

**HBL**

**ASSET MANAGEMENT LTD.**

**ايسيت ميجمنٹ لميٹڈ**

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

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### 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](http://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

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## 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 Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Financial Planning Fund and HBL Islamic Dedicated Equity 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 multiyear 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.

As per latest data available, Islamic Banking industry assets posted 23.5% growth and stood at PKR 3,284 billion by Dec-19. Similarly, deposits of Islamic banks also witnessed a sharp growth of 20.4% YoY and reached PKR 2,652 billion by Dec-19. The government issued Islamic Sukuk of PKR 200bn in previous fiscal year to partially retire the circular debt. This is a long term instrument and will be SLR Eligible resulting in increased investment avenues for the Islamic banks. Moreover the government has launched another Sukuk of PKR 200bn for retirement of circular debt in April-20.

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 multiyear 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.

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## 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 KMI-30 Index made a new 5-year low of 41,365 points on 26th March'20, however, later recovered and closed at 45,052 points, down 9,067 points (-17%). The decline was largely broad based with 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 buy 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 bottom. 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 "bottom-up" approach and align exposure towards stocks with strong earnings potential.

## FUND'S PERFORMANCE

### HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 160.55 million and Rs. 143.64 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) of the Fund increased from Rs. 100.9968 per unit as on June 30, 2019 to Rs. 101.9056 per unit as on March 31, 2020 (after incorporating interim monthly dividends of Rs. 8.1007 per unit); thereby giving an annualized return of 12.32%. During the same period, the benchmark return (3 Month bank deposit rates) was 5.50%. The size of Fund was Rs. 2.60 billion as on March 31, 2020 as compared to Rs. 1.05 billion at the start of the year.

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

### HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 166.11 million and Rs. 137.85 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) of the Fund increased from Rs. 101.4883 per unit as on June 30, 2019 to Rs. 110.3061 per unit as on March 31, 2020; thereby giving an annualized return of 11.53%. During the same period, the benchmark return (6 Month bank deposit rates) was 6.33%. The size of Fund was Rs. 1.71 billion as on March 31, 2020 as compared to Rs. 3.10 billion at the start of the year.

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

### HBL Islamic Stock Fund

The Fund incurred a total and net loss of Rs. 54.78 million and Rs. 74.82 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) of the Fund decreased from Rs. 91.2924 per unit as on June 30, 2019 to Rs. 78.4956 per unit as on March 31, 2020 giving a negative return of 14.02% during the period against the benchmark return (KMI 30 Index) of negative 16.75%. The size of Fund was Rs. 0.40 billion as on March 31, 2020 as compared to Rs. 0.64 billion at the start of the year.

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**HBL Islamic Equity Fund**

The Fund incurred a total and net loss of Rs. 3.76 million and Rs. 18.14 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) of the Fund decreased from Rs. 76.7854 per unit as on June 30, 2019 to Rs. 65.0017 per unit as on March 31, 2020 giving a negative return of 15.35% during the period against the benchmark return (KMI 30 Index) of 16.75%. The size of Fund was Rs. 0.28 billion as on March 31, 2020 as compared to Rs. 0.27 billion at the start of the year.

**HBL Islamic Asset Allocation Fund**

The total and net income of the Fund was Rs. 86.28 million and Rs. 65.28 million respectively during the period ended March 31, 2020. The Net Asset Value (NAV) of the Fund increased from Rs. 103.2688 per unit as on June 30, 2019 to Rs. 104.7868 per unit as on March 31, 2020; thereby giving a return of 1.47% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of negative 0.76%. The size of Fund was Rs. 0.37 billion as on March 31, 2020 as compared to Rs. 1.13 billion at the start of the year.

**HBL Islamic Financial Planning Fund**

HBL Islamic Financial Planning Fund comprises of four sub funds (plans) namely Active allocation plan, Conservative allocation plan, Strategic allocation plan and Islamic Capital Preservation Plan.

The Fund as a whole earned total and net income of Rs. 57.39 million and Rs. 51.05 million respectively during the period under review. The fund size of the fund stood at Rs. 0.46 billion. Performance review for plan is given below:

**Active Allocation Plan**

During the period under review, the Active allocation plan earned total and net income of Rs. 0.63 million and Rs. 0.23 million respectively. The net assets of the Active allocation plan stood at Rs. 86 million representing Net Asset Value (NAV) of Rs. 90.6311 per unit as at March 31, 2020 as compared to Net Asset Value (NAV) of Rs. 93.3275 per unit as at start of the year. The plan earned a negative return of 2.89% for the period under review compared to its Benchmark return of 4.27%.

**Conservative Allocation Plan**

During the period under review, the Conservative allocation plan earned total and net income of Rs. 1.01 million and Rs. 0.93 million respectively. The net assets of the Conservative allocation plan stood at Rs. 12 million representing Net Asset Value (NAV) of Rs. 105.1069 per unit as at March 31, 2020 as compared to Net Asset Value (NAV) of Rs. 101.4641 per unit as at start of the year. The plan earned a return of 3.59% for the period under review compared to its Benchmark return of 0.71%.

**Strategic Allocation Plan**

During the period under review, the Strategic allocation plan earned total and net income of Rs. 15.13 million and Rs. 14.43 million respectively. The net assets of the Strategic allocation plan stood at Rs. 26 million representing Net Asset Value (NAV) of Rs. 103.7670 per unit as at March 31, 2020 as compared to Net Asset Value (NAV) of Rs. 100.7694 per unit as at start of the year. The plan earned a return of 2.97% for the period under review compared to its Benchmark return of 0.34%.

**Islamic Capital Preservation Plan**

During this period under review, the Islamic Capital Preservation plan earned total and net income of Rs. 40.63 million and Rs. 35.44 million respectively. The net assets of the Islamic Capital Preservation plan stood at Rs. 340 million representing Net Asset Value (NAV) of Rs. 106.7644 per unit as at March 31, 2020 as compared to Net Asset Value (NAV) of Rs. 99.4840 as at start of the year. The plan earned a return of 7.32% for the period under review compared to its Benchmark return of 5.15%.

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**HBL Islamic Dedicated Equity Fund**

The total and net income of the Fund was Rs. 23.54 million and Rs. 16.19million respectively during the period ended March 31, 2020. The net assets of the Fund was 84 million representing Net Asset Value (NAV) of the Fund was Rs. 73.7649 per unit as on March 31, 2020 as compared to Net Asset Value (NAV) of Rs. 83.8322 as at start of the year. The Fund yielded a negative return of 12.01% during the period against the benchmark return (KMI 30 Index) of negative 16.75%.

**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**

## انتظامی کمپنی کے ڈائریکٹرز کی رپورٹ

انجینی ایل ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت اپنی رپورٹ بشمول انجینی ایل اسلامک منی مارکیٹ فنڈ، انجینی ایل اسلامک آکم فنڈ، انجینی ایل اسلامک اسٹاک فنڈ، انجینی ایل اسلامک ایکویٹی فنڈ، انجینی ایل اسلامک ایلیکشن فنڈ، انجینی ایل اسلامک فنانشل پلاننگ فنڈ اور انجینی ایل اسلامک ڈیڈ ویگیٹو ایکویٹی فنڈ (دی فنڈز) کے مالیاتی حسابات برائے سال ختم شدہ 31 مارچ 2020 پیش کر رہے ہیں۔

### اقتصادی جائزہ

گزشتہ دو برسوں کے دوران کئی پالیسی اقدامات کیے گئے جس کے نتیجے میں میکرو میں بہتری آئی جیسا کہ معیشت نے کرنٹ اکاؤنٹ خسارے میں کمی کی صورت، بہتر فارن ایکسچینج ریزرو پوزیشن اور مستحکم زرمبادلہ کی شرح کے اشارے ظاہر کیے۔ استحکام کے ان اقدامات کے نتیجے میں آئندہ مدت میں جی ڈی پی گروتھ اور بلند تر افراط زر میں سست روی رہی۔ تاہم کوویڈ-19 کی حالیہ وبا نے مختصر مدتی شرح نمو کو کے آؤٹ لک کو متاثر کیا اور حکومت کی جانب سے معیشت کو سہارا دینے کے لیے بڑی مالیاتی مراعات دی گئیں، ان سے بھی نتیجتاً ملک سے رقومات کا آؤٹ فلور باجس سے کرنسی پر دباؤ بڑا اور ملک کے مجموعی ذخائر کم ہو گئے۔

مالی سال 20 کے نو ماہ کے دوران پاک روپے کی قدر میں لگ بھگ 4.5% تک کمی آئی جس سے اصل موثر ایکسچینج ریٹ 97 تک ظاہر ہوا جیسا کہ کرنسی فیور و بلیو سے نیچے گردش کر رہی ہے۔ کوویڈ-19 کی وبائی صورتحال کے بعد سینیٹرل بینک نے پالیسی ریٹ میں مجموعی طور پر 425 bps کی کمی کر کے اسے 13.25% سے 9.0% تک پہنچایا تاکہ معیشت کو سہارا مل سکے۔ بیرونی محاذ پر برآمدات، امپورٹ میں 16.2% کمی کے مقابلے میں 1.1% تک بڑھ گئیں اور مالی سال 20 کے نو ماہ کے دوران تجارتی خسارہ 31% تک کم ہو کر 14.6 ارب یو ایس ڈالر ہو گیا۔ زرتزیلیات نے بھی حوصلہ افزا رجحان ظاہر کیا اور یہ مالی سال 20 کے نو ماہ میں 6.0% تک بڑھ کر 17.0 ارب یو ایس ڈالر ہو گئے۔ ان عناصر کی وجہ سے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) مالی سال 20 کے نو ماہی کے لیے 73% YoY تک کم ہو کر 2.8 ارب امریکی ڈالر ہو گیا (جی ڈی پی کا 1.3%) جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 10.3 بلین یو ایس ڈالر (جی ڈی پی کا 4.7%) تھا۔ سی اے ڈی میں سست روی ایک خوش آئند رد عمل تھا تاہم اس کے ساتھ مقامی معیشت میں مجموعی سست روی رہی اور مالی سال 20 کے آٹھ ماہ کے دوران ایل ایس ایم میں 3.0% کمی ظاہر ہوئی۔ مجموعی غیر ملکی زرمبادلہ کے ذخائر 17.4 ارب امریکی ڈالر تک بڑھے جبکہ یہ مالی سال 19 کے اختتام پر اس کے مقابلے میں 14.5 ارب یو ایس ڈالر تھے۔

مالی سال 20 کی نو ماہی مدت میں اوسطاً ہینڈ لائن سی پی آئی افراط زر کی شرح 11.5% جو گزشتہ سال کی اسی مدت کے دوران 6.3% ریکارڈ کی گئی تھی جس کی وجہ بجلی اور گیس کے ٹیرف میں بلند تر اضافے کے ساتھ ساتھ کرنسی کی قدر میں کمی کا آنا تھا۔ تاہم اب ہم توقع کرتے ہیں کہ تیل کے نرخوں میں گزشتہ برسوں کے مقابلے میں نمایاں کمی سے آنے والے مہینوں کے میں افراط زر میں تیزی سے کمی کا امکان ہے۔

آگے بڑھتے ہوئے ہمیں یقین ہے کہ آئندہ مدت میں جی ڈی پی ممکنہ طور پر کوویڈ-19 کی وبائی صورتحال کے پیش نظر لاک ڈاؤن کے اقدامات کی وجہ سے دنیا کے دیگر ممالک کے ساتھ ہم آہنگ رہے گی۔ توجہ اس بحران کے بعد بحالی کے اقدامات پر رہے گی جس کے لیے حکومت کی جانب سے کیے گئے پالیسی اقدامات کا برقرار رہنا لازم ہوگا۔

### منی مارکیٹ کا جائزہ

ایس بی پی نے مالی سال 20 کی پہلی سہ ماہی میں اپنی سخت مالیاتی نظم و ضبط کی پالیسی کو برقرار رکھا تاکہ بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کو کم کیا جائے اور افراط زر کے بڑھتے ہوئے دباؤ کو کم کیا جاسکے۔ تاہم کوویڈ-19 کی وبائی صورتحال کے پیش نظر ایس بی پی نے پالیسی ریٹ میں مجموعی طور پر 425 bps کی کمی کر کے اسے 13.25% سے 9.0% تک پہنچایا تاکہ معیشت کو سہارا مل سکے۔

تازہ ترین دستیاب ڈیٹا کے مطابق اسلامی بینکاری کی صنعت کے اثاثہ جات نے دسمبر 19 تک 23.5% کی شرح نمو ظاہر کی اور 3,284 ارب روپے پر موجود تھے۔ اسی طرح اسلامی بینکوں کے ڈپازٹس نے بھی 20.4% YoY کی تیز رفتار گروتھ ظاہر کی اور دسمبر 19 تک 2,652 ارب روپے پر پہنچ گئے۔ حکومت نے گزشتہ مالی سال میں 200 ارب روپے کے اسلامی سکوک جزیوی طور پر سرکلر ڈیٹ کو ریٹائر کرنے کے لیے جاری کیے تھے۔ یہ ایک طویل مدتی انسٹرومنٹ ہے اور ایس ایل آر کا اہل ہوگا جس کے نتیجے میں اسلامی بینکوں کے لیے انویسٹمنٹ کی مزید راہیں کھلیں گی۔ مزید برآں حکومت نے اضافی 200 ارب روپے کے سکوک متعارف کرائے ہیں تاکہ اپریل 20 میں سرکلر ڈیٹ کو مٹایا جاسکے۔

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 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 چٹائی 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 ایل تک کمی کے ساتھ ماٹری سہولتوں کا سلسلہ برقرار رہے گا۔

## اشٹاک مارکیٹ کا جائزہ

تمام پاکستان ایکویٹی مارکیٹس نے بہتر ہوتے ہوئے میکرووز کی بدولت مالی سال 20 کی پہلی ششماہی میں جو اضافے کا رجحان دیکھا تھا وہ کورونا وائرس کی وبائی صورتحال اور بیرونی مارکیٹوں میں موجودہ لاک 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 30 KMI انڈیکس 26 مارچ 2020 کو 41,365 پوائنٹس کی پانچ برس کی چٹائی سطح پر آ گیا، تاہم بعد ازاں بحال ہو کر 45,052 پوائنٹس پر بند ہوا جو 9,067 پوائنٹس (17% -) نیچے ہے۔ اس کمی کی بڑی وجہ آئل و گیس ایکسپلوریشن سیکلر کا بڑے پیمانے پر گر جانا ہے۔ تاہم منافع بخش سیمنٹ 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 سیکرز 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 ریٹیلوں 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 چٹائی 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 کیسز اور اس حوالے سے ہونے والی پیشرفت کے رجحانات کا جائزہ لیں گے۔ ہم اپنی اسٹریٹیجک توجہ کا مرکز ”ٹائم“ اپ، ”پروجیکٹ“ برقرار رکھیں گے اور مستحکم آمدنی کی صلاحیت کے ساتھ اسٹاکس کے ضمن میں ایکسپوزر رہے گا۔

## فنڈ کی کارکردگی

### بیچ نی ایل اسلامک منی مارکیٹ فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 160.55 ملین روپے اور 143.64 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 100.9968 روپے فی یونٹ تھی جو 31 مارچ 2020 کو بڑھ کر 101.9056 روپے فی یونٹ (8.1007 روپے فی یونٹ کا عبوری ماہانہ منافع منقسمہ تشکیل دینے کے بعد) ہو گئی جس کے ذریعے 12.32% کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک (تین ماہ کا بینک ڈپازٹس ریٹس) منافع 5.50% تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 2.60 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.05 ملین روپے رہا تھا۔

جی 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 اسلامک انکم فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 166.11 ملین روپے اور 137.85 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 101.4883 روپے فی یونٹ تھی جو 31 مارچ 2020 کو بڑھ کر 110.3061 روپے فی یونٹ ہو گئی جس کے ذریعے %11.53 کا ایک سالانہ منافع دیا گیا۔ اسی مدت کے دوران بیچ مارک (چھ ماہ کے پینک ڈپازٹس ریٹس) منافع %6.33 تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 1.71 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 3.10 ملین روپے رہا تھا جسے آئی آئی ایس کریڈٹ ریٹنگ کمپنی نے فنڈ کے لیے A+(f) فنڈ اسٹیبلٹی ریٹنگ اپ گریڈ کی ہے۔

## ایچ بی ایل اسلامک اسٹاک فنڈ

فنڈ نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 54.78 ملین روپے اور 74.82 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 91.2924 روپے فی یونٹ تھی جو 31 مارچ 2020 کو کم ہو کر 78.4956 روپے فی یونٹ ہو گئی جس کے ذریعے اس مدت کے دوران %14.02 کا ایک منفی منافع دیا گیا جبکہ اس کے برخلاف اسی مدت کے دوران بیچ مارک (30 KMI انڈیکس) منافع منفی %16.75 تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 0.40 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.64 ملین روپے رہا تھا۔

## ایچ بی ایل اسلامک ایکویٹی فنڈ

فنڈ نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 3.76 ملین روپے اور 18.14 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 76.7854 روپے فی یونٹ تھی جو 31 مارچ 2020 کو کم ہو کر 65.0017 روپے فی یونٹ ہو گئی جس کے ذریعے اس مدت کے دوران %15.35 کا ایک منفی منافع دیا گیا جبکہ اس کے برخلاف اسی مدت کے دوران بیچ مارک (30 KMI انڈیکس) منافع منفی %16.75 تھا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 0.28 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.27 ملین روپے رہا تھا۔

## ایچ بی ایل اسلامک ایسیٹ ایلوکیشن فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 86.28 ملین روپے اور 65.28 ملین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2019 کے مطابق 103.2688 روپے فی یونٹ تھی جو 31 مارچ 2020 کو بڑھ کر 104.7868 روپے فی یونٹ ہو گئی جس کے ذریعے اس مدت کے دوران %1.47 کا ایک سالانہ منافع بیچ مارک منافع (30 KMI انڈیکس) کاروز آنا وسطاً حجم شدہ منافع اور اے ریٹڈ یا زائد درجے کے بینکوں کو چھ ماہ کے ڈپازٹ ریٹ (منفی %0.76 کے برخلاف دیا گیا۔ فنڈ کا حجم 31 مارچ 2020 کے مطابق 10.37 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.13 ملین روپے رہا تھا۔

## ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ

ایچ بی ایل اسلامک فنانشل پلاننگ فنڈ چارڈز بلی فنڈز (پلانز) بنام اکیٹو ایلوکیشن پلان، کنزرویٹو ایلوکیشن پلان اور اسٹریٹیجک ایلوکیشن پلان اور اسلامک کیپٹل پریزیرویشن پلان پر مشتمل ہے۔

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران بالترتیب 57.39 ملین روپے اور 51.05 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 0.46 ارب روپے پر موجود تھا۔

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

## ایکٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران ایکٹو ایلوکیشن پلان نے بالترتیب 0.63 ملین روپے اور 0.23 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ ایکٹو ایلوکیشن پلان کے خالص اثاثہ جات 86 ملین روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 90.631 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 93.3275 روپے فی یونٹ تھی۔ پلان نے زیر جائزہ مدت کے دوران 2.89% کا منفی منافع اس کے 4.27% کے نیچے مارک منافع کے برخلاف حاصل کیا۔

## کنزرویٹو ایلوکیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایلوکیشن پلان نے بالترتیب 1.01 ملین روپے اور 0.93 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کنزرویٹو ایلوکیشن پلان کے خالص اثاثہ جات 12 ملین روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 105.1069 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 101.464 روپے فی یونٹ تھی۔ پلان نے زیر جائزہ مدت کے دوران 3.59% کا منافع اس کے 0.71% کے نیچے مارک منافع کے برخلاف حاصل کیا۔

## اسٹریٹجک ایلوکیشن پلان

زیر جائزہ مدت کے دوران اسٹریٹجک ایلوکیشن پلان نے بالترتیب 15.13 ملین روپے اور 14.43 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسٹریٹجک ایلوکیشن فنڈ کے خالص اثاثہ جات 26 ملین روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 103.767 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 100.7694 روپے فی یونٹ تھی۔ پلان نے جائزہ مدت کے لیے 2.97% کا منافع اس کے 0.34% کے نیچے مارک منافع کے برخلاف حاصل کیا۔

## اسلامک کیپیٹل پریزیرویشن پلان

زیر جائزہ مدت کے دوران اسلامک کیپیٹل پریزیرویشن پلان نے بالترتیب 40.63 ملین روپے اور 35.44 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ اسلامک کیپیٹل پریزیرویشن پلان کے خالص اثاثہ جات 340 ملین روپے پر موجود تھے جو 31 مارچ 2020 کے مطابق 106.764 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 99.4840 روپے فی یونٹ تھی۔ پلان نے جائزہ مدت کے لیے 7.32% کا منافع اس کے 5.15% کے نیچے مارک منافع کے برخلاف حاصل کیا۔

## ایچ بی ایل اسلامک ڈیڈ ویلجیٹیو فنڈ

فنڈ کی مجموعی اور خالص آمدنی 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے بالترتیب 23.54 ملین روپے اور 16.19 ملین روپے رہی۔ فنڈ کے خالص اثاثہ جات کی مالیت 84 ملین روپے تھی جو فنڈ کے خالص اثاثہ جات کی مالیت (NAV) بمطابق 31 مارچ 2020 کے تحت 73.7649 روپے فی یونٹ کی نمائندگی ظاہر کرتی ہے اس کے مقابلے میں سال کے آغاز پر خالص اثاثہ جات کی مالیت (NAV) 83.8322 روپے تھی۔ فنڈ نے اس مدت کے دوران 12.01% کا منفی منافع 16.75% کے نیچے مارک منفی منافع (کے ایم آئی 30 انڈیکس) کے برخلاف حاصل کیا۔

## انتظامی کمپنی کی ریٹنگ

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

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## اعتراف

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے اپنے معزز یونٹ۔ ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ اس سلسلے میں سیکریٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ایم سی بی فنانشل سروسز لمیٹڈ بطور سرٹی، 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 اسٹاف کی انتھک کاوشوں اور مخلصانہ جدوجہد پر ان کو بھی خراج تحسین پیش کرنا چاہتا ہے۔

منجانب بورڈ

ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

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# **HBL**

## **Islamic Money Market Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Money Market Fund
Name of Auditor	KPMG Taseer Hadi & Co. Chartered Accountant
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited Askari Bank Limited Allied Bank Limited Faysal Bank Limited Summit Bank Limited Dubai Islamic Bank Limited MCB Bank Limited
Fund Rating	'AA(f)' (JCR-VIS)

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

		(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	2,328,008	955,111
Accrued mark-up on deposit with banks		27,597	12,495
Investments	5	263,972	121,627
Deposits and prepayments		958	109
<b>Total assets</b>		<b>2,620,536</b>	1,089,342
<b>Liabilities</b>			
Payable to the Management Company	6	845	1,269
Payable to the Trustee		184	156
Payable to Securities and Exchange Commission of Pakistan		242	790
Accrued expenses and other liabilities	7	20,243	36,812
<b>Total liabilities</b>		<b>21,514</b>	39,027
<b>Net assets</b>		<b>2,599,022</b>	1,050,315
<b>Unit holders' fund (as per statement attached)</b>		<b>2,599,022</b>	1,050,315
<b>Contingencies and Commitments</b>	8		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>25,504,216</b>	10,399,489
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>101.9056</b>	100.9968

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

	Nine Month ended March 31,		Quarter Ended March 31,	
	2020	2019	2020	2019
<b>Note</b>	----- (Rupees in '000) -----			
<b>Income</b>				
Mark-up on deposit with banks	145,643	60,386	65,763	27,001
Mark-up on term deposit receipts	-	456	-	-
Mark-up on Commercial Paper	14,905	6,348	7,100	2,828
	<u>160,548</u>	<u>67,190</u>	<u>72,863</u>	<u>29,829</u>
<b>Expenses</b>				
Remuneration of the Management Company	9,823	7,419	3,535	3,186
Remuneration of the Trustee	888	1,231	414	447
Annual fee to the Securities and Exchange Commission of Pakistan	242	559	113	211
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,257	746	277	283
Selling and Marketing Expense	889	-	(0)	-
Auditors' remuneration	264	449	88	259
Settlement and bank charges	277	205	96	-
Fee and subscription	336	628	125	362
Printing and stationary	4	-	4	-
<b>Total expenses</b>	<u>13,980</u>	<u>11,237</u>	<u>4,652</u>	<u>4,748</u>
<b>Net income from operating activities</b>	<b>146,568</b>	<b>55,953</b>	<b>68,211</b>	<b>25,081</b>
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	2,931	1,119	1,364
	<u>2,931</u>	<u>1,119</u>	<u>1,364</u>	<u>502</u>
<b>Net income for the period before taxation</b>	<b>143,637</b>	<b>54,834</b>	<b>66,847</b>	<b>24,579</b>
Taxation	8	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net income for the period after taxation</b>	<b>143,637</b>	<b>54,834</b>	<b>66,847</b>	<b>24,579</b>
<b>Allocation of net income for the period:</b>				
Income already paid on redemption of units	16,296	12,713	10,407	4,748
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	127,341	42,121	56,440	19,831
	<u>127,341</u>	<u>42,121</u>	<u>56,440</u>	<u>19,831</u>
	<u>143,637</u>	<u>54,834</u>	<u>66,847</u>	<u>24,579</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 Islamic Money Market Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the Nine months ended and quarter ended March 31, 2020*

	Nine month ended		Quarter ended,	
	March 31,		March 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	<b>143,637</b>	54,834	<b>66,847</b>	24,579
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>143,637</b>	54,834	<b>66,847</b>	24,579

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 Islamic 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
Note	(Rupees in '000')	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	143,637	54,834
<b>Adjustments for non-cash items:</b>		
Mark-up on deposit with banks	(145,643)	(60,386)
Mark-up on commercial paper	(14,905)	(6,348)
Mark-up on term deposit receipts	-	(456)
	<u>(16,911)</u>	<u>(12,356)</u>
<b>Increase in assets</b>		
Deposits and prepayments	(849)	(33)
Investments	(127,440)	(111,850)
	<u>(128,289)</u>	<u>(111,883)</u>
<b>Increase / (Decrease) Increase in liabilities</b>		
Payable to the Management Company	(424)	10
Payable to the Trustee	28	4
Payable to the Securities and Exchange Commission of Pakistan	(548)	(231)
Accrued expenses and other liabilities	(16,569)	(27,545)
	<u>(17,513)</u>	<u>(27,762)</u>
	<u>(162,713)</u>	<u>(152,001)</u>
Mark-up received on deposit with banks	130,540	53,191
Mark-up received on term deposit receipts	-	503
	<u>130,540</u>	<u>53,694</u>
<b>Net cash generated from / (used in) operating activities</b>	<b>(32,173)</b>	<b>(98,307)</b>
<b>Cash flows from financing activities</b>		
Amount received on issue of units	4,915,482	1,359,508
Payments against redemption of units	(3,405,020)	(1,145,549)
Cash dividend paid	(105,392)	(37,837)
<b>Net cash generated / (used in) from financing activities</b>	<b>1,405,070</b>	<b>176,122</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,372,897</b>	<b>77,815</b>
Cash and cash equivalents at beginning of the period	955,111	955,111
<b>Cash and cash equivalents at end of the period</b>	<b>2,328,008</b>	<b>1,032,926</b>

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 Islamic Money Market Fund**

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

*For the Nine months ended March 31, 2020*

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### **1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** HBL Islamic Money Market Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, 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 December 10, 2010.
- 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. The units of the Fund were initially offered for public subscription at 'par from May 9, 2011 to May 10, 2011.
- 1.4** The principal activity of the Fund is to seek high liquidity and comparative Shariah Compliant return for investors by investing in low risk securities of shorter duration and maturity.
- 1.5** JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2+' (Positive Outlook) to the Management Company and the fund stability rating of AA(f) to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a 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 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.

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**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**

This condensed interim financial statement 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 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 is 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 therefore 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.

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
<b>4. BANK BALANCES</b>			
Balances with banks in:			
Savings accounts	4.1	2,328,008	955,111
Term deposit receipts		-	-
		<u>2,328,008</u>	<u>955,111</u>
<b>4.1</b>	This represents bank accounts held with different banks. Mark up rates on these accounts range between 5% - 14.5% (June 2019: 4% - 13% ) per anum.		
	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
<b>5. INVESTMENTS</b>			
<b>Financial asset at amortised cost</b>			
- Commercial Paper	5.1	263,972	-
		<u>263,972</u>	<u>-</u>

## 5.1 Investment in Commercial paper - Financial asset at amortised cost

Name of Company	Maturity	As at July 01, 2019	Placement made during the year	Income accrued	Matured during the year	As at March 31, 2020	Percentage of total value of investment	Percentage of Net Assets
K-Electric	2-Sep-19	121,627	-	2,373	124,000	-	-	-
K-Electric	28-Feb-20	-	46,382	3,618	50,000	-	-	-
K-Electric	19-Mar-20	-	69,706	5,294	75,000	-	-	-
K-Electric	14-Aug-20	-	115,564	2,122	-	117,686	44.58	4.53
K-Electric	26-Aug-20	-	60,578	826	-	61,404	23.26	2.36
K-Electric	10-Sep-20	-	84,210	672	-	84,882	32.16	3.27
<b>Total - As at March 31, 2019</b>		<b>121,627</b>	<b>376,440</b>		<b>249,000</b>	<b>263,972</b>	<b>100.00</b>	<b>10.16</b>

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management Fee		748	1,014
Sindh Sales Tax		97	132
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	101
		<u>845</u>	<u>1247</u>
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		262	264
Federal Excise Duty	7.1	2,185	2,185
Provision for Sindh Workers' Welfare Fund	7.2	6,865	3,933
Other payable		10,932	30,430
		<u>20,243</u>	<u>36,812</u>

**7.1** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2017, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 2.185 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.0857 per unit (June 30, 2019: 0.2101 per unit).

### **7.2 PROVISION FOR SINDH WORKERS' WELFARE FUND**

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare fund is the same as disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, as a matter of being prudent, recognised provision for SWWF amounting to Rs. 6.865 million as at March 31, 2020 in these 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. 0.2692 per unit (June 30, 2019: Rs. 0.278 per unit).

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## 8. 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.

## 9. CONTINGENCIES AND COMMITMENTS

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

## 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, 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 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)	
<b>10.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee including sales tax thereon	9,823	7,419
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,257	746
Issue of units 694,678 units (2019: 1,020 units )	70,407	103
Redemption of units 496,070 ( 2019: 28,596 units )	50,426	294
Dividend	194	-
<b>Habib Bank Limited - Sponsor</b>		
Profit on bank deposits earned	41,257	9,183
Issuance of units Nil Units ( 2019: 118,710 units )	-	11,968
Redemption of units Nil ( 2019: 762,765 units )	-	80,648
Dividend	18,146	-
<b>Executives and key management personnel</b>		
Issue of 737,785 units (2019: 456,990 units)	74,787	48,034
Redemption of 551,853 units (2019: 176,607 units)	56,105	18,522
Dividend	379	-

		Nine months ended	
		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
<b>MCBFSL TRUSTEE HBL Islamic Capital Preservation Plan- Associate</b>			
Redemption of 1,521 units (2019: Nil units)		154	-
<b>Connected person due to holding 10% or more</b>			
<b>Bank Al Habib Limited Islamic Banking</b>			
Issue of 2,972.290 units (2019: NIL units)		302,645	-
Dividend		2,645	-
<b>Pak-Qatar Individual Family Participant Investment Fund</b>			
Issue of 5,932,037 units (2019: NIL units)		603,433	-
Redemption of 2,952,965 units (2019: NIL units)		300,796	-
Dividend		2,651	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Trustee Remuneration		888	1231
CDC service charges		5	4
		<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
		(Rupees in '000)	
<b>10.2</b>	<b>Amounts outstanding as at period end</b>		
<b>HBL Asset Management Limited - Management Company</b>			
Management fee		748	1,014
Sindh Sales Tax		97	132
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services		-	101
Investment held in the Fund: 200,355 units (June 30, 2019: 1,748)		20,417	177
Sale load payable		110	22
<b>Habib Bank Limited - Sponsor</b>			
Investment held in the Fund: 2,240,000 units (June 30, 2019: 2,240,000 units)		228,269	226,233
Bank balances		335,480	7,510
Sale load payable		1,594	814
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration payable including sales tax thereon		184	156
<b>Executives and key management personnel</b>			
Investment held in the Fund: 46,845 units (June 30, 2019: 137,318 units)		4,774	13,869
<b>MCBFSL Trustee HBL Islamic Capital Preservation Plan- Associate</b>			
Investment held in the Fund: Nil units (June 30, 2019: 1,521 units)		-	154
<b>Connected person due to holding 10% or more</b>			
<b>Bank Al Habib Limited Islamic Banking</b>			
Investment held in the Fund: 2,972,290 units (June 30, 2019: Nil units)		302,893	-
<b>Pak-Qatar Individual Family Participant Investment Fund</b>			
Investment held in the Fund: 2,979,072 units (June 30, 2019: 0 units)		303,584	-

## 11. 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:

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

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

		March 31, 2020				
Carrying amount		Fair Value				
At amortised cost	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets not measured at fair value</b>						
Bank balances	-	2,328,008	2,328,008			
Accrued mark-up	-	27,597	27,597			
Investments	-	263,972	263,972			
	-	2,619,578	2,619,578			
<b>Financial liabilities not measured at fair value</b>						
Payable to the Management Company	-	748	748			
Payable to the Trustee	-	163	163			
Accrued expenses and other liabilities	-	30,694	30,694			
Payable to Securities and Exchange Commission of Pakistan	-	214	214			
	-	31,818	31,818			

	June 30, 2019						
	Carrying amount			Fair Value			
	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>	(Rupees in '000)						
<b>Financial assets not measured at fair value</b>							
Bank balances	-	955,111	955,111				
Accrued mark-up	-	12,495	12,495				
	-	967,606	967,606				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	1,115	1,115	-	-	-	-
Payable to the Trustee	-	138	138	-	-	-	-
Accrued expenses and other liabilities	-	11,194	11,194	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	-	699	699	-	-	-	-
	-	13,146	13,146	-	-	-	-

**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**

There were no transfers 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, the total expense ratio of the Fund for the nine month ended March 31, 2020 is 1.05% (2019: 1.24%) which includes 0.27% (2019: 0.27%) representing government levy, Worker's Welfare Fund and SECP fees.

**13. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statement 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.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

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# **HBL**

## **Islamic Asset Allocation Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Asset Allocation Fund
Name of Auditor	KPMG Taseer Hadi & Co. Chartered Accountant
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank Al-Habib Limited Habib Bank Limited Askari Bank Limited Allied Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited Bank Islamic Pakistan Limited Summit Bank Limited Al Baraka Bank Pakistan Limited MCB Islamic Bank Limited

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

	Note	March 31, 2020 (Un-Audited) (Rupees in '000)	June 30, 2019 (Audited)
<b>Assets</b>			
Bank balances	6	224,209	273,417
Investments	7	142,899	1,029,001
Dividend receivable and accrued mark-up		3,992	18,232
Preliminary expenses and floatation costs	8	158	315
Advances, deposits and other receivables	9	8,140	35,821
Receivable against sale of investments		-	23,653
<b>Total assets</b>		<b>379,398</b>	<b>1,380,439</b>
<b>Liabilities</b>			
Payable to the Management Company	10	1,417	3,504
Payable to the Trustee		74	219
Payable to the Securities and Exchange Commission of Pakistan		124	1,991
Payable against Redemption Units		-	235,617
Accrued expenses and other liabilities	11	8,548	8,240
<b>Total liabilities</b>		<b>10,163</b>	<b>249,571</b>
<b>Net assets</b>		<b>369,235</b>	<b>1,130,868</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>369,235</b>	<b>1,130,868</b>
<b>Contingencies and Commitments</b>	12		
		(Number of units)	
<b>Number of units in issue</b>		<b>3,523,678</b>	<b>10,950,716</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>104.7868</b>	<b>103.2688</b>

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

	Nine Months ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	Note -----(Rupees in '000)-----			
<b>Income</b>				
Return on investments	36,979	62,425	4,458	46,718
Profit on deposits with banks	23,609	51,396	5,337	33,890
Dividend income	10,194	20,634	1,162	12,824
Capital loss on sale of investments - net	33,155	(25,406)	863	(26,636)
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss - net	(17,656)	(24,439)	(38,866)	(11,070)
	86,281	84,610	(27,047)	55,726
Impairment loss on equity securities classified as available for sale	-	-	-	-
	86,281	84,610	(27,047)	55,726
<b>Expenses</b>				
Remuneration of the Management Company	10,481	29,180	1,794	18,864
Remuneration of the Trustee	1,374	2,794	225	1,821
Annual fee to Securities and Exchange Commission of Pakistan	124	1,636	22	1,057
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,133	1,721	659	1,112
Selling and marketing expenses	2,879	6,886	582	4,451
Auditors' remuneration	278	276	92	183
Amortization of preliminary expenses and floatation costs	157	156	52	103
Settlement and bank charges	407	463	146	314
Printing charges	-	-	-	-
Fee and subscription	20	50	6	(30)
Income from shariah non-compliant transaction	666	866	666	564
Securities transaction cost	1,011	1,506	85	1,189
Shariah advisory fee	156	146	54	146
	20,686	45,680	4,384	29,774
<b>Net loss from operating activities</b>	65,595	38,930	(31,430)	25,952
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	(1,312)	(778)	628	(573)
<b>Net loss for the period before taxation</b>	64,283	38,152	(30,802)	25,379
Taxation	13	-	-	-
<b>Net loss for the period after taxation</b>	64,283	38,152	(30,802)	25,379
<b>Allocation of income for the period</b>				
Income already paid on redemption of units	-	16,322		
Accounting income available for distribution:				
- Relating to capital (losses) / gains	15,499	-		
- Excluding capital (losses) / gains	48,784	21,830		
	64,283	21,830		
	64,283	38,152		

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 Islamic Asset Allocation Fund**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
*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	64,283	38,152	(30,802)	25,378
Other comprehensive (loss) / income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>64,283</b>	<b>38,152</b>	<b>(30,802)</b>	<b>25,378</b>

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 Islamic Asset Allocation Fund**  
**Statement of Movement in Unit Holders' Fund (Un-Audited)**  
**For The Nine Months Ended March 31, 2020**

	Nine Months ended March 31,							
	2020				2019			
	(Rupees in '000)							
Capital value	Undistributed income	Unrealized (losses)/income on investment	Total	Capital value	Undistributed income	Unrealized (losses)/income on investment	Total	
<b>Net assets at beginning of the period</b>	<b>1,027,854</b>	<b>103,014</b>	<b>-</b>	<b>1,130,868</b>	2,347,630	113,632	8,297	2,469,559
Adoption of IFRS 9	-	-	-	-	-	8,297	(8,297)	-
Issue of 6,641,869 units (2018: 10,601,757 units)								
- Capital value (at net asset value per unit at the beginning of the period)	34,891	-	-	34,891	691,481	-	-	691,481
- Element of income / (Loss)	2,500	-	-	2,500	11,896	-	-	11,896
Total proceeds on issuance of units	37,391	-	-	37,391	703,377	-	-	703,377
Redemption of 14,286,825 units (2018: 8,035,145 units)								
- Capital value (at net asset value per unit at the beginning of the period)	(801,873)	-	-	(801,873)	(1,487,393)	-	-	(1,487,393)
- Income already paid on redemption of units	-	-	-	-	-	-	-	-
- Element of (loss) / income	(61,434)	-	-	(61,434)	(25,219)	-	-	(25,219)
Total payments on redemption of units	(863,307)	-	-	(863,307)	(1,512,612)	-	-	(1,512,612)
Total comprehensive loss for the period	-	64,283	-	64,283	-	38,152	-	38,152
Distribution during the period	-	-	-	-	-	(7,068)	-	(7,068)
Total comprehensive loss for the period	-	64,283	-	64,283	-	31,084	-	31,084
<b>Net assets at end of the period</b>	<b>201,938</b>	<b>167,297</b>	<b>-</b>	<b>369,235</b>	1,538,395	144,716	8,297	1,691,408
Undistributed income brought forward								
- Realised		127,453				116,763		
- Unrealised		(24,439)				(3,131)		
		103,014				113,632		
Adoption of IFRS 9		-				8,297		
Net loss for the period after taxation		64,283				38,152		
Distribution during the period		-				(7,068)		
<b>Undistributed income carried forward</b>		<b>167,297</b>				<b>153,013</b>		
Undistributed income carried forward								
- Realised		184,953				177,452		
- Unrealised		(17,656)				(24,439)		
		167,297				153,013		
<b>Net assets value per unit at beginning of the period</b>				<b>103.2688</b>				<b>104.7748</b>
<b>Net assets value per unit at end of the period</b>				<b>104.7868</b>				<b>106.2095</b>

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 Islamic Asset Allocation Fund**  
**Condensed Interim Cash Flow Statement (Un-Audited)**  
*For The Nine Months Ended March 31, 2020*

	March 31, 2020	March 31, 2019
	(Rupees in '000)	
<b>Cash flows from operating activities</b>		
Net loss for the period before taxation	64,283	38,152
<b>Adjustments for non-cash items:</b>		
Capital loss on sale of investments - net	(33,155)	25,406
Return / markup on bank profits	(23,609)	(51,396)
Return / markup on investments	(36,979)	(62,425)
Dividend income	(10,194)	(20,634)
Impairment loss on equity securities classified as available for sale	-	-
Amortization of preliminary expenses and floatation costs	157	156
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	17,656	24,439
	<u>(21,841)</u>	<u>(46,302)</u>
<b>(Increase) / decrease in assets</b>		
Investments	901,601	(308,023)
Advances, deposits and other receivables	51,334	(189)
	952,935	(308,212)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(2,087)	(4,619)
Payable to the Trustee	(145)	(63)
Payable to the Securities and Exchange Commission of Pakistan	(1,867)	(932)
Payable against Redemption Units	(235,617)	15,384
Accrued expenses and other liabilities	308	(895)
	<u>(239,408)</u>	<u>8,875</u>
<b>Net cash used in operations</b>	691,686	(345,639)
Profit received on bank deposits	23,682	52,218
Dividend income received	12,981	18,860
Markup received on investments	48,359	61,536
<b>Net cash used in from operating activities</b>	776,708	(213,025)
<b>Cash flows from financing activities</b>		
Amount received on issue of units	37,391	703,377
Payment against redemption of units	(863,307)	(1,519,680)
<b>Net cash (used in) / generated from financing activities</b>	(825,916)	(816,303)
<b>Net decrease in cash and cash equivalents</b>	(49,208)	(1,029,328)
Cash and cash equivalents at beginning of the period	273,417	1,072,554
<b>Cash and cash equivalents at end of the period</b>	<u>224,209</u>	<u>43,226</u>

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 Islamic Asset Allocation Fund**

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

### ***For The Nine Months Ended March 31, 2020***

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#### **1. LEGAL STATUS AND NATURE OF BUSINESS**

HBL Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed, dated September 07, 2015, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on October 28, 2015.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). 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 primary objective of the Fund is to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income/ Money Market 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 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** 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.

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**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 assumption 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.

	<i>Note</i>	<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
		<b>(Rupees in '000)</b>	
<b>6. BANK BALANCES</b>			
Balances with banks in:			
Savings accounts	6.1	<u>224,209</u>	<u>273,417</u>
<b>6.1</b>	This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 5.00% - 13.5% per annum (June 30, 2019: 3.75% - 13%) per annum.		
		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
		<b>(Rupees in '000)</b>	
<b>7. INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>			
- Listed equity securities	7.1	86,377	319,086
- Sukuk's	7.2	56,522	516,166
		<b>142,899</b>	835,252
<b>Financial assets at amortized cost</b>			
- Commercial paper	7.3	-	193,749
		<u>142,899</u>	<u>1,029,001</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 the Investee Company	Number of shares					Market value at March 31, 2020 (Rupees in '000)	Market value as a percentage		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 March 31, 2020		Total Investments	Net Assets	
<b>TEXTILE COMPOSITE</b>									
Interloop Limited	201,250	25,000	-	179,000	47,250	1,694	1.19%	0.46%	0.54%
Nishat Mills Ltd	87,600	64,400	-	115,300	36,700	2,155	1.51%	0.58%	0.01%
	<u>288,850</u>	<u>89,400</u>	<u>-</u>	<u>294,300</u>	<u>83,950</u>	<u>3,849</u>			
<b>CEMENT</b>									
Kohat Cement Limited	93,070	-	-	76,500	16,570	1,446	1.01%	0.39%	0.01%
Lucky Cement Limited	34,250	17,000	-	36,000	15,250	5,653	3.96%	1.53%	0.00%
Maple Leaf Cement Factory Limited	-	188,000	-	150,000	38,000	787	0.55%	0.21%	0.01%
	<u>127,320</u>	<u>205,000</u>	<u>-</u>	<u>262,500</u>	<u>69,820</u>	<u>7,886</u>			
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited	385,387	75,500	-	342,500	118,387	8,082	5.66%	2.19%	0.01%
K- Electric Limited	1,605,500	364,000	-	1,385,000	584,500	1,654	1.16%	0.45%	0.00%
	<u>1,990,887</u>	<u>439,500</u>	<u>-</u>	<u>1,727,500</u>	<u>702,887</u>	<u>9,736</u>			
<b>ENGINEERING</b>									
International Steels Limited	-	35,000	-	35,000	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>			
<b>GLASS &amp; CERAMICS</b>									
Tariq Glass Industries Ltd	-	20,000	-	20,000	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>			
<b>Pharmaceuticals</b>									
AGP Limited	38,000	43,000	-	59,000	22,000	1,815	1.27%	0.49%	0.00%
Highnoon Laboratories Limited	-	11,500	-	6,500	5,000	2,493	1.74%	0.68%	0.00%
The Searle Company Limited	40,217	20,000	-	46,100	14,117	2,214	1.55%	0.60%	0.01%
	<u>78,217</u>	<u>74,500</u>	<u>-</u>	<u>111,600</u>	<u>41,117</u>	<u>6,522</u>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Limited	27,214	8,846	2,421	31,486	6,995	6,233	4.36%	1.69%	0.00%
Oil & Gas Development Co Limited	309,500	84,300	-	309,200	84,600	6,513	4.56%	1.76%	0.00%
Pakistan Oilfields Limited	45,640	2,000	-	47,640	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	235,660	141,000	51,932	325,000	103,592	7,439	5.21%	2.01%	0.01%
	<u>618,014</u>	<u>236,146</u>	<u>54,353</u>	<u>713,326</u>	<u>195,187</u>	<u>20,185</u>			
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Limited	101,316	58,500	14,443	145,300	28,959	3,519	2.46%	0.95%	0.01%
Sui Northern Gas Pipeline Limited	104,800	66,000	-	136,000	34,800	1,284	0.90%	0.35%	0.01%
	<u>206,116</u>	<u>124,500</u>	<u>14,443</u>	<u>281,300</u>	<u>63,759</u>	<u>4,803</u>			
<b>COMMERCIAL BANKS</b>									
Meezan Bank Limited	133,520	107,500	-	174,000	67,020	4,362	3.05%	1.18%	0.01%
	<u>133,520</u>	<u>107,500</u>	<u>-</u>	<u>174,000</u>	<u>67,020</u>	<u>4,362</u>			
<b>FERTILIZER</b>									
Engro Corporation Limited	115,140	2,000	-	80,800	36,340	9,699	6.79%	2.63%	0.01%
Engro Fertilizers Limited	208,500	76,000	-	229,500	55,000	3,171	2.22%	0.86%	0.00%
Fauji Fertilizers Company Limited	114,000	117,000	-	187,000	44,000	4,093	2.86%	1.11%	0.00%
	<u>437,640</u>	<u>195,000</u>	<u>-</u>	<u>497,300</u>	<u>135,340</u>	<u>16,963</u>			
<b>Chemicals</b>									
Sitara Chemical Industries Limited	8,800	4,000	-	200	12,600	3,020	2.11%	0.82%	0.06%
Engro Polymer & Chemicals Limited	391,431	215,000	-	506,000	100,431	2,463	1.72%	0.67%	0.01%
Lotte Chemical Pakistan Limited	110,000	290,000	-	400,000	-	-	0.00%	0.00%	0.00%
	<u>510,231</u>	<u>509,000</u>	<u>-</u>	<u>906,200</u>	<u>113,031</u>	<u>5,483</u>			
<b>AUTOMOBILES PARTS &amp; ACCESSORIES</b>									
Thal Limited	27,950	14,000	-	27,300	14,650	4,304	3.01%	1.17%	0.02%
	<u>27,950</u>	<u>14,000</u>	<u>-</u>	<u>27,300</u>	<u>14,650</u>	<u>4,304</u>			
<b>TRANSPORT</b>									
Pakistan National Shipping Corporation Limited	37,500	24,000	-	18,500	43,000	2,284	1.60%	0.62%	0.03%
	<u>37,500</u>	<u>24,000</u>	<u>-</u>	<u>18,500</u>	<u>43,000</u>	<u>2,284</u>			
<b>Total as at March 31, 2019</b>	<u>4,456,245</u>	<u>2,073,546</u>	<u>68,796</u>	<u>5,068,826</u>	<u>1,529,761</u>	<u>86,377</u>			
<b>Carrying value as at March 31, 2020</b>						<u>104,233</u>			

**7.1.1** The above investments include shares with market value aggregating to Rs. 29.858 million (June 2019: Rs. 49.362 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**7.1.2** 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. 189,888 at March 31, 2020 (June 30, 2019: Rs. 191,400) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

## 7.2 Listed Sukuk's certificates- At fair value through profit or loss

### Name of the Investee Company

	As at July 01, 2019	Purchases during the period	Sales during the period	As at March 31, 2020	Market value as at March 31, 2020 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
	------(Number of certificates)-----						
International Brands Limited	100	-	-	100	7,469	5.23%	2.02%
Agha Steel Industries Limited	33	-	-	33	33,000	23.09%	8.94%
Dawood Hercules Corporation Limited*	2,110	-	1,910	200	16,053	11.23%	4.35%
	<b>2,243</b>	<b>-</b>	<b>1,910</b>	<b>333</b>	<b>56,522</b>	<b>39.55%</b>	<b>15.31%</b>

Cost of investment

56,323

Significant terms and conditions of Sukuk bonds outstanding as at March 31, 2020 are as follows

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Date of Issue	Maturity Date
International Brands Limited	75,678	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Agha Steel Industries Limited	1,000,000	3 months KIBOR +0.8%	9-Oct-18	9-Oct-24
Dawood Hercules Corporation Limited*	80,000	3 month KIBOR + 1.00 %	1-Mar-18	1-Mar-23

\* Related party due to common directorship

		<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<i>Note</i>	<b>(Rupees in '000)</b>	
<b>8. PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Opening balance		<b>315</b>	525
Less: amortized during the period	8.1	<b>(157)</b>	(210)
Closing balance		<b>158</b>	315
<b>8.1</b> Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.			
		<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<i>Note</i>	<b>(Rupees in '000)</b>	
<b>9. ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
Security deposit with National Clearing Company of Pakistan Limited		<b>7,850</b>	2,500
Security deposit with Central Depository Company of Pakistan Limited		<b>100</b>	100
Prepaid listing fee Fee		<b>7</b>	-
Advances		<b>183</b>	33,221
		<b>8,140</b>	35,821
<b>10. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management fee		<b>496</b>	1,677
Sindh Sales Tax		<b>65</b>	218
Sales load payable		<b>26</b>	-
Selling and marketing expenses payable		<b>583</b>	1,497
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>247</b>	112
		<b>1,417</b>	3,504
<b>11. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		<b>276</b>	276
Charity payable	11.1	<b>666</b>	1,353
Federal Excise Duty	11.2	<b>1,063</b>	1,063
Withholding tax payable		<b>32</b>	4
Payable to brokers		<b>40</b>	306
Provision for Sindh Workers' Welfare Fund	11.3	<b>5,978</b>	4,667
Dividend payable (including unclaimed dividend)		<b>25</b>	25
Sales load - payable to related parties		<b>-</b>	-
Payable to NCCPL		<b>47</b>	35
Payable to Shariah advisor		<b>37</b>	17
Other payable		<b>384</b>	494
		<b>8,548</b>	8,240

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**11.1** This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

**11.2** The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal which was filed by tax authorities against the order 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, 2018 aggregating to Rs. 1.063 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.3017 per unit (June 30, 2019: 0.0971 per unit).

**11.3 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 13.3 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is Gain for the period ended March 31, 2019, provision for SWWF has been recognised in this 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. 1.70 per unit (June 30, 2019: 0.43 per unit).

**12. CONTINGENCIES AND COMMITMENTS**

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

**13. 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.

**14. 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 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	
		(Un-Audited) March 31, 2020	(Un-Audited) March 31, 2019
		(Rupees in '000)	
<b>14.1</b>	<b>Transactions during the period</b>		
	<b>HBL Asset Management Limited - Management Company</b>		
	Management fee	9,275	25,823
	Sindh Sales Tax	1,206	3,357
	Allocation of expenses related to registrar services, accounting, operation and valuation services	3,133	1,721
	Selling and marketing expense	2,879	6,886
	<b>Habib Bank Limited - Sponsor</b>		
	Issue of Nil units ( March 31, 2019 : 3,029,696)	-	1,807
	Redemption of 2,432,285Units (March 2019: 2,959,598)	275,000	313,322
	Bank charges	17	32
	Mark-up earned during the period	300	247
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration	1,374	2,794
	CDC Charges	53	58
	<b>HBL Islamic Income Fund</b>		
	Mar-2020 Nil (Mar-2019 Sale of AGP Limited Sukuk)	-	19,512
	<b>HBL Growth Fund</b>		
	Mar-2020 Nil (Mar-2019 Sale of Oil & Gas Development Limited 20,000 Shares)	-	2,834
	Mar-2020 Nil (Mar-2019 Sale of Pakistan Petroleum Limited 27,000 Shares)	-	4,824
	Mar-2020 Nil (Mar-2019 Sale of Engro Polymer Chemical Limited 65,000 Shares)	-	2,343
	Mar-2020 Nil (Mar-2019 Sale of Maple Leaf Cement Factory Limited 20,000 Shares)	-	1,552
	Mar-2020 Nil (Mar-2019 Sale of Engro Fertilizers Limited 25,000 Shares)	-	1,793
	Mar-2020 Nil (Mar-2019 Sale of Pakistan State Oil Company Ltd 8,000 Shares)	-	1,680
	Mar-2020 Nil (Mar-2019 Sale of Lotte Chemical Pakistan Ltd 50,000 Shares)	-	687
	Mar-2020 Nil (Mar-2019 Sale of Lucky Cement Ltd 6,000 Shares)	-	2,601
	Mar-2020 Nil (Mar-2019 Sale of Kohat Cement Ltd 10,000 Shares)	-	879
	Mar-2020 Nil (Mar-2019 Sale of Hub Power Company Ltd 35,000 Shares)	-	2,728
	<b>HBL Investment Fund</b>		
	Mar-2020 Nil (Mar-2019 Sale of Oil & Gas Development Limited 10,000 Shares)	-	1,417
	Mar-2020 Nil (Mar-2019 Sale of Engro Polymer Chemical Limited 35,000 Shares)	-	1,261
	Mar-2020 Nil (Mar-2019 Sale of Maple Leaf Cement Factory Limited 25,000 Shares)	-	970
	Mar-2020 Nil (Mar-2019 Sale of Engro Fertilizers Limited 15,000 Shares)	-	1,076
	Mar-2020 Nil (Mar-2019 Sale of Pakistan State Oil Company Ltd 12,000 Shares)	-	2,520
	Mar-2020 Nil (Mar-2019 Sale of Lotte Chemical Pakistan Ltd 30,000 Shares)	-	412
	Mar-2020 Nil (Mar-2019 Sale of Lucky Cement Ltd 4,000 Shares)	-	1,734
	Mar-2020 Nil (Mar-2019 Sale of Kohat Cement Ltd 8,000 Shares)	-	703
	Mar-2020 Nil (Mar-2019 Sale of Hub Power Company Ltd 15,000 Shares)	-	1,169
	<b>HBL Energy Fund</b>		
	Mar-2020 Nil (Mar-2019 Sale of Pakistan Petroleum Limited 23,000 Shares)	-	4,110
	<b>HBL Asset Management Ltd Employees Gratuity Fund</b>		
	Issue of Nil units (Mar-19 13 units)	-	1

		Nine months ended	
		(Un-Audited) March 31, 2020	(Un-Audited) March 31, 2019
		(Rupees in '000)	
<b>HBL Asset Management Ltd Employees Provident Fund</b>			
	Issue of Nill units (Mar-19 38 units)	-	4
<b>Director, Executives and Key Management Personal</b>			
	Issue of Nill units (Mar-19 951 units)	-	100
	Redemption of Nill units (Mar-19 951 units)	-	101
		<b>March 31,</b>	<b>June 30,</b>
		<b>2020</b>	<b>2019</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		<b>(Rupees in '000)</b>	
<b>14.2</b>	<b>Amounts outstanding as at period end</b>	<i>Note</i>	
<b>HBL Asset Management Limited - Management Company</b>			
	Management Fee	496	1,677
	Sindh Sales Tax	65	218
	Allocation of expenses related to registrar services, accounting, operation and valuation services	247	112
	Sale load payable	26	-
	Charging of selling and marketing expenses	583	1,497
<b>Habib Bank Limited - Sponsor</b>			
	Investment held in the Fund : 1,860,258 units (June 30, 2019: 6,022,636 units)	194,931	443,286
	Bank balances	5,776	4,775
	Mark-up receivable on deposits with banks	26	16
<b>HBL Asset Management Limited - Employees Gratuity Fund - Associate</b>			
	Investment held in the Fund : 4,521 units (June 30, 2018: 4,521 units)	474	467
<b>HBL Asset Management Limited - Employees Provident Fund - Associate</b>			
	Investment held in the Fund : 13,051 units (June 30, 2018 : 13,051 units)	1,368	1,348
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Remuneration payable	65	194
	Sindh Sales Tax	9	25
	Security deposit	100	100

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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'						
		Fair value through profit or loss	At Amortized cost	Total	Fair Value			Total
Note	Level 1				Level 2	Level 3		
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
		86,377	-	86,377	86,377	-	-	86,377
		56,522	-	56,522	(126,478)	-	183,000	56,522
		<b>142,899</b>	<b>-</b>	<b>142,899</b>	<b>(40,101)</b>	<b>-</b>	<b>-</b>	<b>142,899</b>
<b>Financial assets not measured at fair value</b>								
	15.1	-	224,209	224,209	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	3,992	3,992	-	-	-	-
		-	8,133	8,133	-	-	-	-
		<b>-</b>	<b>236,334</b>	<b>236,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>								
	15.1	-	1,352	1,352	-	-	-	-
		-	124	124	-	-	-	-
		-	65	65	-	-	-	-
		-	-	-	-	-	-	-
		-	1,475	1,475	-	-	-	-
		<b>-</b>	<b>3,016</b>	<b>3,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>June 30, 2019'</b>								
		Fair value through profit or loss	At Amortized cost	Total	Fair Value			Total
Note	Level 1				Level 2	Level 3		
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
		319,086	-	319,086	319,086	-	-	319,086
		516,166	-	516,166	-	516,166	-	516,166
		<b>835,252</b>	<b>-</b>	<b>835,252</b>	<b>319,086</b>	<b>516,166</b>	<b>-</b>	<b>835,252</b>
<b>Financial assets not measured at fair value</b>								
		193,749	-	193,749	-	-	-	-
		-	273,417	273,417	-	-	-	-
		-	18,232	18,232	-	-	-	-
		-	33,221	33,221	-	-	-	-
		-	23,653	23,653	-	-	-	-
		<b>-</b>	<b>348,523</b>	<b>542,272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>								
	15.1	-	3,286	3,286	-	-	-	-
		-	194	194	-	-	-	-
		-	2,506	2,506	-	-	-	-
		-	235,617	235,617	-	-	-	-
		<b>-</b>	<b>241,603</b>	<b>241,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**16. 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 Period ended March 31, 2020 is 2.6% which includes 0.34% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

**17. 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.

**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)**

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Islamic Income Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Income Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited United Bank Limited Burj Bank Limited Faysal Bank Limited Allied Bank Limited Askari Bank Limited Soneri Bank Limited Summit Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited
Rating	'A+(f)'

**HBL Islamic Income Fund**  
**Condensed Interim Statement Of Assets And Liabilities (Unaudited)**  
*As at March 31, 2020*

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
<b>Assets</b>			
Bank balances	4	1,284,016	2,164,208
Investments	5	409,003	888,592
Profit receivable		41,355	76,919
Receivable against sale of investments		-	-
Preliminary expenses and floatation costs		-	-
Deposits and prepayments		7,626	7,798
<b>Total assets</b>		<b>1,741,999</b>	<b>3,137,517</b>
<b>Liabilities</b>			
Payable to the Management Company	6	4,020	7,001
Payable to the Trustee		134	407
Payable to Securities and Exchange Commission of Pakistan		249	3,049
Dividend payable		33	3,864
Payable against redemption of units		4,907	199
Accrued expenses and other liabilities	7	18,407	19,513
<b>Total liabilities</b>		<b>27,750</b>	<b>34,033</b>
<b>Net assets</b>		<b>1,714,249</b>	<b>3,103,484</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,714,249</b>	<b>3,103,484</b>
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>15,540,842</b>	<b>30,579,719</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>110.3061</b>	<b>101.4883</b>

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

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2020	2019	2020	2019
----- (Rupees in '000) -----					
<b>Income</b>					
Capital gain on sale of investments - net		306	659	(296)	772
Income from sukuk		63,410	107,875	15,130	40,544
Income from TDR		11,323	59,011	3,781	23,496
Profit on bank deposits		96,131	102,775	37,559	39,878
		171,170	270,320	56,174	104,690
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		(5,061)	(9,144)	2,029	(7,992)
		166,109	261,176	58,203	96,698
<b>Expenses</b>					
Remuneration of the Management Company	6.1 & 6.2	17,360	31,097	6,655	11,288
Remuneration to the Trustee		1,056	3,587	360	1,168
Annual fee to the Securities and Exchange Commission of Pakistan		249	2,238	85	727
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	1,659	2,984	425	970
Amortisation of preliminary expenses and floatation costs		-	613	-	201
Security transaction, settlement and bank charges		365	699	49	131
Auditors' remuneration		178	177	59	58
Fees and subscription		436	442	196	205
Printing charges		-	-	-	-
Selling and marketing expense		4,146	5,292	851	1,940
		25,449	47,130	8,680	16,688
<b>Net income from operating activities</b>		140,660	214,046	49,523	80,010
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	(2,813)	(4,281)	(990)	(1,600)
<b>Net income for the period before taxation</b>		137,847	209,765	48,533	78,410
Taxation	8	-	-	-	-
<b>Net income for the period after taxation</b>		137,847	209,765	48,533	78,410
<b>Allocation of net income for the period</b>	3.6				
Net income for the period after taxation		137,847	209,765	48,533	78,409
Income already paid on units redeemed		(49,139)	(66,001)	(14,124)	(35,500)
		88,708	143,764	34,409	42,909
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		88,708	143,764	34,409	42,909
		88,708	143,764	34,409	42,909

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 Islamic Income 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) -----			
<b>Net income for the period after taxation</b>	<b>137,847</b>	209,765	<b>48,533</b>	78,410
<b>Other comprehensive income for the period</b>				
Items that may be reclassified subsequently to income statement	-	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>137,847</b>	209,765	<b>48,533</b>	78,410

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 Islamic Income Fund**  
**Condensed Interim Statement Of Movement In Unit Holders' Fund**  
*For the nine months ended March 31, 2020*

For the nine months ended March 31,						
2020			2019			
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Note ----- (Rupees in '000) -----						
<b>Net assets at beginning of the period</b>	<b>3,049,443</b>	<b>54,041</b>	<b>3,103,484</b>	3,947,620	93,906	4,041,526
<b>Issuance of 27,988,408 units (2019: 32,831,461 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	2,840,496	-	2,840,496	3,490,028	-	3,490,028
Element of income / (loss)	126,665	-	126,665	(2,118,929)	-	(2,118,929)
<b>Total proceeds on issuance of Units</b>	<b>2,967,161</b>	<b>-</b>	<b>2,967,161</b>	<b>1,371,099</b>	<b>-</b>	<b>1,371,099</b>
<b>Redemption of 43,027,285 units (2019: 34,057,090 units)</b>						
Capital value (at net asset value per unit at the beginning of the period)	(4,366,766)	-	(4,366,766)	(3,620,314)	-	(3,620,314)
Element of income	(127,478)	-	(127,478)	1,971,819	-	1,971,819
<b>Total payments on redemption of units</b>	<b>(4,494,244)</b>	<b>-</b>	<b>(4,494,244)</b>	<b>(1,648,495)</b>	<b>-</b>	<b>(1,648,495)</b>
Total comprehensive loss for the period	-	137,847	137,847	-	209,765	209,765
Refund of Capital						
Distribution for the period					(44,653)	(44,653)
<b>Net assets at end of the period</b>	<b>1,522,360</b>	<b>191,888</b>	<b>1,714,249</b>	<b>3,670,223</b>	<b>259,018</b>	<b>3,929,243</b>
<b>Undistributed income brought forward</b>						
- Realised		66,198			106,089	
- Unrealised		(12,157)			(12,183)	
		<b>54,041</b>			<b>93,906</b>	
Accounting income available for distribution		<b>137,847</b>			<b>143,764</b>	
Net income for the period - for prior period	3.6					
- Relating to capital (loss) / gains		-			-	
- Excluding capital gains		-			-	
Net (loss) / income for the period after taxation		-			-	
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6					
<b>Undistributed income carried forward</b>		<b>191,888</b>			<b>93,906</b>	
<b>Undistributed income carried forward</b>						
- Realised		196,949			103,050	
- Unrealised		(5,061)			(9,144)	
		<b>191,888</b>			<b>93,906</b>	
				Rupees		Rupees
<b>Net assets value per unit at beginning of the period</b>				<b>101.4883</b>		<b>106.3013</b>
<b>Net assets value per unit at end of the period</b>				<b>110.3061</b>		<b>106.7906</b>

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 Islamic Income Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the nine months ended March 31, 2020*

	Nine months ended	
	March 31,	
	2020	2019
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net income for the period before taxation	137,847	209,765
<b>Adjustments for:</b>		
Capital gain on sale of investments - net	(306)	(659)
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	5,061	9,144
Amortisation of preliminary expenses and floatation costs	-	613
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
Mark up / return on;		
- Bank profits	(96,131)	(102,775)
- Investments	(74,733)	(166,886)
Provision for Sindh Workers' Welfare Fund	2,813	4,281
	<b>(25,449)</b>	<b>(46,517)</b>
<b>Increase / (decrease) in assets</b>		
Investments - net	474,834	(856,875)
Advance against initial public offering	-	-
Deposits and prepayments	172	171
	<b>475,006</b>	<b>(856,704)</b>
<b>(decrease) / Increase in liabilities</b>		
Payable to the Management Company	(2,981)	3,249
Payable to the Trustee	(273)	(3)
Payable to Securities and Exchange Commission of Pakistan	(2,800)	(1,093)
Dividend payable	(3,831)	23
Payable against redemption of units	4,708	(101,997)
Accrued expenses and other liabilities	(3,919)	131
	<b>(9,096)</b>	<b>(99,690)</b>
Income received from sukuk	80,018	107,387
Income received from TDR	11,323	53,892
Profit received on bank deposits	115,087	96,309
	<b>206,428</b>	<b>257,588</b>
<b>Net cash used in operations</b>	<b>646,889</b>	<b>(745,323)</b>
<b>Cash flow from financing activities</b>		
Amount received on issue of units	2,967,161	1,371,099
Dividend paid	-	(44,653)
Payment against redemption of units	(4,494,244)	(1,648,495)
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,527,083)</b>	<b>(322,049)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(880,194)</b>	<b>(1,067,372)</b>
Cash and cash equivalents at beginning of the year	2,164,208	2,716,661
<b>Cash and cash equivalents at end of the year</b>	<b>1,284,016</b>	<b>1,649,291</b>

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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 Islamic Income Fund**

## **Notes To The Condensed Interim Financial Statements (Unaudited)**

*For the nine months ended March 31, 2020*

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### **1. LEGAL STATUS AND NATURE OF BUSINESS**

The HBL Islamic Income Fund ('the Fund') was established 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. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PIIF/949/2014 dated April 4, 2014 as a notified entity and the trust deed was executed on February 20, 2014.

Through an order dated August 31, 2016 SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on Feb 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 Agha 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, 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 has been categorised as a Shariah Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations.

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

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**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, 2018, 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 March 31, 2020.

**2.1.4** This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 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 is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

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

**3.1** The accounting policies adopted for the preparation of 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, 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.

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### 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)
<b>4. BANK BALANCES</b>	<b>Note</b>	<b>(Rupees in '000)</b>	
In savings accounts	4.1	1,284,016	2,164,187
Term deposit receipt	4.2	-	-
In current account		-	21
		<u>1,284,016</u>	<u>2,164,208</u>

**4.1** Mark-up rates on these accounts range between 13.50% - 12.00% per annum (June 30, 2019: 6.50% - 13.50% per annum).

**4.2** These term deposit receipts carry mark up at the rate of 14.46% - 12.26% (June 30, 2019: 5.97% - 10.46% per annum). These will mature at various dates maximum by March 31, 2020.

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
<b>5 INVESTMENTS</b>	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Financial assets 'at fair value through profit or loss' - held-for-trading</b>			
- Privately placed sukuk certificates	5.1	409,003	759,168
At Amortized cost		-	129,424
		<u>409,003</u>	<u>888,592</u>

**5.1 Privately placed sukuk certificates**

Name of the Investee Company	Number of units				Market value as at Mar 31, 2020 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2019	Purchases during the period	Sales during the period	As at Mar 31, 2020		Total Investments	Net Assets

**Corporate Sukuks**

International Brands Limited	1,100	-	-	1,100	82,164	20.09	4.79
Dawood Hercules	751	-	545	206	-	-	-
Dawood Hercules (1-03-18)	450	-	-	450	28,092	6.87	1.64
AGP Limited	2,642	-	1,650	992	45,086	11.02	2.63
Dubai Islamic Bank Limited	190	-	25	165	54,810	13.40	3.20
Ghani Gasses Limited	1,530	-	-	1,530	68,850	16.83	4.02
Agha Steel	95	-	-	95	95,000	23.23	5.54
Hub Power	-	-	-	-	35,000	8.56	-
	<u>6,758</u>	<u>-</u>	<u>2,220</u>	<u>4,443</u>	<u>409,003</u>	<u>100.00</u>	<u>22</u>

1,194,292

**5.1.1** These Sukuk carry semi annual mark-up at the rate ranging from 14.49% - 12.03% per annum. (June 30, 2019: semi annual mark-up at the rate of 5.97% & 10.46% per annum) respectively.

		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
		<b>(Rupees in '000)</b>	
<b>6</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>	<b>Note</b>	
	Management fee	6.1	2,185
	Sindh sales tax	6.2	3,889
	Sales load payable		284
	Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	543
	Selling and marketing payable	6.4	158
			341
			850
			2,162
			<u>4,020</u>
			<u>7,001</u>
<b>6.1</b>	As per the offering document of the Fund, the Management Company shall charge a fee at the rate of 10% of gross earnings of the Scheme, calculated on daily basis not exceeding 1.50% 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. The fee is payable monthly in arrears.		
<b>6.2</b>	The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
<b>6.3</b>	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, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.		
<b>6.4</b>	SECP vide its circular No. SCD/Circular/394/2018 dated June 04, 2018 prescribed some amendments in circular No. SCD/PRDD/Circular/361/2016 dated December 30, 2016 and 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 all categories of open-end mutual funds (except fund of funds and money market 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. The Fund has started accruing expense on this account at 0.4% per annum of net assets of the Fund effective from March 21, 2017 being the lower.		
		<b>Note</b>	
			<b>(Rupees in '000)</b>
<b>7</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Withholding tax payable		1,522
	Federal excise duty	7.1	5,461
	Provision for Sindh Workers' Welfare Fund	7.2	1,344
	Auditors' remuneration		14,823
	Payable to brokers		109
	Printing charges		169
	Other payables		83
			217
			279
			<u>18,407</u>
			<u>19,513</u>

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## **7.1 Provision for Federal Excise Duty**

The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan 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. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.09 per unit (June 30, 2019: Rs. 0.04 per unit).

## **7.2 Provision for Sindh Workers' Welfare Fund**

The legal status of applicability of Sindh workers' welfare fund (SWWF) is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

The Fund, as a matter of abundant caution, recognised provision for SWWF amounting to Rs. 3.34 million for the nine months year 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. 0.95 per unit (June 30, 2019: Rs. 0.39 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. 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.

## **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.

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

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)	
<b>11.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of Management Company	15,363	27,519
Sindh Sales Tax on remuneration of Management Company	1,997	3,578
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,659	2,984
Issue of Nil units (2019: 245,246 units)	-	25,000
Redemption Nil units (2019: 245,246) units	-	25,096
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	180	89
Profit on bank deposits earned	12,699	355
Redemption Nil units (2019: 2,541,753) units	-	269,961
Refund of capital	-	4,960
Dividend Paid	-	12,111
<b>HBL Asset Management Ltd Employess Gratuity Fund</b>		
Issuance of units 2020: Nil (2019: 96 units)	-	8
Refund of capital	-	11
Dividend Paid	-	21
<b>HBL Asset Management Ltd Employess Provident Fund</b>		
Issuance of units 2020: Nil (2019: 414 units)	-	42
Refund of capital	-	69
Dividend Paid	-	111
<b>Executives of the Management Company</b>		
Issuance of units 2020: 29,231 (2019: 292,153 units)	3,064	30,640
Redemption of units 2020: 60,259 (2019: 490,337 units)	6,384	51,528
Refund of capital	-	408
Dividend Paid	-	1,182
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	1,056	3,587
Central Depository Service charges	23	100
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan*</b>		
Issuance of units 2020: 120,316 (2019: 374,002 units)	12,477	39,164
Redemption of units 2020: 535,144 (2019: 499,961 units)	55,856	51,877
Refund of capital	-	4,574
Dividend Paid	-	4,590
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan*</b>		
Issuance of units 2020: 80,596 (2019: 6,523 units)	8,724	681
Redemption of units 2020: 175,098 (2019: 139,268 units)	18,769	14,356
Refund of capital	-	1,364
Dividend Paid	-	1,369

		<b>Nine months ended</b>	
		<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
		<b>(Rupees in '000)</b>	
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan*</b>			
	Issuance of units 2020: 55,353 (2019: 14,557,943 units)	<b>5,733</b>	1,518,052
	Redemption of units 2020: 21,112,493 (2019: 7,762,482 units)	<b>2,151,951</b>	806,679
	Refund of capital	-	101,610
	Dividend Paid	-	101,956
<b>Dewan Petroleum (Pvt) Limited</b>			
	Issuance of units 2020: 2,820,979 (2019: Nil) units	<b>290,000</b>	-
		<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
<b>11.2</b>	<b>Balances outstanding as at period / year end</b>	<b>(Rupees in '000)</b>	
		<b>Note</b>	
<b>HBL Asset Management Limited - Management Company</b>			
	Remuneration of the Management Company	<b>2,185</b>	3,889
	Sindh Sales Tax on remuneration of the Management Company	<b>284</b>	505
	Sales load payable	<b>543</b>	104
	Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>158</b>	341
	Selling and Marketing expense payable	-	2,161
<b>Habib Bank Limited - Sponsor</b>			
	Bank balances	<b>1,202</b>	144,066
	Units held: Nil (June 30, 2019: Nil) units	-	-
<b>HBL Asset Management Ltd Employess Gratuity Fund</b>			
	Units held: 4,658 (June 30, 2019: 4,658) units	<b>514</b>	473
<b>HBL Asset Management Ltd Employess Provident Fund</b>			
	Units held: 25,042 (June 30, 2019: 25,042) units	<b>2,762</b>	2,541
<b>Executives of the Management Company</b>			
	Units held in the Fund : 5,450 units (June 30,2019: 56,017 units)	<b>601</b>	5,685
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan-Associated company</b>			
	Units held: 146,856 (June 30, 2019: 21,203,996) units	<b>16,199</b>	2,151,958
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan</b>			
	Units held: 423,612 (June 30, 2019: 838,440) units	<b>46,727</b>	85,092
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan</b>			
	Units held: 45,525 (June 30, 2019: 140,026) units	<b>5,022</b>	14,211

		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
<b>Central Depository Company of Pakistan Limited - Trustee</b>	<b>Note</b>	<b>(Rupees in '000)</b>	
Remuneration payable		<b>134</b>	407
Security deposit		<b>100</b>	100
<b>Dewan Petroleum (Pvt) Limited</b>			
Units held: 2,820,979 (June 30, 2019: Nil) units		<b>311,171</b>	-
<b>Archroma Pakistan Limited Employees Gratuity Fund</b>			
Units held: 630,163 (June 30, 2019: Nil) units		<b>69,511</b>	-

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

## 12. 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 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			
	At fair value through profit or loss - 'held-for-trading'	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)							
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
- Corporate sukuk certificates	409,003	-	-	409,003	-	409,003	-	409,003
- GOP Ijarah Sukuks	-	-	-	-	-	-	-	-
	<b>409,003</b>	<b>-</b>	<b>-</b>	<b>409,003</b>	<b>-</b>	<b>409,003</b>	<b>-</b>	<b>409,003</b>
<b>Financial assets not measured at fair value</b>								
Bank balances	-	1,284,016	-	1,284,016				
Investments	-	-	-	-				
Profit receivable	-	41,355	-	41,355				
	<b>-</b>	<b>1,325,371</b>	<b>-</b>	<b>1,325,371</b>				
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company	-	-	4,020	4,020				
Payable to the Trustee	-	-	134	134				
Accrued expenses and other liabilities	-	-	450	450				
Payable against redemption of units	-	-	4,907	4,907				
Unit holders' fund	-	-	1,714,249	1,714,249				
	<b>-</b>	<b>-</b>	<b>1,723,760</b>	<b>1,723,760</b>				

June 30, 2019

	Carrying amount				Fair Value			
	Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)							
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
- Corporate sukuk certificates	-	-	-	-		759,168		759,168
- Commercaill paper	-	129,424	-	-				129,424
	<b>-</b>	<b>129,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>759,168</b>	<b>-</b>	<b>888,592</b>
<b>Financial assets not measured at fair value</b>								
Bank balances	-	2,164,187	-	2,164,187	-	-	21	2,164,208
Profit receivable	-	-	-	-	-	-	76,919	76,919
Deposit	-	-	-	-	-	-	7,599	7,599
	<b>-</b>	<b>2,164,187</b>	<b>-</b>	<b>2,164,187</b>	<b>-</b>	<b>-</b>	<b>84,539</b>	<b>2,248,726</b>
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company	-	-	6,496	6,496	-	-	-	-
Payable to the Trustee	-	-	360	360	-	-	-	-
Payable against redemption of units	-	-	199	199	-	-	-	-
Accrued expenses and other liabilities	-	-	678	678	-	-	-	-
Dividend payable	-	-	3,864	3,864	-	-	-	-
	<b>-</b>	<b>-</b>	<b>11,597</b>	<b>11,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**12.1** For level 2 investments at fair value through profit or loss - investment in Privately Placed Sukuks, are valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012 at reporting date.

For level 3 investments at fair value through profit or loss - investment in respect of Sukuk, the Fund has received Agha Steel Industries sukuks which are in the process of listing. Accordingly, these are stated at cost.

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

**12.3 Transfers during the period**

There were no transfers 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, 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 1.71% (2019: 1.80%) which includes 0.25% (2019: 0.37%) representing government levy, Sindh Worker's Welfare Fund 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)**

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Islamic Stock Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Stock Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

**HBL Islamic 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) -----	
<b>Assets</b>			
Bank balances	4	44,760	55,650
Investments	5	363,096	585,604
Dividend and profit receivable		2,024	2,347
Receivable against sale of investment		-	10,033
Advances, deposits, prepayments and other receivables		3,529	3,521
<b>Total assets</b>		<b>413,408</b>	<b>657,155</b>
<b>Liabilities</b>			
Payable to the Management Company	6	2,585	2,202
Payable to the Trustee		218	120
Payable to Securities and Exchange Commission of Pakistan		91	1,917
Accrued expenses and other liabilities	7	15,341	17,755
<b>Total liabilities</b>		<b>18,235</b>	<b>21,994</b>
<b>Net assets</b>		<b>395,173</b>	<b>635,161</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>395,173</b>	<b>635,161</b>
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>5,034,341</b>	<b>6,957,434</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>78.4956</b>	<b>91.2924</b>

The annexed notes 1 to 13 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 Islamic Stock Fund**  
**Condensed Interim Income Statement and 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
<b>Note</b>	----- (Rupees in '000) -----			
<b>Income</b>				
Dividend income	19,624	67,329	3,047	10,078
Profit on bank deposits	4,666	21,094	1,886	6,204
Capital gain / (loss) on sale of investments - net	3,025	(42,138)	(7,859)	(5,335)
	27,315	46,285	(2,926)	10,947
Net unrealised (diminution) / appreciation on re-measurement of investments classified at fair value through profit or loss - held-for-trading	(82,094)	(110,707)	(177,043)	96,627
<b>Total (Loss) / Income</b>	<b>(54,779)</b>	<b>(64,422)</b>	<b>(179,969)</b>	<b>107,574</b>
<b>Expenses</b>				
Remuneration of the Management Company	10,044	40,392	3,586	11,628
Remuneration of the Trustee	1,033	2,868	358	860
Annual fee to Securities and Exchange Commission of Pakistan	91	1,698	31	489
Selling and marketing expenses	3,534	7,149	1,338	2,058
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,203	1,787	441	514
Securities transaction costs	2,037	5,829	763	1,990
Auditors' remuneration	280	264	92	86
Settlement and bank charges	376	806	97	333
Shariah advisory fee	151	146	49	47
Fees and subscription	20	21	9	6
Haram Income Expense	1,268	2,946	92	334
	20,037	63,906	6,856	18,344
<b>Net (loss) / Income from operating activities</b>	<b>(74,816)</b>	<b>(128,328)</b>	<b>(186,825)</b>	<b>89,230</b>
Provision for Sindh Workers' Welfare Fund	7.2	-	2,265	-
<b>Net (loss) / income for the period before taxation</b>	<b>(74,816)</b>	<b>(128,328)</b>	<b>(184,560)</b>	<b>89,230</b>
Taxation	8	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(74,816)</b>	<b>(128,328)</b>	<b>(184,560)</b>	<b>89,230</b>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(74,816)</b>	<b>(128,328)</b>	<b>(184,560)</b>	<b>89,230</b>

The annexed notes 1 to 13 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 Islamic Stock Fund**  
**Condensed Interim Statement of Movement in Unit Holders' Fund**  
*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		
Note								(Rupees in '000)	
<b>Net assets at beginning of the period</b>	951,824	(316,663)	-	635,161	2,580,952	(39,010)	-	2,541,942	
Issue of units 3,026,429 (2019: 4,279,651 units)									
- Capital value (at net asset value per unit at the beginning of the period)	534,189	-	-	534,189	478,583	-	-	478,583	
- Element of loss	56,733	-	-	56,733	(87)	-	-	(87)	
Total proceeds on issuance of units	590,922	-	-	590,922	478,496	-	-	478,496	
Redemption of 3,608,051 units (2019: 11,757,466 units)									
- Capital value (at net asset value per unit at the beginning of the period)	(709,753)	-	-	(709,753)	(1,314,810)	-	-	(1,314,810)	
- Amount paid out of element of income relating to net income for the year after taxation	(46,341)	-	-	(46,341)	25,709	-	-	25,709	
Total payments on redemption of units	(756,094)	-	-	(756,094)	(1,289,100)	-	-	(1,289,100)	
Total comprehensive income for the period	-	(74,816)	-	(74,816)	-	(128,328)	-	(128,328)	
<b>Net assets at end of the period</b>	<b>786,652</b>	<b>(391,479)</b>	<b>-</b>	<b>395,173</b>	<b>1,770,348</b>	<b>(167,338)</b>	<b>-</b>	<b>1,603,010</b>	
<b>Undistributed income brought forward</b>									
- Realised		(208,097)				6,041			
- Unrealised		(108,566)				(46,644)			
		<u>(316,663)</u>				<u>(40,603)</u>			
Accounting (loss) / Income available for distribution		(74,816)				(126,735)			
Distribution during the period		-				-			
(Accumulated loss) / undistributed income carried forward		<u>(391,479)</u>				<u>(167,338)</u>			
(Accumulated loss) / undistributed income carried forward									
- Realised		(309,385)				38,063			
- Unrealised		(82,094)				(205,401)			
		<u>(391,479)</u>				<u>(167,338)</u>			
					Rupees			Rupees	
<b>Net assets value per unit at beginning of the period</b>				<u>91.2924</u>				<u>111.8276</u>	
<b>Net assets value per unit at end of the period</b>				<u>78.4956</u>				<u>101.9945</u>	

The annexed notes 1 to 13 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 Islamic Stock Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the Nine Months Ended March 31, 2020*

	Nine Months Ended March 31,	
	2020	2019
	Note ----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Net (loss) / income for the period before taxation	(74,816)	(128,328)
<b>Adjustments</b>		
Capital loss / (gain) during the period	(3,025)	42,138
Dividend Income	(19,624)	(67,329)
Profit on bank deposits	(4,666)	(21,094)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	82,094	110,707
	<u>(20,037)</u>	<u>(63,906)</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	<u>153,472</u>	568,730
Dividend receivable and accrued mark-up	<u>24,613</u>	83,921
Advances, deposits, prepayments and other receivables	<u>(8)</u>	(63)
	<u>178,078</u>	652,588
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	<u>383</u>	(3,805)
Payable to the Trustee	<u>98</u>	(68)
Payable to Securities and Exchange Commission of Pakistan	<u>(1,826)</u>	82
Payable against Purchase of Equity Securities	<u>-</u>	(269,759)
Accrued expenses and other liabilities	<u>(2,414)</u>	(3,806)
	<u>(3,759)</u>	<u>(277,357)</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>154,282</u>	311,325
<b>Cash flows from financing activities</b>		
Amount received on issue of units	<u>590,922</u>	478,496
Payment against redemption of units	<u>(756,094)</u>	(1,289,100)
<b>Net cash generated from financing activities</b>	<u>(165,172)</u>	<u>(810,604)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(10,890)</u>	<u>(499,279)</u>
Cash and cash equivalents at beginning of the period	<u>55,650</u>	618,133
<b>Cash and cash equivalents at end of the period</b>	<u>44,760</u>	<u>118,854</u>

The annexed notes 1 to 13 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 Islamic Stock Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

### ***For the Nine Months Ended March 31, 2020***

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#### **1. LEGAL STATUS AND NATURE OF BUSINESS**

HBL Islamic Stock Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, 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 as a unit trust scheme on December 10, 2010.

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

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 09, 2011 to May 10, 2011.

The principal activity of the Fund is to provide long-term capital growth by investing mainly in Shariah Compliant equity securities and short-term government securities.

JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+ (AM Two Plus) to the Management Company.

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

#### **2. BASIS OF PREPARATION**

##### **2.1 Statement of Compliance**

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

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

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### **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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

**3.1** The accounting policies adopted in the preparation of these condensed interim financial statements 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 these condensed interim 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 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, 2018 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 statements.

#### **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.

		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
		<b>(Rupees in '000)</b>	
<b>4.</b>	<b>BANK BALANCES</b>		
	Balances with banks in:		
	savings accounts	4.1 <b>44,760</b>	52,454
	current account	-	-
		<u><b>44,760</b></u>	<u>52,454</u>
<b>4.1</b>	The balance in savings accounts carry expected profit which ranges from 5.00% to 12.00% (June 30, 2019: 6% to 13.50%) per annum.		
		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
		<b>(Rupees in '000)</b>	
<b>5.</b>	<b>INVESTMENTS</b>		
	- Listed equity securities	5.1 <b>363,096</b>	669,279
		<u><b>363,096</b></u>	<u>669,279</u>

## 5.1 Listed equity securities at fair Value through Profit or Loss - Held for trading

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

Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2020	Market value as at March 31, 2020 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	----- Number of shares -----						----- % -----		
<b>INVESTMENT BANKS/CO./SECURITIES</b>									
Dawood Hercules Corporation Ltd	63,900	37,000	-	63,900	37,000	3,835	1.06	0.97	0.01
	63,900	37,000	-	63,900	37,000	3,835	1.06	0.97	
<b>TEXTILE COMPOSITE</b>									
Interloop Limited	385,250	123,500	-	221,500	287,250	10,301	2.84	2.61	3.30
Nishat Mills Ltd	163,800	143,500	-	131,600	175,700	10,319	2.84	2.61	0.05
	549,050	267,000	-	353,100	462,950	20,620	5.68	5.22	
<b>CEMENT</b>									
Cherat Cement Company Ltd.	-	170,500	-	42,500	128,000	7,090	1.95	1.79	0.07
Kohat Cement Ltd	172,690	50,500	-	151,500	71,690	6,255	1.72	1.58	0.06
Lucky Cement Ltd	59,550	66,500	-	45,300	80,750	29,934	8.24	7.57	0.02
Maple Leaf Cement Factory Ltd	-	848,000	-	538,000	310,000	6,423	1.77	1.63	0.06
	232,240	1,135,500	-	777,300	590,440	49,702	13.68	12.59	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Ltd	732,441	322,000	-	515,000	539,441	36,828	10.14	9.32	0.04
K-Electric Limited	2,955,000	1,575,000	-	2,026,000	2,504,000	7,086	1.95	1.79	0.01
	3,687,441	1,897,000	-	2,541,000	3,043,441	43,914	12.09	11.12	
<b>ENGINEERING</b>									
International Industries Ltd	-	49,000	-	25,500	23,500	1,776	0.49	0.45	0.02
International Steels Limited	-	252,500	-	205,000	47,500	1,719	0.47	0.44	0.01
	-	301,500	-	230,500	71,000	3,495	0.96	0.88	
<b>TRANSPORT</b>									
Pakistan National Shipping Corp Ltd	56,000	67,500	-	33,000	90,500	4,806	1.32	1.22	0.07
	56,000	67,500	-	33,000	90,500	4,806	1.32	1.23	
<b>PHARMACEUTICALS</b>									
Abbott Laboratories (Pak) Ltd	-	16,500	-	16,500	-	-	-	-	-
AGP Limited	50,750	94,000	-	58,500	86,250	7,116	1.96	1.80	-
GlaxoSmithKline Pakistan Ltd	-	45,900	-	5,000	40,900	6,914	1.90	1.75	0.01
Highnoon Laboratories Limited	-	18,200	-	-	18,200	9,074	2.50	2.30	0.00
The Searle Company Ltd	42,124	55,300	-	42,500	54,924	8,615	2.37	2.18	0.03
	92,874	229,900	-	122,500	200,274	31,718	8.73	8.03	
<b>GLASS &amp; CERAMICS</b>									
Tariq Glass Industries Ltd	-	38,000	-	38,000	-	-	-	-	-
	-	38,000	-	38,000	-	-	-	-	-
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Ltd	51,681	11,000	4,198	36,020	30,859	27,498	7.57	6.96	0.03
Oil & Gas Development Co Ltd	504,300	356,500	-	564,400	296,400	22,820	6.28	5.77	0.01
Pakistan Oilfields Ltd	87,770	14,000	-	101,770	-	-	-	-	-
Pakistan Petroleum Ltd	380,655	352,700	91,731	528,200	296,886	21,319	5.87	5.39	0.02
	1,024,406	734,200	95,929	1,230,390	624,145	71,638	19.72	18.13	
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Ltd	183,580	124,000	27,416	210,500	124,496	15,126	4.17	3.83	0.04
Sui Northern Gas Pipeline Ltd	178,300	151,500	-	63,000	266,800	9,845	2.71	2.49	0.04
	361,880	275,500	27,416	273,500	391,296	24,971	6.88	6.32	

Name of the Investee Company	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2020	Market value as at March 31, 2020 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	----- Number of shares -----						----- % -----		
<b>COMMERCIAL BANKS</b>									
BankIslami Pakistan Limited	-	1,175,000	-	-	1,175,000	10,599	2.92	2.68	0.22
Meezan Bank Ltd	286,740	192,500	-	155,500	323,740	21,072	5.80	5.33	0.03
	286,740	1,367,500	-	155,500	1,498,740	31,671	8.72	8.01	
<b>FERTILIZER</b>									
Engro Corporation Ltd	204,980	83,600	-	181,300	107,280	28,633	7.89	7.25	0.02
Engro Fertilizers Limited	397,000	288,000	-	685,000	-	-	-	-	-
Fauji Fertilizer Co Ltd	277,500	301,900	-	454,500	124,900	11,617	3.20	2.94	0.01
	879,480	673,500	-	1,320,800	232,180	40,250	11.09	10.19	
<b>CHEMICAL</b>									
Engro Polymer & Chemicals Ltd	702,066	732,000	-	1,023,500	410,566	10,067	2.77	2.55	0.05
ICI Pakistan Ltd	-	10,450	-	-	10,450	5,291	1.46	1.34	0.01
Lotte Chemical Pakistan Ltd	204,000	1,162,500	-	1,266,500	100,000	983	0.27	0.25	0.01
Sitara Chemical Industries Limited	24,700	9,800	-	6,200	28,300	6,782	1.87	1.72	0.13
	930,766	1,914,750	-	2,296,200	549,316	23,124	6.37	5.85	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
Thal Limited	53,050	32,000	-	39,600	45,450	13,352	3.68	3.38	0.06
	53,050	32,000	-	39,600	45,450	13,352	3.68	3.38	
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
Systems Limited	-	10,000	-	10,000	-	-	-	-	-
	-	10,000	-	10,000	-	-	-	-	-
<b>Grand total</b>	<b>8,217,827</b>	<b>8,980,850</b>	<b>123,345</b>	<b>9,485,290</b>	<b>7,836,732</b>	<b>363,096</b>	<b>100</b>	<b>92</b>	

Cost of investments at March 31, 2020

445,189

**5.1.1** Investments include shares having market value aggregating to Rs. 55.3423 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

**5.1.2** These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.3898 million at March 31, 2020 (June 30, 2019: Rs. 0.388 million ) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
<b>(Rupees in '000)</b>			
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management fee		<b>865</b>	1,065
Sindh Sales Tax on Management Company's remuneration		<b>112</b>	139
Sales load payable		<b>91</b>	20
Selling and marketing payable		<b>1,338</b>	925
Allocation of expenses related to registrar services, accounting, operation and valuation services		<b>178</b>	53
		<b>2,585</b>	2,202
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Federal Excise Duty	7.1	<b>6,785</b>	6,793
Provision for Sindh Workers' Welfare Fund	7.2	<b>6,312</b>	6,312
Charity payable	7.3	<b>1,268</b>	3,882
Withholding tax payable		<b>7</b>	143
Auditors' remuneration		<b>278</b>	263
Payable to brokers		<b>553</b>	184
Other payables		<b>138</b>	178
		<b>15,341</b>	17,755

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.785 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 1.3477 per unit (June 30, 2019: 0.98 per unit).

**7.2** The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As there is loss for the nine month ended March 31, 2020, therefore, no provision for SWWF has been recognised in this 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. 1.2538 per unit (June 30, 2019: 0.9072 per unit).

**7.3** This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

## **8. 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.

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**9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties 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 agreed / contracted rates and terms determined in accordance with market rates. and the Trust Deed respectively.

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

Details of significant transactions with connected persons during the period / year and balances with them at period / year end, if not disclosed elsewhere in this condensed interim financial information are as follows:

	<b>Nine months ended</b>	
	<b>March 31, 2020 (Un-Audited)</b>	<b>March 31, 2019 (Un-Audited)</b>
	<b>(Rupees in '000)</b>	
<b>9.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee including sales tax thereon	<b>10,044</b>	40,392
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>1,203</b>	1,787
Selling and marketing expenses	<b>3,534</b>	7,149
Issue of 1,030,320 units (2019: Nil units)	<b>100,000</b>	
Redemption 837,475 (2019: 50,979 units)	<b>75,176</b>	5,500
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	<b>32</b>	35
Bank profit	<b>646</b>	466
<b>Executives and their relatives</b>		
Issue of 14,206 units (2019: 3,264 units)	<b>1,486</b>	4,902
Redemption 15,197 (2019: 15,834 units)	<b>1,416</b>	2,981
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	<b>1,033</b>	2,868
Central Depository services charges	<b>48</b>	250
<b>HBL Islamic Financial Planning Fund Active Allocation Plan - Associate</b>		
Issue of 22,212 units (2019: 3,600 units)	<b>1,933</b>	400
Redemption 226,956 units (2019: 384,690 units)	<b>21,503</b>	42,235
<b>HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate</b>		
Issue of 6,980 units (2019: 1,772 units)	<b>578</b>	185
Redemption 9,700 units (2019: 5,398 units)	<b>850</b>	590

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	(Rupees in '000)	
<b>9.2 Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	865	1,065
Sindh Sales Tax on Management Company's remuneration	112	139
Sales load payable	91	20
Selling and marketing payable	1,338	925
Allocation of expenses related to registrar services, accounting, operation and valuation services	178	53
Investment held in the Fund 356,928 units (June 30, 2019 : 164,082 units)	28,017	14,979
<b>Habib Bank Limited - Sponsor</b>		
Investment held in the Fund 2,539,414 units (June 30, 2019: 2,539,414 units)	199,333	231,829
Bank balances	17,582	7,006
Profit receivable	161	19
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable including sales tax thereon	218	120
Security deposit	100	100
<b>Executives and their relatives</b>		
Investment held in the Fund: 7,564 units (June 30, 2019: 49,299 units)	594	4,501
<b>HBL Islamic Financial Planning Fund Active Allocation Plan - Associate</b>		
Investment held in the Fund: 188,346 units (June 30, 2019: 393,090 units)	14,784	35,886
<b>HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate</b>		
Investment held in the Fund: Nil units (June 30, 2019: 2,721 units)	-	248

## 10. 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				
		Available- for-sale	Held-for- trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)								
<b>Financial assets measured at fair value</b>										
Investments										
	- Listed equity securities	5	363,096	-	-	363,096	363,096	-	-	363,096
<b>Financial assets not measured at fair value</b>		10.1								
	Bank balances		-	44,760	-	44,760	-	-	-	-
	Dividend and profit receivable		-	2,024	-	2,024	-	-	-	-
	Receivable against sale of investment		-	-	-	-	-	-	-	-
	Other receivables		-	3,529	-	3,529	-	-	-	-
			-	50,313	-	50,313	-	-	-	-
<b>Financial liabilities not measured at fair value</b>		10.1								
	Payable to the Management Company		-	-	2,585	2,585	-	-	-	-
	Payable to Securities and Exchange Commission of Pakistan		-	-	91	91	-	-	-	-
	Payable to the Trustee		-	-	218	218	-	-	-	-
	Accrued expenses and other liabilities		-	-	2,237	2,237	-	-	-	-
			-	-	5,131	5,131	-	-	-	-

		June 30, 2019								
		Carrying amount				Fair Value				
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
<b>Financial assets measured at fair value</b>	10.1									
Investments										
- Listed equity securities		585,604	-	-	-	585,604	1,389,046	-	-	1,389,046
		585,604	-	-	-	585,604	1,389,046	-	-	1,389,046
<b>Financial assets not measured at fair value</b>	10.1									
Bank balances		-	-	55,650	-	55,650				
Dividend and profit receivable		-	-	2,347	-	2,347				
Receivable against sale of investment		-	-	10,033	-	10,033				
Other receivables		-	-	3,521	-	3,521				
		-	-	71,551	-	71,551				
<b>Financial liabilities not measured at fair value</b>										
Payable to the Management Company		-	-	-	2,202	2,202				
Payable to Securities and Exchange Commission of Pakistan		-	-	-	1,917	1,917				
Payable to the Trustee		-	-	-	120	120				
Accrued expenses and other liabilities		-	-	-	17,755	17,755				
		-	-	-	21,994	21,994				

**10.1** 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.

## **10.2 Transfers during the period**

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

## **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 3.09% (March 31, 2019: 2.54%), which includes 0.22% (March 31, 2019: 0.28%) representing government levy, Workers' Welfare Fund and SECP fee.

## **12. 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.

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**13. GENERAL**

**13.1** Figures have been rounded off to the nearest thousand rupees.

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Islamic Equity Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Equity Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited United Bank Limited Burj Bank Limited MCB Bank Limited Faysal Bank Limited Habib Bank Limited

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

	Note	March 31, 2020 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
<b>Assets</b>			
Bank balances	4	34,527	24,030
Investments	5	260,039	241,786
Dividends and profit receivable		1,992	1,640
Deposits, prepayments and other receivables		3,007	3,001
Receivable against sale of investments		-	5,002
Preliminary and floatation costs		-	-
<b>Total assets</b>		<b>299,565</b>	<b>275,459</b>
<b>Liabilities</b>			
Payable to the Management Company	6	1,435	915
Payable to the Trustee		61	65
Payable to Securities and Exchange Commission of Pakistan		59	663
Payable against redemption of units		4,242	-
Receivable/ payable against sale of investments		7,163	-
Accrued expenses and other liabilities	7	7,919	8,352
<b>Total liabilities</b>		<b>20,879</b>	<b>9,995</b>
<b>Net assets</b>		<b>278,686</b>	<b>265,464</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>278,686</b>	<b>265,464</b>
----- (Number of units) -----			
<b>Number of units in issue</b>		<b>4,287,368</b>	<b>3,457,222</b>
----- (Rupees) -----			
<b>Net assets value per unit</b>		<b>65.0017</b>	<b>76.7854</b>

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 Islamic Equity 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) -----					
<b>Income</b>					
Capital (loss) / gain on sale of investments - net		56,756	(27,903)	13,867	2,757
Dividend income		13,228	19,754	1,106	3,366
Profit on bank deposits		3,051	6,541	720	1,569
		73,035	(1,608)	15,693	7,692
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		(76,799)	(36,932)	(126,687)	16,329
		(3,764)	(38,540)	(110,994)	24,021
<b>Expenses</b>					
Remuneration of the Management Company	6.1 & 6.2	6,533	13,600	2,257	3,242
Remuneration of the Trustee		666	1,297	226	324
Annual fee to Securities and Exchange Commission of Pakistan		59	572	20	137
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	595	602	161	144
Selling and marketing expense	6.4	2,191	2,407	749	574
Securities transaction costs		3,613	2,532	406	386
Amortization of preliminary and floatation costs		-	152	-	50
Auditors' remuneration		176	177	59	58
Settlement and bank charges		369	392	348	91
Fees and subscription		179	195	59	58
Printing charges		-	-	-	-
		14,380	21,926	4,285	5,064
<b>Net (loss) / income from operating activities</b>		(18,144)	(60,466)	(115,279)	18,957
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	3.6	-	-	-	-
Provision for Sindh Workers' Welfare Fund	7.2	-	-	-	-
<b>Net (loss) / income for the period before taxation</b>		(18,144)	(60,466)	(115,279)	18,957
Taxation	8	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		(18,144)	(60,466)	(115,279)	18,957
<b>Earnings per unit</b>	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 Islamic 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	(18,144)	(60,465)	(115,279)	18,957
<b>Other comprehensive income for the period</b>				
Item that may be reclassified subsequently to Income Statement	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(18,144)</b>	<b>(60,465)</b>	<b>(115,279)</b>	<b>18,957</b>

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 Islamic Equity Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund**  
*For the nine months ended March 31, 2020*

Note	Nine months ended March 31,					
	2020			2019		
	(Rupees in '000)					
	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total
Net assets at beginning of the period	481,681	(216,217)	265,464	1,402,368	(84,469)	1,317,899
Issuance of 11,483,201 units (2019: 695,541 units)						
Capital value (at net asset value per unit at the beginning of the period)	881,743	-	881,743	53,407	-	53,407
Element of income / (loss)	58,908	-	58,908	11,609	-	11,609
<b>Total proceeds on issuance of units</b>	940,651	-	940,651	65,016	-	65,016
Redemption of 10,653,037 units (2019: 8,632,481 units)						
Capital value (at net asset value per unit at the beginning of the period)	817,998	-	817,998	(662,849)	-	(662,849)
Element of income	(1,727,283)	-	(1,727,283)	(110,273)	-	(110,273)
<b>Total payments on redemption of units</b>	(909,285)	-	(909,285)	(773,122)	-	(773,122)
Total comprehensive loss for the period	-	(18,144)	(18,144)	-	(60,465)	(60,465)
<b>Net assets at end of the period</b>	<b>513,047</b>	<b>(234,361)</b>	<b>278,686</b>	<b>694,262</b>	<b>(144,934)</b>	<b>549,328</b>
<b>Accumulated (loss) / Undistributed income brought forward</b>						
- Realised		(108,002)			(40,048)	
- Unrealised		(36,932)			(44,421)	
		<b>(144,934)</b>			<b>(84,469)</b>	
Accounting income available for distribution		(18,144)			(60,465)	
Net Income for the period - for prior period						
Element of income and capital gains included in prices of units issued less those in units redeemed - transferred to distribution statement	3.6	-			-	
<b>(Accumulated loss) / undistributed income carried forward</b>		<b>(163,078)</b>			<b>(144,934)</b>	
<b>(Accumulated loss) / undistributed income carried forward</b>						
- Realised		(86,279)			(108,002)	
- Unrealised		(76,799)			(36,932)	
		<b>(163,078)</b>			<b>(144,934)</b>	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			76.7854			92.4834
Net assets value per unit at end of the period			65.0017			87.0129

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 Islamic Equity Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the nine months ended March 31, 2020*

	Note	Nine Months ended March 31,	
		2020 ----- (Rupees in '000) -----	2019
<b>Cash flows from operating activities</b>			
Net loss for the period before taxation		(18,144)	(60,465)
<b>Adjustments</b>			
Dividend income		(13,228)	(19,754)
Profit from bank deposits		(3,051)	(6,541)
Capital loss on sale of investments - net		(56,756)	27,903
Amortisation of preliminary and flotation costs		-	152
Unrealised appreciation on remeasurement of investments at fair value through profit or loss - held-for-trading - net		76,799	36,932
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	-
Provision for Sindh Workers' Welfare Fund		-	-
		(14,380)	(21,773)
<b>(Increase) / decrease in assets</b>			
Investments - net		(31,133)	594,292
Deposits, prepayments and other receivables		(6)	(52)
Receivable against sale of investments		5,002	(4,081)
		(26,137)	(333,431)
<b>Increase / (Decrease) in liabilities</b>			
Payable to the Management Company		520	(3,617)
Payable to the Trustee		(4)	(335)
Payable to Securities and Exchange Commission of Pakistan		(604)	(622)
Payable against redemption of units		4,242	(5)
Accrued expenses and other liabilities		(433)	(2,639)
		3,721	(7,218)
		(36,796)	561,168
Dividend received		12,711	18,702
Profit received on bank deposit		3,216	6,638
<b>Net cash used in operating activities</b>		(20,869)	568,508
<b>Cash flows from financing activities</b>			
Amount received on issue of units		940,651	65,016
Payment against redemption of units		(909,285)	(773,122)
Dividend paid		-	-
<b>Net cash generated from / (used in) financing activities</b>		31,366	(708,106)
<b>Net increase in cash and cash equivalents</b>		10,497	(121,598)
Cash and cash equivalents at beginning of the period		24,030	159,107
<b>Cash and cash equivalents at end of the period</b>	4	34,527	37,508

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 Islamic Equity Fund**

## **Notes to the Condensed Interim Financial Information (Unaudited)**

*For the nine months ended March 31, 2020*

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### **1. LEGAL STATUS AND NATURE OF BUSINESS**

HBL Islamic 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 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/AMCW/PISF/965/2014 dated April 23, 2014 as a notified entity and the Trust Deed was executed on February 20, 2014.

The Fund has been categorised as a Shariah Compliant equity scheme as per the criteria laid down by the SECP for categorisation of Open-End Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed 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 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.

The objective of HBL Islamic Equity Fund is to provide the maximum total return to the unit holders from investment in 'Shariah Compliant' equity investments for the given level of risk. Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

JCR-VIS Credit Rating Company has assigned an asset 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 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.

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**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 half year ended March 31, 2020.

**2.1.4** This condensed interim financial information is unaudited and 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 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, 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 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, 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.

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### 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)
	Note	(Rupees in '000)	
<b>4. BANK BALANCES</b>			
Current accounts		1,435	1,435
Savings accounts	4.1	33,092	22,595
		<u>34,527</u>	<u>24,030</u>

4.1 Mark-up rates on these accounts range between 13.50% to 12.00% p.a (June 30, 2019: 6.50% - 13.50% p.a).

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
<b>5. INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss' held for trading</b>			
- Listed equity securities	5.1	260,039	241,786
		<u>260,039</u>	<u>241,786</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 stated otherwise

Name of the Investee Company	Number of shares				Market value			Par value as a percentage of issued capital of the investee company	
	As at July 1, 2019	Purchases during the period	Bonus issue	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
<b>Automobiles Parts &amp; Accessories</b>									
Dawood Herculer Corporation Limited	26,400	13,100	-	38,400	1,100	114	0.04	3.03	0.05
	<u>26,400</u>	<u>13,100</u>	<u>-</u>	<u>38,400</u>	<u>1,100</u>	<u>114</u>	<u>0.04</u>	<u>3.03</u>	
<b>Automobiles Parts &amp; Accessories</b>									
Thal Limited (Par value Rs 5 per share)	21,950	126,400	-	125,600	22,750	6,683	2.57	3.03	0.05
	<u>21,950</u>	<u>126,400</u>	<u>-</u>	<u>125,600</u>	<u>22,750</u>	<u>6,683</u>	<u>2.57</u>	<u>3.03</u>	
<b>Cement</b>									
Cherat Cement Company Limited	-	107,500	-	19,000	88,500	4,902	0.02	0.00	0.00
Kohat Cement Limited	55,210	122,500	-	122,500	55,210	4,817	1.85	1.49	0.07
Lucky Cement Limited	25,300	129,900	-	95,500	59,700	22,131	8.51	4.86	0.02
Maple Leaf Cement Factory Ltd	-	661,500	-	132,000	529,500	10,971	4.22	1.44	0.04
	<u>80,510</u>	<u>1,021,400</u>	<u>-</u>	<u>369,000</u>	<u>732,910</u>	<u>42,821</u>	<u>14.60</u>	<u>7.79</u>	
<b>Chemicals</b>									
Engro Polymer & Chemicals Limited	294,452	1,722,500	-	1,667,000	349,952	8,581	3.28	2.99	0.04
ICI Pakistam Limited	-	11,500	-	-	11,500	5,823	3.28	2.99	0.04
Lotte Chemical Pakistan Ltd	100,000	764,000	-	586,000	278,000	2,733	0.64	0.58	0.01
Sitara Chemical Industries Ltd	-	37,600	-	19,500	18,100	4,338	0.53	0.48	0.04
	<u>394,452</u>	<u>2,535,600</u>	<u>-</u>	<u>2,272,500</u>	<u>657,552</u>	<u>21,475</u>	<u>7.73</u>	<u>7.04</u>	
<b>Commercial Bank</b>									
Bankislami pakistan Limited	-	987,000	-	-	987,000	8,903	3.42	3.03	#DIV/0!
Meezan Bank Limited	124,675	464,500	-	387,500	201,675	13,127	5.05	3.03	0.02
	<u>124,675</u>	<u>1,451,500</u>	<u>-</u>	<u>387,500</u>	<u>1,188,675</u>	<u>22,030</u>	<u>8.47</u>	<u>3.03</u>	
<b>Engineering</b>									
International Industries Limited	-	34,500	-	3,000	31,500	2,380	0.44	0.40	0.07
International Steels Limited	-	222,000	-	91,500	130,500	4,723	1.07	0.98	0.04
	<u>-</u>	<u>256,500</u>	<u>-</u>	<u>94,500</u>	<u>162,000</u>	<u>7,103</u>	<u>1.51</u>	<u>1.38</u>	
<b>Fertilizer</b>									
Engro Corporation Ltd	85,530	252,600	-	246,700	91,430	24,403	0.44	0.40	0.07
Engro Fertilizer Ltd	168,500	602,000	-	770,500	-	-	0.44	0.40	0.07
Fauji Fertilizer Ltd	118,000	384,600	-	417,500	85,100	7,915	0.44	0.40	0.07
	<u>372,030</u>	<u>1,239,200</u>	<u>-</u>	<u>1,434,700</u>	<u>176,530</u>	<u>32,318</u>	<u>1</u>	<u>1</u>	

Name of the Investee Company	Number of shares					Market value			Par value as a percentage of issued capital of the investee company
	As at July 1, 2019	Purchases during the period	Bonus issue	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	
<b>Oil and Gas Exploration Companies</b>									
Mari Petroleum Company Limited (5.1.1)	21,715	43,320	3,817	50,380	18,472	16,460	6.33	7.44	0.02
Oil & Gas Development Company Limited	207,800	785,800	-	766,500	227,100	17,484	6.72	9.49	0.01
Pakistan Oilfields Limited	36,720	82,900	-	119,620	-	-	0.00	4.33	-
Pakistan Petroleum Limited	157,580	801,500	82,076	908,200	132,956	9,548	3.67	8.62	0.01
	<b>423,815</b>	<b>1,713,520</b>	<b>85,893</b>	<b>1,844,700</b>	<b>378,528</b>	<b>43,492</b>	<b>16.73</b>	<b>29.88</b>	
<b>Oil and Gas Marketing Companies</b>									
Pakistan State Oil Company Limited (5.1.2)	77,940	310,300	24,588	320,000	92,828	11,279	4.34	4.95	0.04
Sui Northern Gas Pipeline Limited	74,800	357,500	-	276,000	156,300	5,767	2.22	2.57	0.02
	<b>152,740</b>	<b>667,800</b>	<b>24,588</b>	<b>596,000</b>	<b>249,128</b>	<b>17,046</b>	<b>6.56</b>	<b>7.52</b>	
<b>Power Generation &amp; Distribution</b>									
Hub Power Company Limited	303,987	842,500	-	831,500	314,987	21,504	8.27	6.86	0.04
K-Electric Limited	1,257,000	4,650,500	-	3,981,000	1,926,500	5,452	2.10	1.88	0.01
	<b>1,560,987</b>	<b>5,493,000</b>	<b>-</b>	<b>4,812,500</b>	<b>2,241,487</b>	<b>26,956</b>	<b>10.37</b>	<b>8.74</b>	
<b>Pharmaceuticals</b>									
Abbott Laboratories (pvt) Ltd		15,000	-	15,000	-	-	-	-	-
AGP Limited	20,500	155,000	-	173,000	2,500	206	0.08		
GlaxosmithKline Pakistan Ltd		110,600	-	17,000	93,600	15,822	6.08		
Hightnoon Laboratories Limited		19,500	-	4,000	15,500	7,728	2.97		
The Searle Company Limited (5.1.2)	18,443	114,500	-	131,700	1,243	195	0.07	1.03	0.01
	<b>38,943</b>	<b>414,600</b>	<b>-</b>	<b>340,700</b>	<b>112,843</b>	<b>23,951</b>	<b>9.21</b>	<b>1.03</b>	
<b>Transport</b>									
Pakistan National Shipping Corp Ltd	23,500	109,500	-	82,000	51,000	2,709	1.04	0.46	0.04
	<b>23,500</b>	<b>109,500</b>	<b>-</b>	<b>82,000</b>	<b>51,000</b>	<b>2,709</b>	<b>1.04</b>	<b>0.46</b>	
<b>Textile Composite</b>									
Interloop Limited	162,250	372,000	-	370,500	163,750	5,872	2.26	1.21	0.14
Nishat Mills Limited	67,800	337,200	-	301,100	103,900	6,102	2.35	3.44	0.03
	<b>230,050</b>	<b>709,200</b>	<b>-</b>	<b>671,600</b>	<b>267,650</b>	<b>11,974</b>	<b>4.60</b>	<b>4.65</b>	
<b>Technology &amp; Communication</b>									
Systems Limited	3,300	9,000	-	-	12,300	1,367	0.53	0.06	-
	<b>3,300</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>12,300</b>	<b>1,367</b>	<b>0.53</b>	<b>0.06</b>	
<b>Glass &amp; Ceramics</b>									
Tariq Glass Industries Limited	-	37,000	-	37,000	-	-	-	-	-
	<b>-</b>	<b>37,000</b>	<b>-</b>	<b>37,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>March 31, 2020 Total:</b>	<b>3,453,352</b>	<b>15,797,320</b>	<b>110,481</b>	<b>13,106,700</b>	<b>6,254,453</b>	<b>260,039</b>	<b>85.28</b>	<b>78.84</b>	
<b>Carrying value as at March 31, 2019</b>						<b>537,975</b>			

**5.1.1** These investments include shares with market value aggregating to Rs. 79.14 million (June 30, 2018: Rs. 92.766 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP. Details are as follows:

Engro Polymer & Chemicals Limited (180,000 shares)  
Hub Power Company Limited (300,000 shares)  
Oil & Gas Development Company Limited (300,000 shares)

**5.1.2** These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay

order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.89 million at March 31, 2019 (June 30, 2018: Rs. 0.472 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 This represents participation amount against book building of Interloop Limited, subsequently converted into shares.

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration to the Management Company	6.1	541	448
Sindh Sales Tax on Management Company's remuneration	6.2	70	59
Sales load payable to Management Company		31	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	44	386
Selling and marketing payable	6.4	749	22
		<u>1,435</u>	<u>915</u>

6.1 As per the offering document of the Fund, the Management Company is entitled to a remuneration at the rate of 2% of the average annual net assets on daily basis of the scheme subject to the guidelines as may be issued by the SECP from time to time. Therefore, the management fee is charged at 2%. The fee is payable monthly in arrears. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 % (June 30 2017: 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 amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged the aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the period.

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.

		<b>March 31, 2020 (Un-Audited)</b>	June 30, 2019 (Audited)
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty on Management fee	7.1	<b>3,268</b>	3,268
Provision for Sindh Workers' Welfare Fund	7.2	<b>3,194</b>	3,194
Donation payable	7.3	<b>862</b>	1,359
Payable to brokers		<b>276</b>	79
Withholding tax payable		<b>22</b>	58
Auditors' remuneration		<b>107</b>	169
Printing charges		<b>153</b>	195
Zakat payable		<b>10</b>	-
Others		<b>27</b>	30
		<b>7,919</b>	8,352

**7.1** The legal status of applicability of Federal Excise Duty on the Fund is the same as disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2017, and the appeal which was filed by tax authorities against the order by the Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 3.268 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.76 per unit (June 30, 2019: Rs. 0.94 per unit).

**7.2** The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund is the same as disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2017.

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. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2020 would have been higher by Rs. 0.74 per unit (June 30, 2019: Rs. 0.32 per unit).

**7.3** This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

## **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 ended 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.

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:

	<b>Nine months ended</b>	
	<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>11.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	5,781	12,035
Sindh Sales Tax on remuneration of the Management Company	752	1,565
Sales load paid	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	595	602
Selling and marketing expense	2,191	2,407
Investment of 5,951,992 units (2019: nil units)	490,332	-
Redemption of 6,435,641 units (2019: 431,313 units)	554,802	39,500
<b>Executives of the Management Company</b>		
Issue of 12,160 units (2019: 17,908 units)	1,034	1,595
Redemption 15,416 units (2019: 26,365) units	1,217	2,418
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	666	1,297
Central Depository Service charges	90	92
<b>Connected person due to holding of more than 10%</b>		
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund *</b>		
<b>Strategic Allocation Plan</b>		
Issuance of 129,551 units (2019: nil units)	10,000	-
Redemption of 60,493 units (2019: 7,728,823 units)	5,797	690,030
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund *</b>		
<b>Conservative Allocation Plan</b>		
Issuance of units 15,400 units (2019: 8,735 units)	1,229	776
Redemption of 36,170 units (2019: 36,176 units)	3,152	3,382

		Nine months ended	
		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
<b>MCBFSL Trustee HBL Islamic Financial Planning Fund *</b>			
<b>Active Allocation Plan</b>			
	Issuance of units 129,551 units (2019: nil units)	10,000	-
	Redemption of 59,486 units (2019: 134,359 units)	5,433	12,493
		<b>March 31, 2020 (Un-Audited)</b>	<b>June 30, 2019 (Audited)</b>
		(Rupees in '000)	
<b>11.2</b>	<b>Balances outstanding as at period / year end</b>		
<b>HBL Asset Management Company Limited</b>			
	Units held: Nil (June 30, 2019: 483,649) units	-	37,139
	Management fee payable	541	448
	Sales load payable	31	-
	Sindh Sales Tax	70	58
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Trustee Fee payable	61	65
<b>Executives of the Management Company</b>			
	Units held: 1,617 (June 30, 2019: 6,317) units	105	485
<b>Connected Person due to holding more than 10% units:</b>			
<b>MCBFSL - Trustee HBL Islamic Financial Planning Fund Strategic Allocation Plan</b>			
	Units held: 69,057 (June 30, 2019: Nil) units	4,489	-
<b>MCBFSL - Trustee HBL Islamic Financial Planning Fund Active Allocation Plan</b>			
	Units held: 372,657 (June 30, 2019: 302,592) units	24,223	23,235
<b>MCBFSL - Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan</b>			
	Units held: 19,853 (June 30, 2019: 40,622) units	1,290	3,119
<b>Hamdard Laboratories (WAQF) Pakistan</b>			
	Units held: 1,105,707 (June 30, 2019: Nil) units	11,873	-
<b>MCB Bank Limited</b>			
	Units held: 916,259 (June 30, 2019: Nil) units	59,558	-
<b>Munira Amir Wasi</b>			
	Units held: 531,359 (June 30, 2019: Nil) units	34,539	-

## 12. 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.

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	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>On-balance sheet financial instruments</b>		Note ..... (Rupees in '000) .....							
<b>Financial assets measured at fair value</b>		12.1							
Investments									
- Listed equity securities		260,039	-	-	260,039	260,039	-	-	260,039
		<u>260,039</u>	<u>-</u>	<u>-</u>	<u>260,039</u>	<u>260,039</u>	<u>-</u>	<u>-</u>	<u>260,039</u>
<b>Financial assets not measured at fair value</b>		12.1							
Bank balances		-	34,527	-	34,527				
Dividends and profit receivable		-	1,992	-	1,992				
Receivable against sale of investments		-	-	-	-				
		<u>-</u>	<u>36,519</u>	<u>-</u>	<u>36,519</u>				
<b>Financial liabilities not measured at fair value</b>		12.1							
Payable to the Management Company		-	-	1,435	1,435				
Payable to the Trustee		-	-	61	61				
Payable against redemption in units		-	-	4,242	4,242				
Accrued expenses and other liabilities		-	-	426	426				
Unit holders' fund		-	-	278,686	278,686				
		<u>-</u>	<u>-</u>	<u>284,850</u>	<u>284,850</u>				

		June 30, 2019							
		Carrying amount			Fair Value				
		Fair value through profit or loss - held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments	12.1								
- Listed equity securities		241,786	-	-	241,786	241,786	-	-	241,786
		<u>241,786</u>	<u>-</u>	<u>-</u>	<u>241,786</u>	<u>241,786</u>	<u>-</u>	<u>-</u>	<u>241,786</u>
<b>Financial assets not measured at fair value</b>									
Bank balances	12.1	-	24,030	-	24,030				
Dividends and profit receivable		-	1,640	-	1,640				
Dividend			2,600		2,600				
Receivable against sale of investments			2,152		2,152				
		<u>-</u>	<u>30,422</u>	<u>-</u>	<u>30,422</u>				
<b>Financial liabilities not measured at fair value</b>									
Payable to the Management Company	12.1	-	-	5,022	5,022				
Payable to the Trustee		-	-	442	442				
Payable against redemption in units		-	-	-	-				
Accrued expenses and other liabilities		-	-	666	666				
		<u>-</u>	<u>-</u>	<u>6,130</u>	<u>6,130</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

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, 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 3.68% (June 2019: 3.27%) which includes 0.56% (June 2019: 0.43%) 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

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# **HBL**

## **Islamic Financial Planning Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Financial Planning Fund
Name of Auditor	KPMG Taseer Hadi & Co. Chartered Accountant
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Bankers	Bank Islami Pakistan Limited Habib Bank Limited Dubai Islamic Bank Limited Allied Bank Limited Bank Al - Habib Limited

# HBL Islamic 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 Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
(Rupees in '000)										
<b>ASSETS</b>										
4	502	6,076	544	263,656	270,778	737	53	2,440	334,719	337,949
5	85,735	6,312	27,630	76,917	196,594	144,173	17,570	2,150,707	116,720	2,429,170
	6	10	5	2,652	2,674	3	4	11	3,406	3,424
		-	-	-	-	-	245	-	-	245
	37	10		389	437	51	13	-	1,152	1,216
	93	18	8	46	166	26	18	-		44
<b>TOTAL ASSETS</b>	<b>86,373</b>	<b>12,427</b>	<b>28,188</b>	<b>343,661</b>	<b>470,648</b>	<b>144,990</b>	<b>17,903</b>	<b>2,153,158</b>	<b>455,997</b>	<b>2,772,048</b>
<b>LIABILITIES</b>										
6	23	133	5	2,187	2,347	13	2	413	2,216	2,644
	16	1	5	68	90	13	2	211	38	264
	17	2	21	66	106	191	23	3,910	334	4,458
7	162	97	2,003	952	3,214	136	65	2,871	10	3,082
							244			
<b>TOTAL LIABILITIES</b>	<b>218</b>	<b>233</b>	<b>2,034</b>	<b>3,273</b>	<b>5,758</b>	<b>353</b>	<b>336</b>	<b>7,405</b>	<b>2,598</b>	<b>10,692</b>
<b>NET ASSETS</b>	<b>86,155</b>	<b>12,194</b>	<b>26,154</b>	<b>340,387</b>	<b>464,890</b>	<b>144,637</b>	<b>17,567</b>	<b>2,145,753</b>	<b>453,399</b>	<b>2,761,356</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>86,155</b>	<b>11,509</b>	<b>26,154</b>	<b>340,387</b>	<b>464,205</b>	<b>144,637</b>	<b>17,567</b>	<b>2,145,753</b>	<b>453,399</b>	<b>2,761,356</b>
(Units)										
<b>NUMBER OF UNITS IN ISSUE</b>	<b>950,612</b>	<b>116,011</b>	<b>252,041</b>	<b>3,188,212</b>	<b>-</b>	<b>1,549,776</b>	<b>173,139</b>	<b>21,293,693</b>	<b>4,557,510</b>	<b>-</b>
(Rupees)										
<b>NET ASSETS VALUE PER UNIT</b>	<b>90.6311</b>	<b>105.1069</b>	<b>103.7670</b>	<b>106.7644</b>		<b>93.3275</b>	<b>101.4641</b>	<b>100.7694</b>	<b>99.4840</b>	

The annexed notes 1 to 13 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 Islamic Financial Planning Fund

## Condensed Interim Income Statement (Un-Audited)

### For The Quarter Ended March 31, 2020 (CONTINUED)

Note	Quarter ended March 31, 2020 (note 1.1)					Quarter ended March 31, 2019 (note 1.1)					
	Active	Conservative	Strategic	Capital	Total	Active	Conservative	Strategic	Capital	Total	
	Allocation Plan	Allocation Plan	Allocation Plan	Preservation Plan		Allocation Plan	Allocation Plan	Allocation Plan	Preservation Plan		
(Rupees in '000)											
<b>Income</b>											
Mark-up on deposits with bank	18	15	20	8,612	8,665	14	5	40	8,826	8,885	
Capital gain / (loss) on sale of investment - net	572	356	4,226	17,768	22,923	28	139	(19,309)	1,126	(18,016)	
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(15,526)	(605)	(7,588)	(51,085)	(74,804)	6,286	419	149,666	2,640	159,011	
Dividend Income	-	-	-	-	-	-	-	-	-	-	
Back end load	-	-	-	539	539	(16)	(5)	836	33	848	
	<b>(14,936)</b>	<b>(234)</b>	<b>(3,341)</b>	<b>(24,165)</b>	<b>(42,677)</b>	<b>6,312</b>	<b>558</b>	<b>131,233</b>	<b>12,625</b>	<b>150,728</b>	
<b>Expenses</b>											
Remuneration of the Management Company	6.1	1	0	2	691	694	3	1	13	845	862
Sindh Sales Tax on remuneration of the Management Company	6.2	0	0	0	90	90	-	-	2	110	112
Remuneration of the Trustee		25	2	9	109	145	48	6	833	120	1,007
Annual fee to the Securities and Exchange Commission of Pakistan		5	-	2	21	28	45	6	987	112	1,150
Allocation of expenses related to registrar services, accounting, operation and valuation services		51	5	18	214	288	47	6	1,040	118	1,211
Amortisation of preliminary expenses and flotation costs		5	2	-	237	244	35	31	603	234	903
Auditors' remuneration		2	-	-	2	4	3	-	64	6	73
Printing charges		1	3	2	3	9	-	-	-	-	-
Bank charges		8	7	2	5	22	6	4	4	4	18
Fees and subscription		2	-	-	5	7	-	-	14	1	15
Shariah advisory fee		9	1	-	32	42	2	-	40	4	46
		<b>110</b>	<b>20</b>	<b>36</b>	<b>1,408</b>	<b>1,573</b>	<b>189</b>	<b>54</b>	<b>3,600</b>	<b>1,553</b>	<b>5,397</b>
<b>Net (loss) / income from operating activities</b>		<b>(15,046)</b>	<b>(255)</b>	<b>(3,377)</b>	<b>(25,573)</b>	<b>(44,250)</b>	<b>6,123</b>	<b>502</b>	<b>127,633</b>	<b>11,072</b>	<b>145,331</b>
Provision for Sindh Workers' Welfare Fund	7.1	(5)	(19)	(295)	(723)	(319)	-	(10)	-	(152)	(162)
<b>Net (loss) / income for the period before taxation</b>		<b>(15,051)</b>	<b>(274)</b>	<b>(3,672)</b>	<b>(26,296)</b>	<b>(44,569)</b>	<b>6,123</b>	<b>492</b>	<b>127,633</b>	<b>10,920</b>	<b>145,169</b>
Taxation	8	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(15,051)</b>	<b>(274)</b>	<b>(3,672)</b>	<b>(26,296)</b>	<b>(44,569)</b>	<b>6,123</b>	<b>492</b>	<b>127,633</b>	<b>10,920</b>	<b>145,169</b>
Income already paid on redemption of units		-	1,104	-	13,468	14,572	-	126	-	52	178
Accounting income available for distribution		-	(515)	-	(41,347)	(41,861)	-	136	-	-	136
- Relating to capital gains		-	-	-	4,753	4,753	-	-	-	-	-
- Excluding capital gains		-	(515)	-	(36,593)	(37,108)	-	162	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(15,051)</b>	<b>(274)</b>	<b>(3,672)</b>	<b>(26,296)</b>	<b>(44,569)</b>	<b>6,123</b>	<b>492</b>	<b>127,633</b>	<b>10,920</b>	<b>145,169</b>
Other comprehensive income for the period		-	-	-	-	-	-	-	-	-	-
Item that may be reclassified subsequently to income statement		-	-	-	-	-	-	-	-	-	-
Item that will not be reclassified subsequently to income statement		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>		<b>(15,051)</b>	<b>(274)</b>	<b>(3,672)</b>	<b>(26,296)</b>	<b>(44,569)</b>	<b>6,123</b>	<b>492</b>	<b>127,633</b>	<b>10,920</b>	<b>145,169</b>

The annexed notes 1 to 13 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 Islamic Financial Planning Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Unaudited)**  
*For The Nine Months Ended March 31, 2020*

	Nine months ended 31-Mar-20			Nine months ended 31-Mar-19		
	Capital value	Active Allocation Plan Undistributed income / (accumulated loss)	Total	Capital value	Active Allocation Plan Undistributed income / (accumulated loss)	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at beginning of the period	155,916	(11,279)	144,637	245,177	1,734	246,911
Issuance of 6,576 units (2019: 31,057 units)						
- Capital value (at net asset value per unit at the beginning of the period)	613	-	613	3,119	-	3,119
- Element of loss	87	-	87	20	-	20
Total proceeds on issuance of units	700	-	700	3,139	-	3,139
Redemption of 605,740 units (2019: 679,598 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(56,532)	-	(56,532)	(68,241)	-	(68,241)
- Element of income	(2,885)	-	(2,885)	194	-	194
Total payments on redemption of units	(59,417)	-	(59,416)	(68,047)	-	(68,047)
Total Comprehensive loss for the period					(4,552)	(4,552)
Net Income for the period	-	234	234	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	234	234	-	-	-
<b>Net assets at end of the period</b>	<b>97,200</b>	<b>(11,045)</b>	<b>86,155</b>	<b>180,269</b>	<b>(2,818)</b>	<b>177,451</b>
Undistributed income brought forward						
- Realised		443			5,405	
- Unrealised		(11,722)			(3,671)	
		(11,279)			1,734	
Net Income for the period		234			(4,552)	
Accumulated loss carried forward		(11,045)			(2,818)	
Accumulated loss carried forward						
- Realised		(7,840)			(663)	
- Unrealised		(3,205)			(2,155)	
		(11,045)			(2,818)	
Net assets value per unit at beginning of the period			(Rupees) 93.3275			(Rupees) 100.4143
Net assets value per unit at end of the period			90.6311			98.0184

The annexed notes 1 to 13 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 Islamic Financial Planning Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Unaudited)**  
**For The Nine Months Ended March 31, 2020**

	Nine months ended 31-Mar-20			Nine months ended 31-Mar-19		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at beginning of the period</b>	16,974	593	17,567	35,957	589	36,546
Issuance of 55,894 units (2019: 31,326 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,671	-	5,671	3,177	-	3,177
- Element of loss	159	-	159	93	-	93
Total proceeds on issuance of units	5,830	-	5,830	3,270	-	3,270
Redemption of 113,022 units (2019: 194,604 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(11,467)	-	(11,467)	(19,736)	-	(19,736)
Income already paid on Redemptin of Units		(685)	(685)		(236)	(236)
- Element of income	(661)	-	(661)	(74)	-	(74)
Total payments on redemption of units	(12,128)	(685)	(12,813)	(19,810)	(236)	(20,046)
Net Income for the period	-	925	925	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	925	925	-	771	771
<b>Net assets at end of the period</b>	<b>10,676</b>	<b>833</b>	<b>11,509</b>	<b>19,417</b>	<b>1,124</b>	<b>20,541</b>
<b>Undistributed income brought forward</b>						
- Realised		1,205			909	
- Unrealised		(612)			(320)	
		593			589	
Accounting income / (loss)						
- Relating to capital losses	240			(298)		
- Excluding capital losses	-			-		
Accounting income / (loss) available for distribution	240			(298)		
				771		
<b>Accumulated gain carried forward</b>		<b>833</b>			<b>887</b>	
<b>Accumulated gain carried forward</b>						
- Realised		914			284	
- Unrealised		(81)			603	
		833			887	
			(Rupees)		(Rupees)	
<b>Net assets value per unit at beginning of the period</b>			<b>101.4641</b>			<b>101.4151</b>
<b>Net assets value per unit at end of the period</b>			<b>105.1069</b>			<b>104.2236</b>

The annexed notes 1 to 13 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 Islamic Financial Planning Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Unaudited)**  
*For The Nine Months Ended March 31, 2020*

	Nine months ended 31-Mar-20			Nine months ended 31-Mar-19		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at beginning of the period</b>	2,116,865	28,888	2,145,753	4,219,284	63,074	4,282,358
Issuance of Nil units (2019: Nil units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of 119,386 units (2019: 2,336,095 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,120,354)	-	(2,120,354)	(237,099)	-	(237,099)
- Element of loss	(13,676)	-	(13,676)	501	-	501
Total payments on redemption of units	(2,134,030)	-	(2,134,030)	(236,598)	-	(236,598)
Net Income for the period	-	14,431	14,431	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	14,431	14,431	-	(4,792)	(4,792)
<b>Net assets at end of the period</b>	<b>(17,165)</b>	<b>43,319</b>	<b>26,154</b>	<b>3,982,686</b>	<b>58,282</b>	<b>4,040,968</b>
<b>Undistributed income brought forward</b>						
- Realised		(11,617)			114,191	
- Unrealised		40,505			(51,117)	
		28,888			63,074	
		-			-	
Net loss for the period		14,431			(4,792)	
<b>Accumulated gain carried forward</b>		<b>43,319</b>			<b>58,282</b>	
<b>Accumulated gain carried forward</b>						
- Realised		43,005			13,078	
- Unrealised		314			45,204	
		43,319			58,282	
<b>Net assets value per unit at beginning of the period</b>			(Rupees) <b>99.4840</b>			(Rupees) <b>100.0143</b>
<b>Net assets value per unit at end of the period</b>			<b>106.7644</b>			<b>99.6593</b>

The annexed notes 1 to 13 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 Islamic Financial Planning Fund**  
**Condensed Interim Statement of Movement in Unitholders' Fund (Unaudited)**  
**For The Nine Months Ended March 31, 2020**

	Nine months ended 31-Mar-20			Nine months ended 31-Mar-19		
	Capital Preservation Plan			Capital Preservation Plan		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at beginning of the period</b>	455,908	(2,509)	453,399	-	-	-
Issuance of Nil units (2019: 4,731,620 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	473,162	-	473,162
- Element of loss	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	473,162	-	473,162
Redemption of 1,369,298 units (2019: 32,388 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(136,223)	-	(136,223)	(3,239)	-	(3,239)
- Element of loss	(12,226)	-	(12,226)	(51)	-	(51)
Total payments on redemption of units	(148,449)	-	(148,449)	(3,290)	-	(3,290)
Net Income for the period	-	35,438	35,438	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	35,438	35,438	-	7,445	7,445
<b>Net assets at end of the period</b>	<b>307,459</b>	<b>32,929</b>	<b>340,387</b>	<b>469,872</b>	<b>7,445</b>	<b>477,317</b>
<b>Undistributed loss brought forward</b>						
- Realised		21,387			-	
- Unrealised		(23,896)			-	
		(2,509)			-	
Income already paid on redemption of units		12,500			7,445	
Accounting income / (loss)						
- Relating to capital losses		4,308			-	
- Excluding capital losses		18,629			-	
Accounting income / (loss) available for distribution		22,938			-	
<b>Accumulated gain carried forward</b>		<b>32,929</b>			<b>7,445</b>	
<b>Accumulated gain carried forward</b>						
- Realised		32,614			13,266	
- Unrealised		314			(5,821)	
		32,929			7,445	
<b>Net assets value per unit at beginning of the period</b>			(Rupees) <b>99.4840</b>			(Rupees) <b>100.0000</b>
<b>Net assets value per unit at end of the period</b>			<b>106.7644</b>			<b>101.5735</b>

The annexed notes 1 to 13 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 Islamic Financial Planning Fund

## Condensed Interim Cash Flow Statement (Un-Audited)

### For The Nine Months Ended March 31, 2020

Note	Nine Months ended March 31, 2020 (note 1.1)					Nine Months ended March 31, 2019 (note 1.1)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
	------(Rupees in '000)-----					------(Rupees in '000)-----				
<b>Cash flows from operating activities</b>										
Net loss for the period before taxation	234	925	14,431	35,438	51,050	(4,552)	771	(4,792)	7,445	(1,128)
<b>Adjustments for non-cash items</b>										
Mark-up on deposits with bank	(62)	(26)	(259)	(27,029)	(7,331)	(52)	(10)	(79)	(16,075)	(16,216)
Capital (gain) / loss on sale of investment - net	(3,771)	(1,064)	(14,554)	(24,464)	(23,821)	1,900	(277)	40,680	(466)	41,837
Unrealised diminution on re-measurement of investments investments at 'fair value through profit or loss - held-for-trading' - net	3,205	81	(314)	11,755	121,180	2,155	(603)	(45,204)	5,821	(37,831)
Amortisation of preliminary expenses and flotation costs						43	33	1,762	471	2,309
	(394)	(84)	(696)	(4,300)	188,720	(506)	(86)	(7,633)	(2,804)	(11,029)
<b>(Increase) / decrease in assets</b>										
Investments	59,004	12,241	2,137,946	52,512	2,261,703	64,840	16,765	245,179	(140,000)	186,784
Preliminary expenses and flotation costs	14	3	-	763	779	(30)	(30)	(30)	(1,860)	(1,950)
Other receivables	(67)	(0)	(10)	(47)	(125)	(6)	(6)	(225)	(4)	(241)
	58,951	12,244	2,137,936	53,228	2,262,357	64,804	16,729	244,924	(141,864)	184,593
<b>Increase / (decrease) in liabilities</b>										
Payable to the Management Company	10	131	(408)	(29)	(296)	(295)	(1)	10	2,233	1,947
Payable to the Trustee	3	(1)	(206)	30	(174)	(6)	(1)	(1)	4	(4)
Payable to Securities and Exchange Commission of Pakistan	(174)	(21)	(3,889)	(268)	(4,352)	(89)	(26)	(1,022)	225	(912)
Accrued expenses and other liabilities	26	32	(868)	942	132	33	27	(92)	157	125
	(135)	141	(5,371)	675	(4,690)	(357)	(1)	(1,105)	2,619	1,156
	58,422	12,301	2,131,869	49,603	2,446,387	63,941	16,642	236,186	(142,049)	174,720
Profit received on bank deposits	59	20	265	27,783	28,126	58	17	73	12,304	12,452
<b>Net cash (used in) / generated from operating activities</b>	58,481	12,321	2,132,134	77,386	2,474,513	63,999	16,659	236,259	(129,745)	187,172
<b>Cash flows from financing activities</b>										
Amount received / receivable on issue of units	700	5,830	-	-	6,530	3,139	3,270	-	473,162	479,571
Amount paid / payable on redemption of units	(59,416)	(12,813)	(2,134,030)	(148,449)	(2,354,708)	(68,047)	(20,046)	(236,598)	(3,290)	(327,981)
<b>Net cash generated from / (used in) financing activities</b>	(58,716)	(6,983)	(2,134,030)	(148,449)	(2,348,178)	(64,908)	(16,776)	(236,598)	469,872	151,590
<b>Net (decrease) / increase in cash and cash equivalents</b>	(235)	5,338	(1,896)	(71,063)	126,335	(909)	(117)	(339)	340,127	338,762
Cash and cash equivalents at the beginning of the period	737	53	2,440	334,719	337,949	1,721	199	1,046	-	2,966
<b>Cash and cash equivalents at the end of the period</b>	4	502	5,391	544	263,656	812	82	707	340,127	341,728

The annexed notes 1 to 13 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 Islamic Financial Planning Fund**

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

*For Nine Months Ended March 31, 2020*

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### **1. LEGAL STATUS AND NATURE OF BUSINESS**

HBL Islamic 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 May 4, 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 June 17, 2017.

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which 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 objective of the Fund is to generate returns on Investment as per the respective Allocation Plan by investing in Shariah Compliant Mutual Funds in line with the risk tolerance of the investor. The investment policy for each of the Plan including the newly launched Fund "Islamic Capital Preservation Plan" (launched on 2nd October, 2018) are as follows;

- The "Conservative Allocation Plan" is an Allocation Plan under the Fund and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of shariah compliant investments in equity, income and money market funds. This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Active Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active asset allocation between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Strategic Allocation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through active allocation of funds between Islamic Equity scheme(s), Islamic Income scheme(s) and Islamic Money Market scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. Fund Manager take a medium term strategic view of the portfolio assets to deliver competitive returns to investors. The duration of this plan is 24 months (Two Years).
- The "Islamic Capital Preservation Plan" is an Allocation Plan under the Fund with an objective to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities and Shariah Compliant Money Market based Collective Investment Schemes, Shariah compliant saving accounts and term deposits while aiming providing capital preservation on the initial amount excluding front end load upon maturity of the allocation plan. The duration of this plan is 24 months (Two Years).

JCR-VIS Credit Rating Company has assigned a management quality rating of AM2+ (AM Two Plus) to the Management Company.

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

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## **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. true and fair view of the state of the Fund's affairs as at December 31, 2019.

**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**

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

### **3.1 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.

### **3.2 USE OF ESTIMATES AND JUDGEMENTS**

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

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The significant judgments 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.

### **3.3 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)				
		Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
		(Rupees in '000)					(Rupees in '000)				
Savings accounts	4.1	502	6,076	544	263,656	270,778	737	53	2,440	334,719	337,949

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 6% to 13.25% (2019 : 6% 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	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
		(Rupees in '000)					(Rupees in '000)				
Investments by category											
At fair value through profit or loss - held-for-trading											
Units of mutual funds	5.1	85,735	6,312	27,630	76,917	196,595	144,173	17,570	2,150,707	116,720	2,429,170

#### 5.1 Units of mutual funds

Name of Investee Funds	As at July 1, 2019	Purchases during the period	Redemptions during the period	As at March 31, 2020	Total carrying value as at March 31, 2020	Total market value as at March 31, 2020	Appreciation/ (diminution) as at March 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
	----- Number of units -----							----- % -----	
<b>Active Allocation Plan</b>									
HBL Islamic Dedicated Equity Fund	-	161,125	161,125	-	-	-	-	-	-
HBL Islamic Equity Fund	302,592	129,551	59,486	372,657	28,662	24,223	(4,438)	28.12	28.25
HBL Islamic Income Fund	838,440	120,314	535,144	423,610	43,132	46,727	3,595	54.24	54.50
HBL Islamic Stock Fund	393,090	22,212	226,956	188,346	17,147	14,784	(2,362)	17.16	17.24
	1,534,122	433,202	982,712	984,613	88,940	85,735	(3,205)	99.51	100.00
<b>Conservative Allocation Plan</b>									
HBL Islamic Equity Fund	40,622	15,400	36,170	19,852	1,536	1,290	(245)	10.58	79.46
HBL Islamic Income Fund	140,025	80,596	175,098	45,524	4,859	5,022	163	41.18	20.54
HBL Islamic Stock Fund	2,721	6,980	9,700	-	-	-	-	-	-
	183,368	102,976	220,968	65,377	6,394	6,312	(82)	51.76	100.00
<b>Strategic Allocation Plan</b>									
HBL Islamic Dedicated Equity Fund	-	241,688	147,576	94,112	7,009	6,942	(67)	26.54	25.13
HBL Islamic Equity Fund	-	129,551	60,493	69,057	5,331	4,489	(842)	17.16	16.25
HBL Islamic Income Fund	21,203,996	55,353	21,112,493	146,856	14,976	16,199	1,223	61.94	58.63
	21,203,996	426,592	21,320,562	310,025	27,316	27,630	314	105.64	100.00
<b>Capital Preservation Plan</b>									
HBL Islamic Dedicated Equity Fund	1,390,638	2,827,957	3,175,858	1,042,737	88,672	76,917	(11,755)	22.60	100.00
HBL Islamic Money Market Fund	1,409	-	1,409	-	-	-	-	-	-
	1,392,047	2,827,957	3,177,267	1,042,737	88,672	76,917	(11,755)	22.60	100.00
<b>Total as at March 31, 2020</b>	<b>24,313,534</b>	<b>3,790,727</b>	<b>25,701,509</b>	<b>2,402,752</b>	<b>211,322</b>	<b>196,595</b>	<b>(14,728)</b>		

## 6. Payable to the Management Company

	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
Note ----- (Rupees in '000) -----										
Formation cost	-	-	-	1,860	1,860	-	-	-	1,860	1,860
Management fee	6.1	-	-	229	229	1	-	132	276	409
Sindh Sales Tax on Management Company's remuneration	6.2	-	-	30	30	-	-	17	36	53
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	16	1	5	62	84	12	2	264	315
Sales load payable		7	132	-	7	145	-	-	-	7
		23	133	5	2,187	2,348	13	2	413	2,216
										2,644

**6.1** As per the offering document of the fund, the Management Company shall charge a fee at the rate of 1% of the average annual net assets on daily basis of the 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. Management fee is also subject to Sindh Sales Tax on Services at applicable rates.

**6.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the services provided by the Management Company as required by Sindh Sales Tax on Services Act, 2011.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2020 (Un-Audited)					June 30, 2019 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
Note ----- (Rupees in '000) -----										
Withholding tax		2	-	0	0	2	2	43	-	45
Provision for Sindh Workers' Welfare Fund	7.1	86	37	1,902	723	2,748	81	18	1,607	1,706
Shariah advisory fee		-	55	71	-	125	1	-	11	13
Printing		-	55	71	-	125	1	-	79	80
Auditors' remuneration		28	3	13	109	152	11	1	200	221
Other payables		47	2	18	120	187	40	3	974	1,017
		162	97	2,003	952	3,214	136	65	2,871	10
										3,082

### 7.1 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 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 0.086 million, Rs. 0.0370 million, Rs. 1.902 million and Rs. 0.7230 million (June 30, 2019 Rs. 0.0810 million, Rs. 0.0180 million, Rs. 1.607 million and Rs. Nil million) for Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Islamic Capital Preservation Plan respectively 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. 0.0901, Re. 0.3205, Re. 7.5449 and Re. 0.2268 (June 30, 2019 Re. 0.0520, Re. 0.1040, Re. 0.076 and Re. Nil) per unit for Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Islamic Capital Preservation Plan respectively.

## 8. 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.

## 9. TRANSACTIONS WITH CONNECTED PERSONS

The Fund is an open ended shariah compliant fund of fund scheme and is listed on Pakistan Stock Exchange Limited. The Fund has three different plans namely Conservative Allocation Plan, Active Allocation Plan and Strategic Allocation Plan (collectively referred as 'Plans'). The units of Conservative Allocation and Active Allocation Plan were initially offered to public (IPO) on June 16, 2016 whereas units of Strategic Allocation Plan were offered from June 15, 2016 to June 16, 2016. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The duration of the Fund is perpetual however the allocation plans may have a set time frame. Each Allocation Plan announce separate NAVs which 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.

### 9.1 Transactions during the period

	Nine Months ended March 31, 2020 (note 1.1)					Nine Months ended March 31, 2019 (note 1.1)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)					(Rupees in '000)				
<b>HBL Asset Management Limited - Management Company</b>										
Remuneration of the Management Company	7	2	60	2,092	2,161	9	2	13	1,702	1,726
Sindh Sales Tax on remuneration of the Management Company	1	0	8	272	281	1	-	2	221	224
Allocation of expenses related to registrar services, accounting, operation and valuation services	171	19	171	654	1,015	161	20	3,193	237	3,611
<b>Habib Bank Limited - Sponsor</b>										
Mark-up on deposits with bank	38	13	146	3,714	3,911	29	5	14	580	628
Bank Charges	22	17	20	25	84	9	8	6	1	24
Issue of 684,657 units (2019: Nil units)	-	-	-	70,013	70,013	-	-	-	70,013	70,013
<b>MCB Financial Services Limited - Trustee</b>										
Remuneration of the Trustee	88	10	98	337	533	164	20	2,557	241	2,982
<b>Collective investment scheme managed by Management Company</b>										
<b>HBL Islamic Income Fund</b>										
Purchase of 120,314 units (2019: 419,344 units)	12,477	-	-	-	12,477	43,764	-	-	-	43,764
Purchase of 80,596 units (2019: 20,029 units)	-	8,724	-	-	8,724	-	2,049	-	-	2,049
Purchase of 55,353 units (2019: 15,563 units)	-	-	5,733	-	5,733	-	-	1,619,956	-	1,619,956
Redemption of 535,144 units (2019: 499,961 units)	55,856	-	-	-	55,856	51,877	-	-	-	51,877
Redemption of 175,098 units (2019: 140,017 units)	-	18,769	-	-	18,769	-	14,436	-	-	14,436
Redemption of 21,112,493 units (2019: 7,762,482 units)	-	-	2,151,951	-	2,151,951	-	-	806,679	-	806,679
<b>HBL Islamic Equity Fund</b>										
Purchase of 129,551 units (2019: nil units)	10,000	-	-	-	10,000	-	-	-	-	-
Purchase of 15,400 units (2019: 8735 units)	-	1,229	-	-	1,229	-	776	-	-	776
Purchase of 129,551 units (2019: 15563898 units)	-	-	10,000	-	10,000	-	-	-	-	-
Redemption of 59,486 units (2019: 135451 units)	5,433	-	-	-	5,433	12,493	-	-	-	12,493
Redemption of 36,170 units (2019: 36211 units)	-	3,152	-	-	3,152	-	3,382	-	-	3,382
Redemption of 60,493 units (2019: units)	-	-	5,797	-	5,797	-	-	690,030	-	690,030

	Nine Months ended March 31, 2020 (note 1.1)					Nine Months ended March 31, 2019 (note 1.1)				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)					(Rupees in '000)				
<b>HBL Islamic Money Market Fund</b>										
Redemption of 1,409 units (2019: Nil units)	-	-	-	142	142	-	-	-	-	-
<b>HBL Islamic Dedicated Equity Fund</b>										
Purchase of 161,125 units (2019: Nil units)	12,000	-	-	-	12,000	22,000	-	-	-	22,000
Purchase of 241,688 units (2019: Nil units)	-	-	18,000	-	18,000	-	-	517,000	-	517,000
Purchase of 2,827,957 units (2019: Nil units)	-	-	-	231,000	231,000	-	-	-	235,000	235,000
Redemption of 161,125 units (2019: Nil units)	12,623	-	-	-	12,623	19,811	-	-	-	19,811
Redemption of 147,576 units (2019: Nil units)	-	-	13,930	-	13,930	-	-	193,500	-	193,500
Redemption of 3,175,858 units (2019: Nil units)	-	-	-	283,358	283,358	-	-	-	95,000	95,000
<b>HBL Islamic Stock Fund</b>										
Purchase of 22,212 units (2019: Nil units)	1,933	-	-	-	1,933	400	-	-	-	400
Purchase of 6,980 units (2019: 8735 units)	-	578	-	-	578	-	185	-	-	185
Redemption of 226,956 units (2019: 135451 units)	21,503	-	-	-	21,503	42,235	-	-	-	42,235
Redemption of 9,700 units (2019: 36211 units)	-	850	-	-	850	-	694	-	-	694
<b>NARGIS FATIMA - Connected person due to 10% holding</b>										
Investment of 55,792 units (2019: Nil units)	-	5,950	-	-	5,950	-	-	-	-	-

## 9.2 Balances outstanding as at period / year end

	Nine Months ended March 31, 2020 (note 1.1)					June 30, 2019				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
	(Rupees in '000)					(Rupees in '000)				
<b>HBL Asset Management Limited - Management Company</b>										
Management fee	-	-	-	229	229	1	-	132	276	409
Sindh Sales Tax on Management Company's remuneration	-	-	-	30	30	-	-	17	36	53
Allocation of expenses related to registrar services, accounting, operation and valuation services	16	1	5	62	84	12	2	264	37	316
Sales load payable	7	132	-	7	145	-	-	-	7	7
Formation cost	-	-	-	1,860	1,860	-	-	-	1,860	1,860
Units held 11,575 units (June 30, 2019: Nil units)	1,049	-	-	-	1,049	-	-	-	-	-
<b>Habib Bank Limited - Sponsor</b>										
Mark-up receivable on deposits with bank	4	10	5	2,609	2,629	-	-	-	-	-
Balance in savings account	324	6,055	499	259,669	266,547	-	-	-	-	-
Units held 684,657 units (June 30, 2019: Nil units)	-	-	-	70,013	70,013	-	-	-	-	-
<b>MCB Financial Services Limited - Trustee</b>										
Remuneration payable to the Trustee	16	1	5	68	90	13	2	211	38	264
<b>AMBREEN SALMAN - Connected Person due to 10% holding</b>										
Units held 126,601 units (June 30, 2019: Nil units)	11,474	-	-	-	11,474	-	-	-	-	-
<b>MUHAMMAD SALMAN - Connected Person due to 10% holding</b>										
Units held 92,785 units (June 30, 2019: Nil units)	8,409	-	-	-	8,409	-	-	-	-	-
<b>RUBINA SIDDIQUE - Connected Person due to 10% holding</b>										
Units held 103,844 units (June 30, 2019: Nil units)	9,412	-	-	-	9,412	-	-	-	-	-

	Nine Months ended March 31, 2020 (note 1.1)					June 30, 2019				
	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Strategic Allocation Plan	Capital Preservation Plan	Total
<b>SHEHNAZ ZEESHAN - Connected Person due to 10% holding</b>	----- (Rupees in '000) -----									
Units held 126,244 units (June 30, 2019: Nil units)	11,442	-	-	-	11,442	-	-	-	-	-
<b>FALAK NAZ - Connected Person due to 10% holding</b>										
Units held 34,638 units (June 30, 2019: 34,638 units)	-	3,641	-	-	3,641	-	356,595	-	-	356,595
<b>Mr AHMED SALAHUDDIN - Connected Person due to 10% holding</b>										
Units held 14,931 units (June 30, 2019: Nil units)	-	1,569	-	-	1,569	-	-	-	-	-
<b>NARGIS FATIMA - Connected Person due to 10% holding</b>										
Units held 55,792 units (June 30, 2019: Nil units)	-	5,864	-	-	5,864	-	-	-	-	-
<b>MUBASHIR HASAN - Connected Person due to 10% holding</b>										
Units held 220,773 units (June 30, 2019: Nil units)	-	-	22,909	-	22,909	-	-	-	-	-
<b>ZEENAT ISANI - Connected Person due to 10% holding</b>										
Units held 25,500 (June 30, 2019: Nil units)	-	-	2,646	-	2,646	-	-	-	-	-
<b>HABIB BANK STAFF BEHBOOD FUND - ASSOCIATE - ASSOCIATE</b>										
Units held 684,657 units (June 30, 2019: 684,657 units)	-	-	-	73,097	73,097	-	-	-	68,112	68,112
<b>NEW JUBILEE INSURANCE CO. LIMITED STAFF PROVIDENT FUND - ASSOCIATE - ASSOCIATE</b>										
Units held 50,009 units (June 30, 2019: 50,009 units)	-	-	-	5,339	5,339	-	-	-	4,975	4,975
<b>BARRETT HODGSON PAKISTAN (PVT.) LTD. - Connected Person due to 10% holding</b>										
Units held 1,002,787 units (June 30, 2019: 1,002,789 units)	-	-	-	107,062	107,062	-	-	-	99,761	99,761
<b>PAKISTAN SOC FOR WELF OF MENTALY RETARDED CHILD - Connected Person due to 10% holding</b>										
Units held 811,054 units (June 30, 2019: 811,054 units)	-	-	-	86,592	86,592	-	-	-	80,687	80,687
<b>HBL Islamic Income Fund (Formerly PICIC Islamic Income) Fund - CIS managed by Management Company</b>										
Units held 803,290 units (June 30, 2019: 838,440 units)	46,727	-	-	-	46,727	85,043	-	-	-	85,043
Units held 186,053 units (June 30, 2019: 140,026 units)	-	5,022	-	-	5,022	-	14,203	-	-	14,203
Units held 23,042,026 units (June 30, 2019: 21,203,994 units)	-	-	16,199	-	16,199	-	-	2,150,706	-	2,150,706
<b>HBL Islamic Equity Fund - CIS managed by Management Company</b>										
Units held 411,764 units (June 30, 2019: 302,592 units)	24,223	-	-	-	24,223	23,237	-	-	-	23,237
Units held 53,718 units (June 30, 2019: 40,622 units)	-	1,290	-	-	1,290	-	3,119	-	-	3,119
Units held 2,696,489 units (June 30, 2019: Nil units)	-	-	4,489	-	4,489	-	-	-	-	-
<b>HBL Islamic Dedicated Equity Fund - CIS managed by Management Company</b>										
Units held 1,404,927 units (June 30, 2019: Nil units)	-	-	6,942	-	6,942	-	-	-	-	-
Units held 1,404,927 units (June 30, 2019: 1,390,638 units)	-	-	-	76,917	76,917	-	-	-	116,578	116,578
<b>HBL Islamic Stock Fund - CIS managed by Management Company</b>										
Units held 736,038 units (June 30, 2019: 393,090 units)	14,784	-	-	-	14,784	35,893	-	-	-	35,893

Units as at March 31, 2020 are calculated on the basis of latest announced NAV i.e March 31, 2020.

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## 10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets i.e. units of mutual funds are based on the quoted NAVs at the close of the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

March 31, 2020 (Un-Audited)

Active Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	85,735	-	-	85,735	85,735	-	-	85,735
	85,735	-	-	85,735	85,735	-	-	85,735

Financial assets not measured at fair value 10.1

Bank balances	-	502	-	502
Accrued mark-up	-	6	-	6
Other receivables	-	93	-	93
	-	601	-	601

Financial liabilities not measured at fair va 10.1

Payable to the Management Company	-	-	23	23
Payable to the Trustee	-	-	16	16
Accrued expenses and other liabilities	-	-	74	74
Unit Holders' Fund	-	-	86,155	86,155
	-	-	86,268	86,268

June 30, 2019 (Audited)

Active Allocation Plan

Carrying amount				Fair Value			
Fair value through profit and loss - held-	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	5	144,173	-	-	144,173	144,173	-	-	144,173
		144,173	-	-	144,173	144,173	-	-	144,173

Financial assets not measured at fair value 10.1

Bank balances	-	737	-	737
Accrued mark-up	-	3	-	3
Receivable against sale of units	-	-	-	-
	-	740	-	740

Financial liabilities not measured at fair val 10.1

Payable to the Management Company	-	-	13	13
Payable to the Trustee	-	-	13	13
Accrued expenses and other liabilities	-	-	19	19
Dividend payable	-	-	-	-
Payable against redemption of units	-	-	-	-
Unit Holders' Fund	-	-	144,637	144,637
	-	-	144,682	144,682

**March 31, 2020 (Un-Audited)**  
**Conservative Allocation Plan**

Carrying amount				Fair Value			
Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

**On-balance sheet financial instruments**

**Financial assets measured at fair value**

Units of mutual funds	6,312	-	-	6,312	6,312	-	-	6,312
	<b>6,312</b>	<b>-</b>	<b>-</b>	<b>6,312</b>	<b>6,312</b>	<b>-</b>	<b>-</b>	<b>6,312</b>

**Financial assets not measured at fair value 10.1**

Bank balances	-	6,076	-	6,076
Accrued mark-up	-	10	-	10
Receivable against sale of units	-	-	-	-
Other receivables	-	18	-	18
	<b>-</b>	<b>6,105</b>	<b>-</b>	<b>6,105</b>

**Financial liabilities not measured at fair value 10.1**

Payable to the Management Company	-	-	133	133
Payable to the Trustee	-	-	1	1
Accrued expenses and other liabilities	-	-	60	60
Unit Holders' Fund	-	-	11,509	11,509
	<b>-</b>	<b>-</b>	<b>11,704</b>	<b>11,704</b>

**June 30, 2019 (Audited)**  
**Conservative Allocation Plan**

Carrying amount				Fair Value			
Fair value through profit and loss - held-	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

**On-balance sheet financial instruments**

**Financial assets measured at fair value**

Units of mutual funds	5	17,570	-	-	17,570	17,570	-	-	17,570
		<b>17,570</b>	<b>-</b>	<b>-</b>	<b>17,570</b>	<b>17,570</b>	<b>-</b>	<b>-</b>	<b>17,570</b>

**Financial assets not measured at fair value 10.1**

Bank balances	-	53	-	53
Accrued mark-up	-	4	-	4
Receivable against sale of units	-	-	-	-
	<b>-</b>	<b>57</b>	<b>-</b>	<b>57</b>

**Financial liabilities not measured at fair value 10.1**

Payable to the Management Company	-	-	2	2
Payable to the Trustee	-	-	2	2
Accrued expenses and other liabilities	-	-	3	3
Payable against redemption of units	-	-	-	-
Unit Holders' Fund	-	-	17,567	17,567
	<b>-</b>	<b>-</b>	<b>17,574</b>	<b>17,574</b>

**March 31, 2020 (Un-Audited)**  
**Strategic Allocation Plan**

Fair value through profit and loss - held-for-trading	Carrying amount			Fair Value			
	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

**On-balance sheet financial instruments**

**Financial assets measured at fair value**

Units of mutual funds	27,630	-	-	27,630	27,630	-	-	27,630
	<b>27,630</b>	<b>-</b>	<b>-</b>	<b>27,630</b>	<b>27,630</b>	<b>-</b>	<b>-</b>	<b>27,630</b>

**Financial assets not measured at fair value 10.1**

Bank balances	-	544	-	544
Accrued mark-up	-	5	-	5
Other receivables	-	8	-	8
	<b>-</b>	<b>558</b>	<b>-</b>	<b>558</b>

**Financial liabilities not measured at fair val 10.1**

Payable to the Management Company	-	-	5	5
Payable to the Trustee	-	-	5	5
Accrued expenses and other liabilities	-	-	102	102
Unit Holders' Fund	-	-	26,154	26,154
	<b>-</b>	<b>-</b>	<b>26,265</b>	<b>26,265</b>

**June 30, 2019 (Audited)**  
**Strategic Allocation Plan**

Fair value through profit and loss - held-	Carrying amount			Fair Value			
	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total

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

**On-balance sheet financial instruments**

**Financial assets measured at fair value**

Units of mutual funds	5	2,150,707	-	-	2,150,707	2,150,707	-	-	2,150,707
		<b>2,150,707</b>	<b>-</b>	<b>-</b>	<b>2,150,707</b>	<b>2,150,707</b>	<b>-</b>	<b>-</b>	<b>2,150,707</b>

**Financial assets not measured at fair value 10.1**

Bank balances	-	2,440	-	2,440
Accrued mark-up	-	11	-	11
Receivable against sale of investment	-	-	-	-
Receivable against sale of units	-	-	-	-
	<b>-</b>	<b>2,451</b>	<b>-</b>	<b>2,451</b>

**Financial liabilities not measured at fair val 10.1**

Payable to the Management Company	-	-	413	413
Payable to the Trustee	-	-	211	211
Accrued expenses and other liabilities	-	-	320	320
Unit Holders' Fund	-	-	2,145,753	2,145,753
	<b>-</b>	<b>-</b>	<b>2,146,697</b>	<b>2,146,697</b>

March 31, 2020 (Un-Audited)

Capital Preservation Plan

	Carrying amount			Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	76,917	-	-	76,917	76,917	-	-	76,917
	<b>76,917</b>	<b>-</b>	<b>-</b>	<b>76,917</b>	<b>76,917</b>	<b>-</b>	<b>-</b>	<b>76,917</b>

Financial assets not measured at fair value 10.1

Bank balances	-	263,656	-	263,656
Accrued mark-up	-	2,652	-	2,652
Other receivables	-	46	-	46
	<b>-</b>	<b>266,354</b>	<b>-</b>	<b>266,354</b>

Financial liabilities not measured at fair val 10.1

Payable to the Management Company	-	-	2,187	2,187
Payable to the Trustee	-	-	68	68
Accrued expenses and other liabilities	-	-	229	229
Unit Holders' Fund	-	-	340,387	340,387
	<b>-</b>	<b>-</b>	<b>342,871</b>	<b>342,871</b>

June 30, 2019 (Audited)

Capital Preservation Plan

	Carrying amount			Fair Value			
	Fair value through profit and loss - held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3

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

On-balance sheet financial instruments

Financial assets measured at fair value

Units of mutual funds	5	116,720	-	-	116,720	116,720	-	-	116,720
		<b>116,720</b>	<b>-</b>	<b>-</b>	<b>116,720</b>	<b>116,720</b>	<b>-</b>	<b>-</b>	<b>116,720</b>

Financial assets not measured at fair value 10.1

Bank balances	-	334,719	-	334,719
Accrued mark-up	-	3,406	-	3,406
Receivable against sale of investment	-	-	-	-
Receivable against sale of units	-	-	-	-
	<b>-</b>	<b>338,125</b>	<b>-</b>	<b>338,125</b>

Financial liabilities not measured at fair val 10.1

Payable to the Management Company	-	-	2,216	2,216
Payable to the Trustee	-	-	38	38
Accrued expenses and other liabilities	-	-	320	320
Unit Holders' Fund	-	-	453,399	453,399
	<b>-</b>	<b>-</b>	<b>455,973</b>	<b>455,973</b>

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**10.1** 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.

**10.2 Transfers during the period**

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

**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 for the nine months ended March 31, 2020 is 0.34%, 0.63%, 0.52% and 1.18% (YTD) (March 31, 2019: 0.26%, 0.47% , 0.25% and 0.68%) which includes 0.03%, 0.17%, 0.25% and 0.25% (March 31, 2019: 0.08%, 0.14%, 0.07% and 0.12%) representing government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan, Strategic Allocation Plan and Capital Preservation Plan respectively.

**12. DATE OF AUTHORISATION FOR ISSUE**

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

**13. GENERAL**

**13.1** Figures have been rounded off to the nearest thousand rupees.

**13.2** Corresponding figures have been arranged and reclassified, wherever necessary, for the purpose of comparison and more appropriate presentation, the effect of which is not material.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **HBL Islamic Dedicated Equity Fund**

## FUND INFORMATION

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Name of Fund	HBL Islamic Dedicated Equity Fund
Name of Auditor	Deloitte Yousuf Adil Chartered Accountants
Name of Trustee	MCB Financial Services Limited (MCBFSL)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Allied Bank Limited

**HBL Islamic Dedicated Equity Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
*As at March 31, 2020*

	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
		(Rupees in '000)	
<b>Assets</b>			
Bank balances	4	4,542	6,975
Investments	5	74,171	102,392
Dividend and profit receivable		1,360	1,590
Preliminary expenses and floatation costs		770	935
Advances and deposits	6	5,268	4,202
Receivable against sale of investment		-	3,116
<b>Total Assets</b>		<b>86,111</b>	<b>119,210</b>
<b>Liabilities</b>			
Payable to the Management Company	7	515	475
Payable to the Trustee		36	10
Payable to Securities and Exchange Commission of Pakistan		26	282
Payable against Formation cost		-	1,100
Accrued expenses and other liabilities	8	1,675	763
<b>Total liabilities</b>		<b>2,251</b>	<b>2,630</b>
<b>Net assets</b>		<b>83,860</b>	<b>116,580</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>83,860</b>	<b>116,580</b>
<b>Contingencies and commitments</b>	9		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>1,136,849</b>	<b>1,390,638</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>73.7649</b>	<b>83.8322</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Islamic Dedicated Equity Fund**  
**Condensed Interim Income Statement and Other Comprehensive Income (Un-Audited)**  
**For the Nine months ended and quarter ended March 31, 2020**

	Note	Nine Month ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
----- Rupees in '000 -----					
<b>Income</b>					
Dividend income		6,547	7,492	778	2,931
Profit on bank deposits		1,168	1,650	351	614
Capital gain / (loss) on sale of investments - net		29,928	(8,276)	16,966	4,752
		<b>37,642</b>	866	<b>18,094</b>	8,297
Net unrealised gain/(loss) on re-measurement of investments classified at fair value through profit or loss - held-for-trading		(14,103)	(25,037)	(51,860)	17,396
		<b>23,539</b>	(24,171)	<b>(33,766)</b>	25,693
<b>Expenses</b>					
Remuneration of the Management Company		2,920	5,386	928	2,698
Remuneration of the Trustee		200	242	59	121
Annual fee to Securities and Exchange Commission of Pakistan		26	226	8	113
Selling and marketing expenses		983	953	308	477
Allocation of expenses related to registrar services, accounting, operation and valuation services		279	238	67	119
Auditors' remuneration		202	164	63	85
Settlement and bank charges		377	283	117	114
Shariah advisory fee		153	107	51	60
Other expenses		1,878	2,501	910	759
		<b>7,018</b>	10,100	<b>2,511</b>	4,546
		<b>16,521</b>	(34,271)	<b>(36,277)</b>	21,147
Provision for Sindh Workers' Welfare Fund	8.2	(330)	-	-	-
<b>Net income / (loss) for the period before taxation</b>		<b>16,191</b>	(34,271)	<b>(36,277)</b>	21,147
Taxation	10	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>16,191</b>	(34,271)	<b>(36,277)</b>	21,147
<b>Allocation of net income for the period</b>					
Income already paid on redemption of units		-	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		15,824	-	-	-
- Excluding capital gains		366	-	-	-
		<b>16,191</b>			
		<b>16,191</b>	-	-	-

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Islamic Dedicated Equity Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the Nine months ended and quarter ended March 31, 2020*

	Nine Month ended		Quarter ended,	
	March 31,		March 31,	
	2020	2019	2020	2019
	----- Rupees in '000 -----			
Net income / (loss) for the period after taxation	16,191	(34,271)	(36,277)	(55,426)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>16,191</b>	<b>(34,271)</b>	<b>(36,277)</b>	<b>(55,426)</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Islamic Dedicated Equity Fund**  
**Condensed Interim Statement of Movement In Unitholders' Fund (Un-Audited)**  
*For the Nine months ended March 31, 2020*

	Nine Month ended March 31,						
	2020			2019			
Note	Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	(Rupees in '000)						
<b>Net assets at beginning of the period</b>	208,720	(92,140)	116,580	-	-	-	-
Issue of units 3,230,770 (2019: 7,534,126 units)							
- Capital value (at net asset value per unit at the beginning of the period)	270,843	-	270,842	753,413	-	-	753,413
- Element of loss	(9,843)	-	(9,843)	20,587	-	-	20,587
Total proceeds on issuance of units	3.6 261,000	-	260,999	774,000	-	-	774,000
Redemption of 3,484,559 units (2019: 3,077,974 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(292,118)	-	(292,118)	(307,797)	-	-	(307,797)
- Amount paid out of element of income relating to net income for the year after taxation	(17,793)	-	(17,793)	(515)	-	-	(515)
Total payments on redemption of units	3.6 (309,911)	-	(309,910)	(308,312)	-	-	(308,312)
transferred to distribution statement	3.6 -	-	-	-	-	-	(384)
Total comprehensive income for the period	-	16,191	16,191	-	(34,271)	-	(34,271)
<b>Net assets at end of the period</b>	159,809	(75,949)	83,860	465,688	(34,271)	-	431,417
<b>Accumulated loss brought forward</b>							
- Realised		(92,140)			-		
- Unrealised		-			-		
		(92,140)			-		
Accounting income available for distribution							
- Relating to capital gains		15,824			-		
- Excluding capital gains		366			-		
		16,191			-		
Distribution during the period		-			-		
		(75,949)			-		
<b>Undistributed income carried forward</b>							
- Realised		(61,846)			(9,234)		
- Unrealised		(14,103)			(25,037)		
		(75,949)			(34,271)		
				Rupees			Rupees
<b>Net assets value per unit at beginning of the period</b>			83.8322				-
<b>Net assets value per unit at end of the period</b>			73.7649				96.8138

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**HBL Islamic Dedicated Equity Fund**  
**Condensed Interim Statement of Cash Flow (Un-Audited)**  
*For the Nine months ended March 31, 2020*

	Note	Nine Month ended March 31,	
		2020 (Rupees in '000)	2019
<b>Cash flows from operating activities</b>			
Net income/(loss) for the period before taxation		16,191	(34,271)
<b>Adjustments</b>			
Capital (gain) / Loss during the period		(29,928)	8,276
Dividend Income		(6,547)	(7,492)
Profit on bank deposits		(1,168)	(1,642)
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss		14,103	25,037
		(7,348)	(10,092)
<b>(Increase) / decrease in assets</b>			
Investments - net		44,045	(443,727)
Dividend receivable and accrued mark-up		7,944	3,256
Advances and deposits		(1,066)	(3,590)
Receivable against sale of investment		3,116	(4,557)
Preliminary expenses and floatation costs		165	(330)
		54,205	(448,948)
<b>Increase in liabilities</b>			
Payable to the Management Company		40	1,529
Payable to the Trustee		26	40
Payable to Securities and Exchange Commission of Pakistan		(256)	226
Payable against Formation cost		(1,100)	-
Accrued expenses and other liabilities		912	1,637
		(379)	3,432
		46,478	(455,608)
<b>Net cash generated from / (used) in operating activities</b>		<b>46,478</b>	<b>(455,608)</b>
<b>Cash flows from financing activities</b>			
Amount received on issue of units		260,999	774,000
Payment against redemption of units		(309,910)	(308,312)
<b>Net cash (used) in / generated from financing activities</b>		<b>(48,911)</b>	<b>465,688</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,433)</b>	<b>10,079</b>
Cash and cash equivalents at beginning of the period		6,975	-
<b>Cash and cash equivalents at end of the period</b>	4	<b>4,542</b>	<b>10,079</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# **HBL Islamic Dedicated Equity Fund**

## **Notes to the Condensed Interim financial statements (Un-Audited)**

*For the Nine months ended March 31, 2020*

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### **1. LEGAL STATUS AND NATURE OF BUSINESS**

HBL Islamic Dedicated Equity Fund (the Fund) was established under a Trust Deed, dated June 22, 2017, executed between HBL Asset Management Limited as the Management Company and MCB Financial Services limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on July 04, 2018.

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

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

The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.

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 MCB Financial Services Limited as trustee of the Fund.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of Compliance**

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.

#### **2.2 Basis of measurement**

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

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### **2.3 Functional and presentation currency**

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

### **2.4 DIRECTOR'S NOTE**

The directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the Fund

### **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 is 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 therefore 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.

	Note	(Un-Audited) March 31, 2020 (Rupees in '000)	(Audited) June 30, 2019
<b>4. BANK BALANCES</b>			
Balances with banks in:			
Savings accounts	4.1	4,542	6,975
		<b>4,542</b>	<b>6,975</b>

4.1 The balance in savings accounts carry expected profit which ranges from 12.5% to 13.5% (2019:8.00% to 13.5% per annum.)

	Note	(Un-Audited) March 31, 2020 (Rupees in '000)	(Audited) June 30, 2019
<b>5. INVESTMENTS</b>			
Financial assets at fair value through profit and loss account			
- Listed equity securities	5.1	74,171	102,392
		<b>74,171</b>	<b>102,392</b>

## 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	As at July 01, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2019	Market value as at March 31, 2020 Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
----- Number of shares -----									
<b>INVESTMENT BANKS/COs./SECURITIES</b>									
Dawood Hercules Corporation Ltd	10,500	-	-	10,500	-	-	0.00%	0.00%	0.01%
	10,500	-	-	10,500	-	-			
<b>TEXTILE COMPOSITE</b>									
Interloop Limited	70,309	132,500	-	202,500	309	11	0.01%	0.01%	0.00%
Nishat Mills Limited	28,700	136,400	-	134,200	30,900	1,815	2.45%	2.16%	0.02%
	99,009	268,900	-	336,700	31,209	1,826			
<b>CEMENT</b>									
Cherat Cement Company Ltd.	-	22,000	-	-	22,000	1,219	1.64%	1.45%	0.02%
Kohat Cement Limited	36,650	53,000	-	60,000	29,650	2,587	3.49%	3.08%	0.02%
Lucky Cement Limited	10,600	36,800	-	29,200	18,200	6,747	9.10%	8.05%	0.01%
Maple Leaf Cement Factory Limited	-	154,000	-	51,500	102,500	2,124	2.86%	2.53%	0.00%
	47,250	265,800	-	140,700	172,350	12,676			
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited	133,967	342,500	-	377,500	98,967	6,756	9.11%	8.06%	0.02%
K-Electric Limited	270,000	950,000	-	1,220,000	-	-	0.00%	0.00%	0.00%
	403,967	1,292,500	-	1,597,500	98,967	6,756			
<b>ENGINEERING</b>									
International Industries Limited	-	6,500	-	-	6,500	491	0.66%	0.59%	0.00%
International Steels Limited	-	56,500	-	30,000	26,500	959	1.29%	1.14%	0.00%
	-	63,000	-	30,000	33,000	1,450			
<b>PHARMACEUTICALS</b>									
AGP Limited	13,500	60,000	-	57,500	16,000	1,320	1.78%	1.57%	0.00%
GlaxoSmithKline Pakistan Ltd	-	16,400	-	-	16,400	2,772	3.74%	3.31%	0.00%
Highnoon Laboratories Limited	-	7,000	-	3,150	3,850	1,919	2.59%	2.29%	0.00%
The Searle Company Limited	8,450	36,100	-	33,500	11,050	1,733	2.34%	2.07%	0.01%
	21,950	119,500	-	94,150	47,300	7,745			
<b>OIL &amp; GAS EXPLORATION COMPANY</b>									
Mari Petroleum Company Limited	8,150	16,920	933	21,260	4,743	4,226	5.70%	5.04%	0.01%
Oil & Gas Developet Company Limited	90,500	312,000	-	327,000	75,500	5,813	7.84%	6.93%	0.00%
Pakistan Oilfields Limited	16,350	34,000	-	50,350	-	-	0.00%	0.00%	0.01%
Pakistan Petroleum Limited	61,100	337,000	20,120	358,500	59,720	4,288	5.78%	5.11%	0.01%
	176,100	699,920	21,053	757,110	139,963	14,328			
<b>OIL &amp; GAS MARKETING COMPANIES</b>									
Pakistan State Oil Company Limited	34,100	116,000	6,220	134,700	21,620	2,627	3.54%	3.13%	0.01%
Sui Northern Gas Pipeline Limited	34,500	191,500	-	185,500	40,500	1,494	2.01%	1.78%	0.01%
	68,600	307,500	6,220	320,200	62,120	4,121			
<b>COMMERCIAL BANKS</b>									
BankIslami Pakistan Limited	-	312,000	-	-	312,000	2,814	3.79%	3.36%	0.01%
Meezan Bank Limited	61,100	187,500	-	190,500	58,100	3,782	5.10%	4.51%	0.01%
	61,100	499,500	-	190,500	370,100	6,596			
<b>FERTILIZER</b>									
Engro Corporation Limited	40,670	97,300	-	108,000	29,970	7,999	10.78%	9.54%	0.01%
Engro Fertilizers Limited	74,000	200,500	-	248,500	26,000	1,499	2.02%	1.79%	0.01%
Fauji Fertilizer Company Limited	52,000	145,500	-	168,000	29,500	2,744	3.70%	3.27%	0.01%
	166,670	443,300	-	524,500	85,470	12,242			
<b>CHEMICALS</b>									
Engro Polymer & Chemicals Limited	130,000	475,000	-	496,000	109,000	2,673	3.60%	3.19%	0.03%
ICI Pakistan Ltd	-	2,500	-	500	2,000	1,013	1.37%	1.21%	0.03%
Lotte Chemical Pakistan Ltd	39,000	459,500	-	403,000	95,500	939	0.00%	0.00%	0.00%
	169,000	937,000	-	899,500	206,500	4,624			
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>									
Thal Limited	6,350	12,900	-	13,100	6,150	1,807	2.44%	2.15%	0.02%
	6,350	12,900	-	13,100	6,150	1,807			
<b>Grand total</b>	<b>1,230,496</b>	<b>4,909,820</b>	<b>27,273</b>	<b>4,914,460</b>	<b>1,253,129</b>	<b>74,171</b>			
<b>Cost of investments at March 31, 2020</b>						<b>88,274</b>			

**5.1.1** Investments include shares having market value aggregating to Rs. 78.798 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.

	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
<b>6. ADVANCES AND DEPOSITS</b>			
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited		100	100
Advance Tax		2,668	1,602
		<u>5,268</u>	<u>4,202</u>
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management fee		171	196
Sindh Sales Tax on Management Company's remuneration		22	26
Selling and marketing payable		308	243
Allocation of expenses related to registrar services, accounting, operation and valuation services		14	10
		<u>515</u>	<u>475</u>
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Charity payable	8.1	617	471
Auditors' remuneration		214	191
Payable to brokers		369	84
Provision for SWWF	8.2	330	-
Payable to shariah advisor		144	17
		<u>1,675</u>	<u>763</u>

**8.1** This represents amount attributable to income earned from shariah non-compliant avenues, earmarked for onward distribution as charity in accordance with the instructions of the Shariah Advisor.

**8.2 PROVISION FOR SINDH WORKERS' WELFARE FUND**

As there is income for the Nine month ended March 31, 2020, a provision of 0.33 million 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. 0.33 million. Had the provision not being made, the Net Asset Value per unit as at March 31, 2020 would have been higher by Rs.0.2903.

**9. CONTINGENCIES AND COMMITMENTS**

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

**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.

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**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 month ended March 31, 2020 is 3.93%, which includes 0.41% representing government levy, Workers' Welfare Fund and SECP fee (March 2019: 2.01% which includes 0.17% representing government levy, Worker's welfare fund and SECP Fee).

**12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties 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 agreed / contracted rates and terms determined in accordance with market rates. and the Trust Deed respectively.

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

Details of significant transactions with connected persons during the period and balances with them at period end, if not disclosed elsewhere in this condensed interim financial statements are as follows:

	(Un-Audited) March 31, 2020 (Rupees in '000)	(Un-Audited) March 31, 2019
<b>12.1 Transactions during the period</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	2,920	5,386
Allocation of expenses related to registrar services, accounting, operation and valuation services	279	238
Selling and Marketing expenses	983	953
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	200	242
<b>MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan</b>		
Issue of 2,827,957 units (2019: 2,334,334 units)	231,000	235,000
Redemption of 3,175,858 units (2019: 943,696 units)	283,358	95,000
<b>MCBFSL Trustee HBL IFPF Active Allocation Plan</b>		
Issue of 161,125 units (2019: 203,779 units)	12,000	22,000
Redemption of 161,125 units (2019: 203,779 units)	12,623	19,811
<b>MCBFSL Trustee HBL IFPF Strategic Allocation Plan</b>		
Issue of 241,687 units (2019: 4,996,012 units)	18,000	517,000
Redemption of 147,576 units (2019: 1,930,499 units)	13,930	193,500

	(Un-Audited) March 31, 2020	(Un-Audited) June 30, 2019
	(Rupees in '000)	
<b>12.2 Amounts outstanding as at period / year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee payable	171	196
Sales tax payable	22	26
Allocation of expenses related to registrar services, accounting, operation and valuation services	14	10
Selling And Marketing expenses	308	243
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	36	10
<b>MCBFSL Trustee HBL IFPF Islamic Capital Preservation Plan</b>		
Investment held in the Fund: 1,042,737 units (2019: 1,390,638)	76,917	116,580
<b>MCBFSL Trustee HBL IFPF Strategic Allocation Plan</b>		
Investment held in the Fund: 94,112 units (2019 :nil units)	6,942	-
<b>MCBFSL Trustee HBL IFPF Active Allocation Plan</b>		
Investment held in the Fund: Nil units (2019 :Nil units)	-	-

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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)								
Carrying amount				Fair Value				
Note	Fair Value Through Profit and Loss	At Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
<b>Financial assets measured at fair value</b>								
Investments								
- Listed equity securities	5	74,171	-	74,171	74,171	-	-	74,171
<b>Financial assets not measured at fair value</b>								
13.1								
Bank balances	-	4,542	4,542	-	-	-	-	
Dividend and profit receivable	-	1,360	1,360	-	-	-	-	
Deposits	-	2,600	2,600	-	-	-	-	
	-	8,502	8,502	-	-	-	-	
<b>Financial liabilities not measured at fair value</b>								
13.1								
Payable to management company	-	515	515	-	-	-	-	
Payable to trustee		36	36					
		26	26					
Payable to Securities and Exchange Commission of Pakistan								
Accrued expenses and other liabilities		1,344	1,344					
	-	1,921	1,921	-	-	-	-	

June 30, 2019 (Un-Audited)							
Carrying amount				Fair Value			
Note	Fair Value Through Profit and Loss	At Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Investments							
- Listed equity securities	102,392	-	-	102,392	-	-	102,392
Financial assets not measured at fair value							
Bank Balances	-	6,975	6,975	-	-	-	-
Dividend and Profit receivable	-	1,590	1,590	-	-	-	-
Preliminary expenses and floatation cost	-	935	935	-	-	-	-
Receivable against sale of investment	-	3,116	3,116	-	-	-	-
Advances and deposits	-	4,202	4,202	-	-	-	-
	-	16,818	16,818	-	-	-	-
Financial liabilities not measured at fair value							
Payable to management company	-	475	475	-	-	-	-
Payable to trustee	-	10	10	-	-	-	-
Accrued expenses and other liabilities	-	763	763	-	-	-	-
Payable against formation cost	-	1,100	1,100	-	-	-	-
Unit Holder's fund	-	116,580	116,580	-	-	-	-
	-	118,928	118,928	-	-	-	-

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

**13.2 Transfers during the period**

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

**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 No. 13 of 2017 prescribed criteria for Asset Management Companies while making investment in listed equity securities on behalf of Collective Investment Scheme. As at March 31, 2020 the Fund is compliant with the requirement of said circular except for following:

Name of Non-Complaint Investment	Type of Investment	Market Value of Investment	% of Net Assets	Limit
------(Rupees in '000)-----				
Circular No. 13 of 2017	Equity	8,965	12.29%	10.00%

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**15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statement was 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** These condensed interim financial statements is unaudited and has been reviewed by the auditors.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**



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# HBL

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