
Allied Bank Ltd	729,600	104,000	-	566,200	267,400	19,017	1.92%	1.84%	0.02%
BankAl-Falah Ltd	2,662,650	1,018,500	-	1,674,000	2,007,150	63,847	6.45%	6.19%	0.13%
BankAl-Habib Limited	1,018,500	537,500	-	902,500	653,500	35,204	0.00%	3.42%	0.00%
Bank of Punjab Ltd	5,028,000	3,854,000	-	5,172,500	3,709,500	28,415	0.00%	2.76%	0.00%
Bank Islami Pakitsan Ltd	-	403,500	-	-	403,500	3,640	0.37%	0.35%	0.08%
Faysal Bank Limited	18,000	-	-	-	18,000	250	0.03%	0.02%	0.00%
Habib Bank Ltd	1,002,700	458,300	-	1,195,400	265,600	27,418	2.77%	2.66%	0.02%
MCB Bank Ltd	346,800	327,100	-	481,100	192,800	28,781	2.91%	2.79%	0.02%
National Bank of Pakistan Ltd	548,500	1,256,000	-	1,249,500	555,000	15,684	1.58%	1.52%	0.03%
United Bank Limited	637,000	339,700	-	545,500	431,200	43,469	4.39%	4.22%	0.04%
	11,991,750	8,298,600	-	11,786,700	8,503,650	265,725			

Name of investee company	Number of Shares					Market value as at March 31, 2020 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2019	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2020		Total Investments	Net Assets	
Engineering									
Aisha Steel Mills Limited - Preference Shares	130,000	-	-	-	130,000	1,430	0.14%	0.14%	0.29%
Aisha Steel Mills Limited - Conv Cum Pref Shares	1,065,000	-	-	-	1,065,000	45,795	4.62%	4.44%	36.58%
International Industries Limited	-	69,800	-	1,000	68,800	5,199	0.53%	0.50%	0.06%
International Steels Limited	-	376,000	-	187,000	189,000	6,840	0.69%	0.66%	0.04%
	1,195,000	445,800	-	188,000	1,452,800	59,264			
Fertilizer									
Engro Corporation Ltd	538,700	137,100	-	456,000	219,800	58,665	5.92%	5.69%	0.04%
Engro Fertilizers Limited	1,172,000	520,500	-	1,370,000	322,500	18,595	1.88%	1.80%	0.02%
Fauji Fertilizer Co Ltd	777,500	595,500	-	1,037,500	335,500	31,205	3.15%	3.03%	0.03%
	2,488,200	1,253,100	-	2,863,500	877,800	108,465			
Insurance									
Adamjee Insurance Co Ltd	623,500	311,500	-	408,000	527,000	14,034	1.42%	1.36%	0.15%
TPL Insurance Limited	689	535,500	-	-	536,189	9,844	0.99%	0.95%	0.71%
	624,189	847,000	-	408,000	1,063,189	23,878			
Oil and Gas Exploration Companies									
Mari Petroleum Company Ltd	146,948	20,360	10,718	121,220	56,806	50,620	5.11%	4.91%	0.05%
Oil & Gas Development Co Ltd	1,290,900	431,000	-	1,160,700	561,200	43,207	4.36%	4.19%	0.01%
Pakistan Oilfields Ltd	237,560	49,500	-	287,060	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Ltd	878,705	671,000	149,141	1,122,600	576,246	41,380	4.18%	4.01%	0.03%
	2,554,113	1,171,860	159,859	2,691,580	1,194,252	135,207			
Oil & Gas Marketing Companies									
Pakistan State Oil Company Ltd	484,360	336,800	65,032	635,500	250,692	30,459	3.08%	2.95%	0.08%
Sui Northern Gas Pipeline Ltd	484,500	345,000	-	284,500	545,000	20,111	2.03%	1.95%	0.09%
	968,860	681,800	65,032	920,000	795,692	50,570			
Pharmaceuticals									
AGP Limited	209,500	158,500	-	230,000	138,000	11,385	1.15%	1.10%	0.00%
GlaxoSmithKline Pakistan Ltd	-	74,900	-	-	74,900	12,661	1.28%	1.23%	0.02%
Highnoon Laboratories Limited	16,500	53,500	-	26,200	43,800	21,837	2.21%	2.12%	0.00%
The Searle Company Ltd	76,996	76,000	-	75,000	77,996	12,234	1.24%	1.19%	0.04%
	302,996	362,900	-	331,200	334,696	58,117			
Power Generation and Distribution									
Hub Power Company Ltd	1,789,409	463,500	-	1,419,000	833,909	56,931	5.75%	5.52%	0.06%
K-Electric Limited	5,572,000	1,055,000	-	3,236,500	3,390,500	9,595	0.97%	0.93%	0.01%
Nishat Chunian Power Ltd	581,000	-	-	581,000	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	832,000	75,000	-	907,000	-	-	0.00%	0.00%	0.00%
	8,774,409	1,593,500	-	6,143,500	4,224,409	66,526			
Textile									
Sunshine Cloth*	50,000	-	-	-	50,000	0	0.00%	0.00%	0.64%
Mohib Textile*	40,820	-	-	-	40,820	0	0.00%	0.00%	0.27%
GulAhmed Textile Mills Ltd	-	1,019,000	-	540,500	478,500	11,029	1.11%	1.07%	0.13%
Interloop Limited	799,642	219,500	-	700,000	319,142	11,445	1.16%	1.11%	3.67%
Kohinoor Textile Mills Ltd	400,000	-	-	400,000	-	-	0.00%	0.00%	0.00%
Nishat Mills Ltd	543,500	428,500	-	678,500	293,500	17,237	1.74%	1.67%	0.08%
	1,833,962	1,667,000	-	2,319,000	1,181,962	39,711			
Glass & Ceramics									
Tariq Glass Industries Ltd	-	88,500	-	88,500	-	-	-	0.00%	-
	-	88,500	-	88,500	-	-			
Technology & Communication									
Systems Limited	-	50,000	-	50,000	-	-	0.00%	0.00%	-
	-	50,000	-	50,000	-	-			
Total - As at March 31, 2020 (Un-audited)	34,068,341	22,093,860	224,891	34,134,480	22,252,612	990,255			
Total - As at June 30, 2019 (Audited)	30,583,317	29,282,266	567,333	23,364,575	34,068,341	2,154,419			
Cost at 31 March 2020						1,240,900			

*Suspended/Delisted Companies

**Sponsors of Management Company

5.1.1 Investments include shares having market value aggregating to Rs: 123.68m (June 30, 2019 : Rs160.870m) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Funds's trades in terms of Circular No. 11 dated October 23, 2007 issued by 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 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 (MUFAP), 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 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 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. 0.361 million at March 31, 2020 (June 30, 2019: Rs.0.415m) and not yet deposited in 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.

5.2 Investment in government securities - 'at fair value through profit or loss'

Class A								
Issue date	Tenor	Face value			As at March 31, 2020	Market value as at March 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the period	Sales / matured during the period				
24-Oct-19	3 Months	-	70,000	70,000	-	-	-	-
7-Nov-19	3 Months	-	70,000	70,000	-	-	0.00%	0.00%
Total as at March 31, 2020			140,000	140,000				
Carrying value as at 'March 31, 2020								

Class B								
Issue date	Tenor	Face value			As at March 31, 2020	Market value as at March 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2019	Purchases during the period	Sales / matured during the period				
7-Nov-19	3 Months	-	50,000	50,000	-	-	-	-
24-Oct-19	3 Months	-	70,000	70,000	-	-	-	-
Total as at March 31, 2020			120,000	120,000				
Carrying value as at 'March 31, 2020								

5.3 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 Mar 31, 2020 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee
	As at July 1, 2019	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2020		Total Investments	Net Assets	
Class A									
Oil and Gas Marketing Companies									
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	189,513	14.19%	13.15%	0.39%
Pakistan State Oil Company Limited	8,527,893	-	1,705,578	-	10,233,471	1,961,142	146.88%	136.07%	3.14%
Total - As at March 31, 2020 (Unaudited)	11,015,917	-	1,705,578	-	12,721,495	2,150,655			
Total - As at June 30, 2019 (Audited)	9,594,602	-	1,421,315	-	11,015,917	1,619,479			
Cost at 31 March 2020						517,492			

5.3.1 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen/blocked 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.

5.3.2 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 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 (MUFAP), 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 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 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. 16.342 million at December 31, 2019 (June 30, 2019: Rs. 12.054m) 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	March 31, 2020 (Un-Audited)			June 30, 2019 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
6. PAYABLE TO MANAGEMENT COMPANY	----- (Rupees in '000) -----						
Management fee	2,882	2,018	4,900	2,944	3,944	6,888	
Sindh Sales Tax	375	262	637	383	513	896	
Allocation of expenses relating to registrar services, accounting, operation and valuation services	592	415	1,007	147	197	344	
Selling & marketing payable	4,454	2,972	7,426	1,830	2,445	4,275	
	8,303	5,667	13,970	5,304	7,099	12,403	
7. ACCRUED EXPENSES AND OTHER LIABILITIES							
Provision for Sindh Workers' Welfare Fund	7.1	714	21,075	21,789	634	21,075	21,709
Provision for Federal Excise Duty	7.2	-	55,961	55,961	0	55,961	55,961
Printing charges		-	-	-	18	-	18
Auditors remuneration		189	148	337	217	239	456
Security transaction charges		-	704	704	-	1,249	1,249
Withholding tax payable		35	84	119	289	404	693
Payable to class A		-	-	-	-	42,284	42,284
Other payable		-	1,120	1,120	-	1,141	1,141
Zakat Payable		-	47	47	-	-	-
		937	79,140	80,077	1,158	122,353	123,511

7. PROVISION FOR SINDH WORKERS' WELFARE FUND

7.1 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 income for nine months ended March 31, 2020, a provision of Rs 0.08 million and nil of Class A and Class B respectively 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 March 31, 2020 would have been higher by Rs. 0.0025 for Class A and Rs 0.1457 for Class B per unit (June 30, 2019: 0.00223 for Class A and 0.0757 for Class B per unit).

7.2 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 Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, being prudent, 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 March 31, 2020 would have been higher by Rs. 0.387 per certificate (June 30, 2019: 0.201 per certificate) of class B.

8. Contingencies & Commitments

There were no contingencies and commitment as at March 31, 2020.

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 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. 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.

10. 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 March 31, 2020 is 2.64% and 2.97% which includes 0.23% and 0.27% representing government levy and SECP fee of the Class A and Class B respectively (2019: 2.29% and 2.44% which includes 0.28% and 0.29% representing government levy and SECP fee of the Class A and Class B respectively.)

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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 are as follows:

	Nine Months Ended March 31,					
	2020			2019		
	Class A	Class B	Total	Class A	Class B	Total
Transactions during the period	----- Rupees in '000 -----					
HBL Asset Management Limited						
Remuneration of Management Company	27,643	26,138	53,781	36,227	41,423	77,650
Sindh Sales Tax on remuneration of Management Company	3,594	3,398	6,992	4,709	5,385	10,094
Reimbursement of fund Operations, accounting and Related costs	3,614	3,607	7,221	1,811	2,071	3,882
Selling and marketing	10,984	10,327	21,311	7,189	8,164	15,353
Issue of 6,873,603 unit (2019:NIL unit)	-	70,000	70,000	-	-	-
Redemption of 6,873,603 unit (2019:Nil unit)	-	67,669	67,669	-	-	-
Habib Bank Limited - Sponsor						
Dividend income	-	2,386	2,386	-	3,012	3,012
Mark-up on deposits with banks	-	-	-	-	22	22
Aga Khan University Employees Provident Fund Trust						
Redemption of Nil (2019:588,000unit)	-	-	-	-	5,296	5,296
Aga Khan University Employees Gratuity Fund Trust						
Redemption of Nil (2019:138,000unit)	-	-	-	-	1,243	1,243
HBL Islamic Asset Allocation Fund						
Purchase of Oil & Gas Development Limited 10,000 Shares	-	-	-	-	1,417	1,417
Purchase of Engro Polymer Chemical Limited 35,000 Shares	-	-	-	-	1,261	1,261
Purchase of Maple Leaf Cement Factory Limited 25,000 Shares	-	-	-	-	970	970
Purchase of Engro Fertilizers Limited 15,000 Shares	-	-	-	-	1,076	1,076
Purchase of Pakistan State Oil Company Ltd 12,000 Shares	-	-	-	-	2,520	2,520
Purchase of Loke Chemical Pakistan Ltd 30,000 Shares	-	-	-	-	412	412
Purchase of Lucky Cement Ltd 4,000 Shares	-	-	-	-	1,734	1,734
Purchase of Kohat Cement Ltd 8,000 Shares	-	-	-	-	703	703
Purchase of Hub Power Company Ltd 15,000 Shares	-	-	-	-	1,169	1,169
MCB Bank Limited						
Dividend Income	-	3,323	3,323	-	7,123	7,123
Mark-up on deposits with banks	7	11,290	11,297	1,045	5,929	6,974
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee	2,021	1,963	3,984	2,496	2,837	5,333
CDC connection charges	577	340	917	-	298	298

	March 31, 2020 (Un-Audited)			June 30, 2019 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- Rupees in '000 -----					
Balances outstanding at the year end						
HBL Asset Management Limited						
Payable to the Management Company	2,882	2,018	4,900	2,944	3,944	6,888
Sindh Sales tax payable on remuneration to management company	375	262	637	383	513	896
Finance and operational cost	592	415	1,007	147	197	344
Selling and marketing expense	4,454	2,972	7,426	1,830	2,445	4,275
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable	259	210	468	259	316	575
Security deposit held	100	200	300	100	200	300
CDC Charges Payable	-	37	37	-	36	36
MCB Bank Limited						
Connected Person Due to Holding more than 10% units)						
Bank balance	131	129,693	129,824	122	175,935	176,057
Mark-up on bank deposit receivable	-	957	957	-	707	707
Outstanding units: 66,090,021 (2019: 66,090,021) units	660,900	-	660,900	660,900	-	660,900
Outstanding units: Nil units (2019: 66,090,021) units	-	-	-	-	555,632	555,632
Related to units of the Fund						
Habib Bank Limited - Sponsor						
Outstanding units :48,662,161 (2019: 48,662,161) units	486,621	-	486,621	486,621	-	486,621
Outstanding units :48,662,161 (2019: 48,662,161) units	-	346,883	346,883	-	409,112	409,112
Bank Balance	-	445	445	-	415	415
Jubilee General Insurance Company Limited						
Outstanding units:107,379 (2019: 100,379)units	1,004	-	1,004	1,004	-	1,004
Outstanding units:100,379 (2019: 100,379)units	-	715	715	-	844	844
Jubilee General Insurance Company Limited Staff 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	-	844	844	-	996	996
Jubilee General Insurance Company Limited Gratuity 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	-	1,597	1,597	-	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 (2019: 138,000) units	1,380	-	1,380	1,380	-	1,380
Directors and Executives of the Management Company						
Outstanding units:26,195 (2018: 26,195) units	262	-	262	262	-	262
Outstanding units: 226,195 (2019: 26,195) units	-	1,612	1,612	-	220	220

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 arms 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);

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

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								
	March 31, 2020 (Un-audited)								
	Carrying amount					Fair Value			
Fair value through profit or loss	Fair value through other comprehensive income	At amortised 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	-	2,150,655	-	-	2,150,655	2,150,655	-	-	2,150,655
	-	2,150,655	-	-	2,150,655	2,150,655	-	-	2,150,655
Financial assets not measured at fair value									
Bank balances	-	-	-	112,584	112,584				
Dividend and Profit receivable	-	-	-	2,891	2,891				
Advances and security deposit	-	-	-	437	437				
	-	-	-	115,912	115,912				
Financial liabilities not measured at fair value									
Payable to Management Company	-	-	-	7,928	7,928				
Payable to Trustee	-	-	-	229	229				
Accrued expenses and other liabilities	-	-	-	189	189				
	-	-	-	8,346	8,346				

	Class B March 31, 2020 (Un-audited)					Fair Value			
	Carrying amount								
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised 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	990,255	-	-	-	990,255	990,255	-	-	990,255
	990,255	-	-	-	990,255	990,255	-	-	990,255
Financial assets not measured at fair value									
Bank balances	-	-	-	199,834	199,834				
Dividend and Profit receivable	-	-	-	14,285	14,285				
Advances and security deposit	-	-	-	3,237	3,237				
	-	-	-	217,356	217,356				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	5,405	5,405				
Payable to Trustee		-	-	186	186				
Accrued expenses and other liabilities		-	-	1,972	1,972				
Unclaimed Dividend		-	-	85,460	85,460				
		-	-	93,022	93,022				

	Class A June 30, 2019 (Audited)					Fair Value			
	Carrying amount								
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised 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	-	1,619,479	-	-	1,619,479	1,619,479	-	-	1,619,479
	-	1,619,479	-	-	1,619,479	1,619,479	-	-	1,619,479
Financial assets not measured at fair value									
Bank balances	-	-	-	49,550	49,550				
Dividend and Profit receivable	-	-	-	61,446	61,446				
	-	-	-	110,996	110,996				
Financial liabilities not measured at fair value									
Payable to Management Company		-	-	5,304	5,304				
Payable to Trustee		-	-	259	259				
Accrued expenses and other liabilities		-	-	235	235				
		-	-	5,798	5,798				

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 approximations of fair value.

	Class B								
	June 30, 2019(Audited)								
	Carrying amount				Fair Value				
Fair value through profit or loss	Fair value through other comprehensive income	At amor sed 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 securi es	2,154,419	-	-	-	2,154,419	2,154,419	-	-	2,154,419
	2,154,419	-	-	-	2,154,419	2,154,419	-	-	2,154,419
Financial assets not measured at fair value									
Bank balances	-	-	-	390,621	390,621				
Dividend and Profit receivable	-	-	-	4,254	4,254				
	-	-	-	394,875	394,875				
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				
Unclaimed Dividend	-	-	-	-	-				
	-	-	-	68,428	68,428				

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. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management company on April 29, 2020.

14. GENERAL

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

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. No significant rearrangement or reclassification was made in these financial statements during the current year.

For HBL Asset Management Limited (Management Company)

Chief Financial Officer

Chief Executive Officer

Director



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HBL

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