

HBL

ASSET MANAGEMENT LTD.
ایس ایٹ مینجمنٹ لمیٹڈ

AMC Rating : AM2++ by JCR-VIS



HALF YEARLY REPORT 2021

For the half year ended December 31, 2021

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of February 11, 2022)

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)
	Mr. Abrar Ahmed Mir	(Non-Executive Director)
	Mr. Abid Sattar ¹	(Independent Director)

1 Appointment subject to SECP approval.

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud	(Non-Executive Director)
	Mr. Mir Adil Rashid	(Chief Executive Officer)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2++ (Positive Outlook)

Legal Advisor

Bawany & Partners,
Lane 13, D.H.A Phase 6, Bukhari Commercial Area,
Defense Housing Authority, Karachi.

Website

www.hblasst.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 HALF YEAR ENDED DECEMBER 31, 2021

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Financial Planning Fund, HBL Growth Fund and HBL Investment Fund (the Funds) for the period ended December 31, 2021.

Economic Review

The Government adopted a pro-growth budget for FY22, whereby it projected GDP growth rate of 4.8% on the back of higher PSDP expenditure and incentives given to agriculture and industrial sectors. So far, the revival of domestic economic activities has remained on track; however, there are risks to economic growth in the form of rapid increase in Current Account (CA) Deficit and inflationary pressures on account of elevated international commodity prices.

The CA Deficit for Dec-21 clocked in at USD 1.93bn, taking 1HFY22 CAD to USD 9.09bn (-5.7% of GDP), compared to a Surplus of 1.25bn (0.9% of GDP) during the same period last year (SPLY). This was primarily driven by a higher trade deficit as the growth in imports (up 54%) outstripped the growth in exports (up 27%) due to increase in international commodity prices, higher machinery imports under TERF, and increase in import of food items and COVID-19 vaccines. The higher trade deficit was partially offset by increase in remittances, which amounted to USD 15.8bn (up 11.3%), compared to USD 14.2bn during the SPLY. In order to curtail the rapid increase in CAD, the Government has taken several measures, such as imposition of 100% cash margin requirement on import of certain items, and increasing regulatory duties on import of luxury items, among others.

CPI for Dec-21 clocked in at 12.28%, taking 1HFY22 average CPI to 9.81%, compared to 8.63% during the same period last year. The increase in CPI was largely driven by higher food and fuel prices, which have been on a rising trajectory owing to demand-side pressures as global economies begin to reopen, while supply-side constraints still persist.

During 5MFY22, FBR's net collection improved by 36.8% YoY to PKR 2,319bn from PKR 1,695bn during the SPLY, whereby net collection exceeded its target by PKR 303bn. Consequently, fiscal deficit was recorded at 1.1% of GDP, compared to 1.7% of GDP during the SPLY, while primary surplus remained flattish at 0.4% of GDP.

The recently introduced contractionary monetary and fiscal measures have resulted in stabilization in several high-frequency demand indicators, whereby LSM growth rate during Nov-21 decelerated to 0.3% YoY taking 5MFY22 LSM growth to 3.26% YoY. This was primarily driven by Wood Products (+200.5%), Automobiles (+34.5%), and Iron and Steel Products (+25.3%).

Stock Market Review

During 1HFY22, the KSE-100 index declined by 2,760 pts or 5.8% to close at 44,596 pts. The primary reasons for the market being under pressure were 1) rapid increase in CAD due to rising domestic

demand and significant increase in international commodity prices, 2) weakening PKR against the USD (10.8% depreciation in 1HFY22), 3) commencement of monetary tightening with SBP's Monetary Policy Committee increasing the Policy Rate by 2.75% to 9.75%, 4) geo-political issues in the region with heightened uncertainty due to the situation in Afghanistan and a possible reset in US-Pakistan relations, 5) uncertainty surrounding the IMF program, and 6) continued foreign selling after Pakistan's reclassification from MSCI Emerging to Frontier Market Index.

Market performance was also dictated by news flow related to prior actions needed to be taken by the Government for resumption of IMF program, where major events included the announcement of Supplementary Finance Bill FY22, and SBP Amendment Act in the National Assembly.

During 1HFY22, average traded volume declined by 52% YoY to 128mn shares, while average traded value declined by 39% YoY to 7.4bn. On the flows side, foreigners were the net sellers during 1HFY22 and sold shares worth USD 250.3mn.

We expect the equity market to regain its positive momentum due to attractive valuations and revival in economic activities. The announcement of Supplementary Finance Bill FY22 and SBP Amendment Act has provided clarity regarding the authorities' intention to curtail the growth in imports, and increase tax collection to provide fiscal space to the Government. We also expect a reversal in international commodity prices, which should provide some relief on the external front. These developments should act as a positive trigger for the market. However, any delay in the resumption of the IMF program may keep the market range-bound in the near-term.

Money Market Review

In order to support economic recovery post COVID, the Monetary Policy Committee (MPC) kept the Policy Rate unchanged until 19-Sep-21. However, it gradually increased the Policy Rate by 2.75% to 9.75% as it shifted its focus from catalyzing economic recovery toward sustaining it. The MPC noted that the pace of domestic economic recovery had exceeded expectations and, coupled with higher international commodity prices, resulted in CAD increasing rapidly. This created the need to normalize monetary policy faster than initially planned to preserve growth stability.

Accordingly, during 1HFY22, secondary market yields on T-bills increased by an average of ~3.55%, while those on PIBs increased by an average of ~3.19%. The cut-off yields in the last T-Bill auction were 10.59%, 11.45% and 11.51% for 3M, 6M and 12M tenors, respectively. The cut-offs yields in the last PIBs auction were 11.50%, 11.57% and 11.76% for the 3Y, 5Y, and 10Y tenors, respectively.

GoP Ijarah Sukuk auction was held on 9-Dec-21 with a target of PKR 100bn (PKR 25bn Fixed Rental and PKR 75bn Variable Rental Rate) for a period of 5 years. Total participation of PKR 8.1bn and PKR 109.8bn was witnessed for the VRR and FRR Sukuk, respectively. The Ministry of Finance accepted bids worth PKR 68bn (11.40%) in FRR Sukuk and PKR 0.05bn in VRR Sukuk.

The central bank has provided forward guidance, whereby it has stated that the end goal of achieving mildly positive real interest rates on a forward-looking basis is now close to being achieved. Furthermore, the MPC expects monetary policy settings to remain broadly unchanged in the near-term.

Future Outlook

Moving ahead, we believe that GDP growth is likely to remain encouraging on account of sharp pick-up in economic activities. Recent measures to curtail the rapid increase in CAD should also ease pressure on the local currency. We expect CAD for FY22 to remain in the range of 4.0-4.5% of GDP, owing to increase in trade deficit due to strong rebound in domestic demand, higher international commodity prices, and resumption of international travel.

On the fiscal side, FBR's Tax Revenue for FY22 is projected to grow by 28% to PKR 6.1tn, while Non-Tax Revenue is projected to grow by 18% to PKR 1.8tn. We expect fiscal deficit to be in the range of 6.5-7.0% of GDP, which we believe should be manageable. Focus would remain on how the Government strikes a balance between achieving the desired economic growth rate, while keeping the external and fiscal accounts in check.

On the fixed income front, we expect average inflation for FY22 to be in the range of 10.75%-11.25%. Accordingly, SBP may increase the Policy Rate by another 50-75bps during FY22. However, inflation is expected to taper down from FY23 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimate remain in the form of elevated international commodity prices for an extended time. On the Islamic front, we expect Government to issue GoP Ijara Sukuk and other GOP Guaranteed Sukuk in FY22 to bridge the fiscal gap.

Our long-term view on Pakistan equities is positive due to cheap valuations and improvement in macroeconomic outlook following corrective measures taken by the authorities in a timely manner. The market is trading at an eye catching P/E multiple of 4.5x compared to regional average of 16.4x, and offers an attractive dividend yield of 8.7%, compared to regional average of 2.4%. Moreover, as a result of the recent decline, the spread between KSE-100 index earnings yield and 10Y PKRV has increased to 10.4%, compared to 5-year historical average spread of 5.5%, which implies further upside of ~29%. We believe Pakistan equities offer a good opportunity for long-term investors.

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 183.19 million and Rs. 180.28 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 110.5617 per unit as on June 30, 2021 which increased to Rs. 116.6172 per unit as on December 31, 2021, thereby giving an annualized return of 10.86%. During the same period, the benchmark (6 Month KIBOR) return was 8.69%. The size of Fund was Rs. 3.83 billion as on December 31, 2021 as compared to Rs. 2.27 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund stability rating at A+(f).

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 36.02 million and Rs. 43.91 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 112.5377 per unit as on June 30, 2021 which increased to Rs. 117.3753 per unit as on December 31, 2021, thereby giving an annualized return of 8.53%. During the same period the benchmark (6 Month PKRV Rates) return was 8.56%. The size of Fund was Rs. 0.90 billion as on December 31, 2021 as compared to Rs. 1.07 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund stability rating at AA(f).

HBL Money Market Fund

The total income and net income of the Fund was Rs. 562.07 million and Rs. 579.25 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.6193 per unit as on June 30, 2021 which increased to Rs. 107.1682 per unit as on December 31, 2021, thereby giving an annualized return of 8.79%. During the same period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 7.42%. The size of Fund was Rs. 17.37 billion as on December 31, 2021 as compared to Rs. 12.84 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund stability rating at AA+(f).

HBL Cash Fund

The total income and net income of the Fund was Rs. 1.36 billion and Rs. 1.39 billion respectively during the period ended December 31, 2021. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 101.2227 per unit as on June 30, 2021. The NAV of the Fund was Rs 102.0295 per unit as on December 31, 2021 (after incorporating dividends of Rs. 3.7129 per unit); thereby giving an annualized return of 9.02%. During the same period, the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 7.42%. The size of Fund was Rs 43.51 billion as on December 31, 2021 as compared to Rs.26.54 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund stability rating at AA+(f).

HBL Stock Fund

The total and net loss of the Fund was Rs. 177.14 million and Rs. 154.51 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs 112.1020 per unit as on June 30, 2021. The NAV of the Fund was Rs. 95.8082 per unit as on December 31, 2021, thereby giving a negative return of 14.53%. During the same period, the benchmark KSE 30 index yielded a negative return of 4.09%. The size of Fund was Rs 0.52 billion as on December 31, 2021 as compared to Rs. 0.95 billion at the start of the year.

HBL Equity Fund

The total and net loss of the Fund was Rs. 420.40 million and Rs. 455.72 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 139.9454 per unit as on June 30, 2021. The NAV of the Fund was Rs. 109.1012 per unit as on December 31, 2021; thereby giving a negative return of 22.04%. During the same period, the benchmark KSE 100 index yielded a negative return of 5.83%. The size of Fund was Rs. 1.57 billion as on December 31, 2021 as compared to Rs. 2.27 billion at the start of the year.

HBL Energy Fund

The total and net loss of the Fund was Rs. 96.20 million and Rs. 104.67 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Fund was Rs. 11.9855 per unit as on June 30, 2021. The NAV of the Fund was Rs. 10.3768 per unit as on December 31, 2021, thereby giving a negative return of 13.42%. During the same period, the benchmark KSE 30 index yielded a negative return of 4.09%. The size of Fund was Rs. 0.61 billion as on December 31, 2021 as compared to Rs. 0.77 billion at the start of the year.

HBL Multi Asset Fund

The total and net loss of the Fund was Rs. 11.25 million and Rs. 9.97 million respectively during the period ended December 31, 2021. The ex-dividend Net Asset Value (NAV) per unit of the Fund was Rs 112.7464 per unit as on June 30, 2021. The NAV of the Fund was Rs 107.1465 per unit as on December 31, 2021, thereby giving a negative return of 4.97%. During the same period, the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a negative return of 2.52%. The size of Fund was Rs 0.20 billion as on December 31, 2021 as compared to Rs. 0.20 billion at the start of the year.

HBL Financial Planning Fund

The Fund comprises of three sub funds (plans) namely Active allocation plan, Conservative allocation plan and Special income plan. The Special income plan marked its maturity on September 13, 2021.

The Fund as a whole incurred a total and net loss of Rs. 6.55 million and Rs. 6.25 million respectively during the period under review. The fund size of the fund stood at Rs. 107 million as on December 31, 2021 as compared to Rs. 197 million at the start of the year.

Performance review for plans is given below:

Active Allocation Plan

During the period under review, the Active allocation plan incurred a total and net loss of Rs. 7.67 million and Rs 7.61 million respectively. The net assets of the Active allocation plan stood at Rs. 35 million representing Net Asset Value (NAV) of Rs. 97.0723 per unit as at December 31, 2021 as compared to net assets of Rs. 58 million representing Net Asset Value (NAV) of Rs. 115.7579 at the start of the year. The plan posted a negative return of 16.14% for the period under review.

Conservative Allocation Plan

During the period under review, the Conservative allocation plan incurred a total and net loss of Rs. 0.44 million and Rs 0.46 million respectively. The net assets of the Conservative allocation plan stood at Rs. 72 million representing Net Asset Value (NAV) of Rs. 114.3882 per unit as at December 31, 2021 as compared to net assets of Rs. 51 million representing Net Asset Value (NAV) of Rs. 115.2069 at the start of the year. The plan earned a negative return of 0.71% for the period under review.

Special Income Plan

During the period under review, the Special income plan earned total and net income of Rs. 1.56 million and Rs 1.82 million respectively.

HBL Growth Fund

The Fund as a whole earned a total and net income of Rs. 74.69 million and Rs. 11.99 million respectively during the period under review. The size of the fund stood at Rs. 7.33 billion as on December 31, 2021 as compared to Rs. 8.70 billion at the start of the year.

Performance review of each class is presented below:

HBL Growth Fund – Class ‘A’

HBL Growth Fund – Class ‘A’ earned a total and net income of Rs. 344.65 million and Rs. 268.78 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 20.4704 per unit as on December 31, 2021 as compared to Rs. 24.1401 as at June 30, 2021, thereby giving a negative return of 15.20%. During the same period the benchmark KSE 100 index yielded a negative return of 5.83%. The size of Class ‘A’ was Rs. 5.80 billion as on December 31, 2021 as compared to Rs. 6.84 billion at the start of the year.

HBL Growth Fund – Class ‘B’

HBL Growth Fund – Class ‘B’ incurred a total and net loss of Rs. 269.96 million and Rs. 256.79 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 17.1094 per unit as on December 31, 2021 as compared to Rs. 19.9059 as at June 30, 2021, thereby giving a negative return of 14.05%. During the same period the benchmark KSE 100 index yielded a negative return of 5.83%. The size of Class ‘B’ was Rs. 1.52 billion as on December 31, 2021 as compared to Rs. 1.86 billion at the start of the year.

HBL Investment Fund

The Fund as a whole incurred a total and net loss of Rs. 79.59 million and Rs. 107.23 million respectively during the period under review. The size of the fund stood at Rs. 3.27 billion as on December 31, 2021 as compared to Rs. 3.88 billion at the start of the year.

Performance review of each class is presented below:

HBL Investment Fund – Class ‘A’

HBL Investment Fund – Class ‘A’ earned a total and net income of Rs. 121.09 million and Rs. 92.93 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 7.4404 per unit as on December 31, 2021 as compared to Rs. 8.7715 as at June 30, 2021, thereby giving a negative return of 15.18%. During the same period the benchmark KSE 100 index yielded a negative return of 5.83%. The size of Class ‘A’ was Rs. 2.11 billion as on December 31, 2021 as compared to Rs. 2.49 billion at the start of the year.

HBL Investment Fund – Class ‘B’

HBL Investment Fund – Class ‘B’ incurred a total and net loss of Rs. 200.68 million and Rs. 200.16 million respectively during the period ended December 31, 2021. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 8.7419 per unit as on December 31, 2021 as compared to Rs. 10.2262 as at June 30, 2021, thereby giving a negative return of 14.51%. During the same period the benchmark KSE 100 index yielded a negative return of 5.83%. The size of Class ‘B’ was Rs. 1.16 billion as on December 31, 2021 as compared to Rs. 1.39 billion at the start of the year.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has maintained the management quality rating of ‘AM2++’ (AM Two Plus Plus) to the Management Company and the outlook on the assigned rating has been revised from ‘Stable’ to ‘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 & Digital Custodian Company Limited as Trustee, the Pakistan Stock Exchange Limited and the 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

اقتصادی کمی کے ڈائریکٹری رپورٹ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت 31 دسمبر 2021 کو ختم ہونے والی مدت کے لیے اپنی رپورٹ جمع ایچ بی ایل ائم فنڈ، ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل کیش فنڈ، ایچ بی ایل اسٹاک فنڈ، ایچ بی ایل ایگزیٹو فنڈ، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ٹیلی ایسیٹ فنڈ، ایچ بی ایل فنانس پلاننگ فنڈ، ایچ بی ایل گروتھ فنڈ اور ایچ بی ایل انویسٹمنٹ فنڈ (دی فنڈز) کے مالیاتی حسابات پیش کر رہے ہیں۔

اقتصادی جائزہ

حکومت نے مالیاتی سال 22 کے لیے ایک پروگنڈہ جٹ رائج کیا ہے جس کے ذریعے یہ توقع ہے کہ بلند ترقی ایس پی ڈی خراجات اور زرعی و صنعتی سیکٹرز کو دی جانے والی مراعاتوں کے پیش نظر 4.8% کی جی ڈی پی گروتھ حاصل ہوگی۔ اب تین مقامی اقتصادی سگرمیوں کی بحالی ٹریک پر جاری ہے تاہم کرنٹ اکاؤنٹ (سی اے) خسارے میں تیزی سے اضافے اور متعلقہ بین الاقوامی ایشیائے صرف کے اکاؤنٹ پر افراط زر کے دباؤ کی صورت میں اقتصادی گروتھ کے لیے خطرات موجود ہیں۔

دسمبر 21 کے لیے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 1.93 ارب یو ایس ڈالر تک پہنچ گیا، جو مالی سال 22 کی پہلی ششماہی میں سی اے ڈی کو 9.09 ارب ڈالر (جی ڈی پی کا 5.7% -) تک لے گیا، جبکہ یہ گزشتہ برس کی اسی مدت کے دوران مقابلہ 1.25 ارب (جی ڈی پی کا 0.9%) سرپلس رہا تھا، یہ بنیادی طور پر بلند ترقی خراجات کے باعث ہوا جیسا کہ درآمد شدہ ایشیا میں گروتھ (54% زائد) رہی اور برآمدی ایشیا میں گروتھ کا حجم محض (27% زائد) رہا جس کی وجہ ایشیائے صرف کے بین الاقوامی نرخوں میں اضافہ، ٹی ای آر ایف کے تحت مشینری کی بلند ترقی درآمدات اور فوڈ آؤٹ اور کوئلہ۔ 19 ویکسینز کی درآمد میں اضافہ، زرعی سیالات میں اضافے کے ذریعے بلند ترقی خسارے کو جزوی طور پر کم کیا گیا جس کا حجم 15.8 ارب ڈالر (11.3% زائد) تھا۔ رہا جو گزشتہ مالی سال کی ششماہی کے دوران 14.2 ارب یو ایس ڈالر رہا تھا۔ سی اے ڈی میں تیز رفتار اضافے میں کمی کی غرض سے حکومت نے متعدد اقدامات کیے جن میں متعدد آؤٹ گزری درآمد پر 100% کیش مارجن کی شرائط کا اطلاق اور دیگر ایشیا سمیت گزری آؤٹ گزری درآمد پر ریگولیٹری ڈیوٹیز میں اضافہ شامل ہے۔

دسمبر 21 کے لیے سی اے ڈی 12.28% - پہنچ گیا جس سے مالی سال 22 کی پہلی ششماہی میں اوسطاً سی اے ڈی 9.81% رہا جو ششماہی میں سی اے ڈی کے دوران 8.63% رہا تھا۔ سی اے ڈی میں اضافہ وسیع طور پر ایشیائے خور و نوش اور ایندھن کے نرخوں میں نمایاں اضافے کے سبب ہوا جو کہ طلب کی جانب دباؤ کے بڑھتے ہوئے رجحان کا نتیجہ رہا جیسا کہ عالمی معیشتیں بھی بحالی کی جانب گامزن رہیں جبکہ سپلائی کی جانب مستقل طور پر کمی کا سامنا رہا۔

مالی سال 22 کے پہلے پانچ ماہ کے دوران ایف بی آر نے خالص وصولیوں کو 36.8% YoY بہتر بنا کر 2,319 ارب پاک روپے کی وصولی جو اس کے مقابلے میں گزشتہ برس کی اسی مدت کے دوران 1,695 ارب روپے رہی تھی جس کے ذریعے خالص وصولیاں اپنے ہدف سے 303 ارب روپے تک بڑھ گئیں۔ بعد ازاں مالیاتی خسارہ جی ڈی پی کا 1.1% رہا کارڈ کیا گیا جو اس کے مقابلے میں گزشتہ برس کی اسی مدت میں جی ڈی پی کا 1.7% رہا تھا جبکہ پرائمری سرپلس جی ڈی پی کے 0.4% کی سطح پر برقرار رہا۔

حالیہ طور پر متعارف کرائے گئے مختلف ماٹری اور مالیاتی اقدامات کے نتیجے میں متعدد ہائی فریکوئنسی طلب کے اشاریوں میں استحکام آیا ہے جس کے ذریعے نومبر 21 کے دوران ایل ایس ایم گروتھ کی شرح YoY 0.3% تک ہو کر مالی سال 22 کے پانچ ماہ میں ایل ایس ایم گروتھ کو YoY 3.26% تک لے گئی۔ یہ بنیادی طور پر کٹری کی مصنوعات، (+200.5%)، آؤٹوموبیل (+34.5%) اور آئرن و اسٹیل پروڈکٹس (+25.3%) کے باعث ممکن ہوا۔

اسٹاک مارکیٹ کا جائزہ

مالی سال 22 کی پہلی ششماہی کے دوران کے ایس ای-100 انڈیکس نے 2,760 پوائنٹس یا 5.8% تک کی کمی ظاہر کی اور 44,596 پوائنٹس پر بند ہوا۔ مارکیٹ کے دباؤ میں رہنے کیلئے بنیادی اسباب (1) بڑھتی ہوئی مقامی طلب اور بین الاقوامی ایشیائے صرف کے نرخوں میں اضافے کے باعث سی اے ڈی میں تیزی سے اضافہ (2) یو ایس ڈالر کے مقابلے میں پاک روپے کی قدر میں نمایاں کمی (مالی سال 22 کی پہلی ششماہی میں 10.8% تک کمی، 3) ایس بی پی کی ایم ایس پی کے ساتھ ماٹری سختی کے آغاز سمیت پالیسی ریٹ میں 2.75% تک اضافے کے ساتھ 9.75% کرنا، 4) افغانستان میں جنگی حالات اور امریکا پاکستان تعلقات میں مکذنی صورتحال کے تناثر میں متاثر ہونے والی خطے کی جغرافیائی صورتحال کے پیش نظر انتہائی بے یقینی (5) آئی ایم ایف پروگرام کے حوالے سے بے یقینی کی کیفیت اور (6) فرنٹیر مارکیٹ انڈیکس کے لیے ایم ایس سی آئی ایمریجے سے پاکستان کی ری کلاسیفیکیشن کے بعد مستقل طور پر غیر ملکی فروخت رہے تھے۔

مارکیٹ کی کارکردگی بھی آئی ایم ایف پروگرام کی بحالی کے لیے حکومت کی جانب سے کئے گئے بیٹنگی اقدامات سے متعلق نیوزفلو کے ذریعے متاثر ہوتی رہی، جبکہ مزید ہدایاں اینٹس بشمول ضمنی فنانس بل مالی سال 22 اور قومی اسمبلی میں ایس بی پی ترمیمی ایکٹ کا اعلان بھی کیا گیا۔

مالی سال 22 کی پہلی ششماہی کے دوران تجارت کا اوسط حجم YoY % 52 کم ہو کر 128 بلین ڈالرز ہو گیا جبکہ تجارت کی اوسط ویلیو YoY % 39 تیلے لکر 7.4 ارب روپے لگزی کی جانب غیر ملکی مالی سال 22 کی پہلی ششماہی کے دوران بڑے فروخت کنندگان رہے اور انہوں نے 250.3 بلین یو ایس ڈالر کے شیئرز فروخت کیے۔

ہم توقع کرتے ہیں کہ معاشی سرگرمیوں میں بحالی اور پیکش و بلیویشنز کے باعث ایگزیٹو مارکیٹ میں اس کے مثبت اثرات ظاہر ہوں گے۔ ضمنی بجٹ مالی سال 22 اور ایس بی پی کے ترمیمی ایکٹ کے اعلان سے حکام کی جانب سے درآمدات میں گروتھ کو روکنے کے ارادے اور حکومت کے لیے مالی اسپین فراہم کرنے کی غرض سے ٹیکس کی وصولیائی میں اضافے سے متعلق صورتحال واضح ہوگی۔ ہم یہ بھی توقع کرتے ہیں بین الاقوامی ایشیا صرف کے نرخوں میں کمی آئے گی جسے سے بیرونی محاذ پر پیکھ ریلیف فراہم ہوگا۔ یہ اقدامات مارکیٹ کے ایک مثبت ٹریڈ کے طور پر کام کریں گے۔ تاہم آئی ایم ایف پروگرام میں کوئی بھی تاخیر مستقبل قریب میں مارکیٹ کو پائندرکھ سکتی ہے۔

معی مارکیٹ کا جائزہ

کوویڈ-19 کی واپائی صورتحال کے بعد اقتصادی بحالی میں معاونت کے اقدام کے طور پر مائیکرو پالیسی کمیٹی (ایم پی سی) نے پالیسی ریٹ کو تبدیل کیے بغیر 19 ستمبر 2021 تیلے برقرار رکھا۔ تاہم اس میں بتدریج اضافہ کرتے ہوئے پالیسی ریٹ کو 2.75% اضافے کے ذریعے 9.75% تیلے بڑھایا گیا جیسا کہ اسے استحکام کی جانب گامزن کرتے ہوئے معاشی بحالی پر توجہ دی گئی تھی۔ ایم پی سی نے نوٹ کیا کہ مقامی اقتصادی بحالی کی رفتار توقعات کے مطابق آگے بڑھ رہی ہے اور اس کے ساتھ بین الاقوامی ایشیا صرف کے نرخوں میں اضافے کا نتیجہ تیزی سے بڑھتے ہوئے سی اے ڈی کی صورت میں نکلا۔ اس سے مائیکرو پالیسی کو معمول کے مطابق تیزی سے بہتر بنانے کی ضرورت ہے جیسا کہ شرح نمو کے استحکام کو برقرار رکھنے کے لیے شروع میں بیان کیا گیا تھا۔

اس کے مطابق مالیاتی سال 22 کی پہلی ششماہی کے دوران ٹی بلز پر ثانوی مارکیٹ کی پیداوار % 3.55- کی ایلے اوسط تیلے بڑھ گئی جبکہ پی آئی بی پر اوسط % 3.19- کا اضافہ ہوا۔ گزشتہ ٹی بل کے نیلام میں کٹے آف منافع جات تین ماہ، چھ ماہ اور بارہ ماہ کی مدتوں کے لیے بالترتیب % 10.59، % 11.45 اور % 11.51 رہی، گزشتہ پی آئی بی نیلام میں کٹے آف منافع جات تین سال، پانچ سال اور دس سال کے لیے بالترتیب % 11.50، % 11.57 اور % 11.76 رہی تھیں۔

حکومت پاکستان کے اجارہ رسکوک کا نیلام 9 دسمبر 2021 کو 100 بلین روپے (25 ارب روپے فیکسڈ ریٹیل اور 75 ارب روپے ویری ایبل ریٹیل رجسٹ) کے ساتھ پانچ برس کی مدت کے لیے کیا گیا تھا۔ 8.1 ارب روپے اور 109.8 ارب روپے کی مجموعی زرخراکت بالترتیب وی آ آر اور ایف آ آر رسکوک کے لیے دیکھی گئی تھی۔ وزارت خزانہ نے ایف آ آر رسکوک میں 68 ارب روپے مالیت (11.40 فیصد) اور وی آ آر رسکوک میں 10.05 ارب روپے کی یولیا قبول کی تھیں۔

مرکزی بینک نے مستقبل کے لیے رہنمائی فراہم کی جس کے ذریعے یہ بیان کیا گیا تھا کہ آگے بڑھنے کی بنیاد پر مناسب حد تک مثبت حقیقی شرح سود حاصل کرنے کا آخری ہدف اپنے حصول کے قریب تر ہے۔ مزید برآں ایم پی سی کو توقع ہے کہ مائیکرو پالیسی کا انتظام مستقبل قریب میں کسی بڑی تبدیلی کے بغیر برقرار رہے گا۔

مستقبل کا جائزہ

آگے بڑھتے ہوئے ہمیں یقین ہے کہ جی ڈی پی گروتھ اقتصادی سرگرمیوں میں تیزی کے رجحان کے باعث خاصی حوصلہ افزا اور ہے گی۔ سی اے ڈی میں تیزی سے اضافے کو روکنے کے لیے حلیہ اقدامات بھی مقامی کرنسی پر دباؤ میں کمی کا موجب بنیں گے۔ ہم توقع کرتے ہیں مالی سال 22 کے لیے سی اے ڈی کی حد جی ڈی پی کے % 4.0-4.5 میں رہے گی، کیونکہ مقامی طلب میں دوبارہ سے استحکام آئے، ایشیا صرف کے بین الاقوامی نرخوں میں اضافے اور عالمی سطح پر سفری سہولتیں بحال ہونے کے باعث تجارتی خسارہ بڑھے گا۔

مالیاتی جانب مالی سال 22 کے لیے ایف بی آر کا ٹیکس ریوینیو % 28 تیلے بڑھ کر 6.1 کھرب روپے تیلے پچھلے پچھلے کا امکان ہے جبکہ ٹیکس ریوینیو % 18 تیلے بڑھ کر 1.8 کھرب روپے ہونے کا امکان ظاہر کیا گیا ہے۔ ہمیں امید ہے کہ تجارتی خسارہ جی ڈی پی کا % 6.5-7.0 رہے گا، جس پر ہمیں یقین ہے کہ یہ قابل انتظام ہوگا۔ اس امر پر توجہ رہے کہ حکومت کس طرح موزوں اور مناسب اقتصادی ترقی کی شرح حاصل کرنے کے مابین توازن برقرار رکھتی ہے جبکہ بیرونی اور مالیاتی کھاتوں پر بھی نگاہ رکھی جاسکے۔

فلسفہ آئیم کے محاذ پر ہم امید کرتے ہیں کہ مالی سال 22 کے لیے اوسطاً افراط زر کی شرح 11.25%-10.75% رہے گی۔ اس کے مطابق اسٹیٹ بینک آف پاکستان پالیسی ریٹ میں مالی سال 22 کے دوران مزید 50-75bps کا اضافہ کر سکتا ہے۔ تاہم مالی سال 23 کے بعد سے افراط زر کی شرح بتدریج کم ہونے کی توقع ہے جو بلند تر بنیادی اثرات اور بین الاقوامی ایشیاے صرف کے نرخوں میں کمی کے باعث ممکن ہوگا۔ ہمارے تخمینہ جات کے لیے اوپری سطح کے خطرات کسی توسیع شدہ مدت کے لیے بین الاقوامی ایشیاے صرف کے موجودہ نرخ برقرار رہنے کی صورت میں موجودہ ہستہ ہیں۔ اسلامی فرزنٹ پر ہمیں امید ہے کہ حکومت پاکستان مالیاتی خلاق کو پورے کرنے کے لیے مالی سال 22 میں اجارہ سلوک اور دیگر جی او پی گارنٹیڈ سلوک جاری کرے گی۔

پاکستان انکلیوشیو پروگرام کی جانب سے بروقت طریقہ کار کے تحت درستی اقدامات پر عمل درآمد سے گھبروا کر انا مک پیش منظر میں بہتری اور کٹر ویلیو ایڈیشنز کے باعث ہمارا طویل مدتی جائزہ مثبت ہے۔ مارکیٹ اس وقت 4.5x کے بہترین اور موزوں پی ای ٹی پل پریٹریڈنگ کر رہی ہے جبکہ اس کے مقابلے میں علاقائی اوسط 16.4x ہے، اور 8.7% کے ایک پرکشش منافع منقسمہ آمدنی کی پیشکش کرتی ہے جبکہ علاقائی اوسط 2.4% ہے۔ مزید برآں حالیہ کمی کے نتائج کے طور پر کے ایس ای۔ 100 انڈیکس کی آمدنی کی پیداوار اور دس برسوں کے PKRV کے درمیان پھیلاؤ 10.4% تک بڑھ گیا ہے، اس کے مقابلے میں پانچ برسوں کا تاریخ اوسط پھیلاؤ 5.5% کا ہے جس کا مطلب 29%~ کا مزید اپ سائز ہونا ہے۔ ہم یقین رکھتے ہیں پاکستان انکلیوشیو طویل مدتی انویسٹرز کے لیے بہترین مواقع کی پیشکش کرتی ہیں۔

فڈ کی کارکردگی اور پالیسی

انجی بی ایل آف فڈ

فڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 183.19 بلین روپے اور 180.28 بلین روپے رہی۔ فڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 110.5617 روپے فی یونٹ تھی جو 31 دسمبر 2021 کو بڑھ کر 116.6172 روپے فی یونٹ ہو گئی جس کے ذریعے 10.86% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک (چھ ماہ کا پی ای بور) منافع 8.69% تھا۔ فڈ کا حجم 31 دسمبر 2021 کے مطابق 3.83 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.27 بلین روپے رہا تھا۔

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

انجی بی ایل گورنمنٹ سیکورٹیز فڈ

فڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 36.02 بلین روپے اور 43.91 بلین روپے رہی۔ فڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 112.5377 روپے فی یونٹ تھی جو 31 دسمبر 2021 کو بڑھ کر 117.3753 روپے فی یونٹ ہو گئی جس کے ذریعے 8.53% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک (چھ ماہ کا پی ای بور) منافع 8.56% تھا۔ فڈ کا حجم 31 دسمبر 2021 کے مطابق 0.90 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز پر 1.07 بلین روپے رہا تھا۔

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

انجی بی ایل منی مارکیٹ فڈ

فڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 562.07 بلین روپے اور 579.25 بلین روپے رہی۔ فڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 102.6193 روپے فی یونٹ تھی جو 31 دسمبر 2021 کو بڑھ کر 107.1682 روپے فی یونٹ ہو گئی جس کے ذریعے 8.79% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک (3M PKRV اور 70% 3M اور 30% ڈپازٹس ریٹس) منافع 7.42% تھا۔ فڈ کا حجم 31 دسمبر 2021 کے مطابق 17.37 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 12.84 بلین روپے رہا تھا۔

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

انجی بی ایل کیش فڈ

فڈ کی مجموعی اور خالص آمدنی 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 1.36 بلین روپے اور 1.39 بلین روپے رہی۔ فڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 101.2227 روپے فی یونٹ تھی۔ 31 دسمبر 2021 کے مطابق فڈ کا این اے وی 102.0295 روپے فی یونٹ (3.7129) روپے فی یونٹ کا منافع منقسمہ تشکیل دینے کے بعد ہو گیا جس کے ذریعے 9.02% کا ایک سالانہ منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک (3M PKRV اور 70% 3M اور 30% ڈپازٹس ریٹس) منافع 7.42% تھا۔ فڈ کا حجم 31 دسمبر 2021 کے مطابق 43.51 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 26.54 بلین روپے رہا تھا۔

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

ایچ بی ایل اسٹاک فنڈ

فنڈ نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران ہالترتیب 177.14 ملین روپے اور 154.51 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 112.1020 روپے فی یونٹ تھی۔ 31 دسمبر 2021 کے مطابق فنڈ کا این اے وی 95.8082 روپے فی یونٹ ہو گیا جس کے ذریعے %14.53 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے %4.09 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 0.52 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.95 ملین روپے رہا تھا۔

ایچ بی ایل ایجو بیٹی فنڈ

فنڈ کا مجموعی اور خالص خسارہ 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران ہالترتیب 420.40 ملین روپے اور 455.72 ملین روپے رہا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 139.9454 روپے فی یونٹ تھی۔ فنڈ کا این اے وی 109.1012 روپے فی یونٹ ہو گیا جس کے ذریعے %22.04 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے %5.83 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 1.57 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.27 ملین روپے رہا تھا۔

ایچ بی ایل انرجی فنڈ

فنڈ نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران ہالترتیب 96.20 ملین روپے اور 104.67 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 11.9855 روپے فی یونٹ تھی۔ فنڈ کا این اے وی 10.3768 روپے فی یونٹ ہو گیا جس کے ذریعے %13.42 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 30 انڈیکس نے %4.09 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 0.61 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.77 ملین روپے رہا تھا۔

ایچ بی ایل ملٹی ایسیٹ فنڈ

فنڈ نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران ہالترتیب 11.25 ملین روپے اور 9.97 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 112.7464 روپے فی یونٹ تھی۔ فنڈ کا این اے وی 107.1465 روپے فی یونٹ ہو گیا جس کے ذریعے %4.97 کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک انڈیکس (KSE 100) اور چھ ماہ کے PKRV ریٹس کے روز آند اوسطاً حجم شدہ) نے %2.52 کا منفی منافع حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 0.20 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 0.20 ملین روپے رہا تھا۔

ایچ بی ایل فنانشل پلاننگ فنڈ

فنڈ تین ذیلی فنڈز (پلانز) بنام ایکویٹی ایکشن پلان، کنزرویٹو ایکویٹی ایکشن پلان اور اسٹیبل انکم پلان پر مشتمل ہے۔ اسٹیبل انکم پلان نے 13 ستمبر 2021 کو اپنی مجبوری کی مدت مکمل کی۔

فنڈ نے مجموعی طور پر زبردست مدت کے دوران ہالترتیب 6.55 ملین روپے اور 6.25 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 107 ملین روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 197 ملین روپے تھا۔

پلازہ کے لیے کارکردگی کا جائزہ ذیل میں دیا گیا ہے:-

ایکٹوائیو کیشن پلان

زیر جائزہ مدت کے دوران ایکٹوائیو کیشن پلان نے ہائرتیب 7.67 ملین روپے اور 7.61 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ ایکٹوائیو کیشن پلان کے خالص اثاثہ جات 35 ملین روپے پر موجود تھے جو 31 دسمبر 2021 کے مطابق 97.0723 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 58 ملین روپے تھے جو 115.7579 روپے کے خالص اثاثہ جات (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے %16.14 کا منفی منافع ظاہر کیا۔

کنزرویٹو ایو کیشن پلان

زیر جائزہ مدت کے دوران کنزرویٹو ایو کیشن پلان نے ہائرتیب 0.44 ملین روپے اور 0.46 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کنزرویٹو ایو کیشن پلان کے خالص اثاثہ جات 72 ملین روپے پر موجود تھے جو 31 دسمبر 2021 کے مطابق 114.3882 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 51 ملین روپے تھے جو 115.2069 روپے کے خالص اثاثہ جات (NAV) کی نمائندگی کرتے ہیں۔ پلان نے زیر جائزہ مدت کے لیے %0.71 کا منفی منافع ظاہر کیا۔

اسٹیشن آف ایل پلان

زیر جائزہ مدت کے دوران اسٹیشن آف ایل پلان نے ہائرتیب 1.56 ملین روپے اور 1.82 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔

ایچ بی ایل گروتھ فنڈ

فنڈ نے مجموعی طور پر زیر جائزہ مدت کے دوران ہائرتیب 74.69 ملین روپے اور 11.99 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 7.33 ارب روپے پر موجود تھا جو اس کے مقابلے میں سال کے آغاز پر 8.70 ارب روپے تھا۔

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

ایچ بی ایل گروتھ فنڈ - کلاس 'اے'

ایچ بی ایل گروتھ فنڈ - کلاس 'اے' نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران ہائرتیب 344.65 ملین روپے اور 268.78 ملین روپے کی مجموعی اور خالص آمدنی حاصل کی۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 31 دسمبر 2021 کے مطابق 20.4704 روپے فی یونٹ تھی جو اس کے مقابلے میں 30 جون 2021 کے مطابق 24.1401 روپے فی یونٹ تھی جس کے ذریعے %15.20 کا منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے %5.83 کا منفی منافع حاصل کیا تھا۔ کلاس 'اے' کا حجم 31 دسمبر 2021 کے مطابق 15.80 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 6.84 بلین روپے رہا تھا۔

ایچ بی ایل گروتھ فنڈ - کلاس 'بی'

ایچ بی ایل گروتھ فنڈ - کلاس 'بی' نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران ہائرتیب 269.96 ملین روپے اور 256.79 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کلاس 'بی' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 31 دسمبر 2021 کے مطابق 17.1094 روپے فی یونٹ تھی جو اس کے مقابلے میں 30 جون 2021 کے مطابق 19.9059 روپے فی یونٹ تھی جس کے ذریعے %14.05 کا منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے %5.83 کا منفی منافع حاصل کیا تھا۔ کلاس 'بی' کا حجم 31 دسمبر 2021 کے مطابق 1.52 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.86 بلین روپے رہا تھا

ایچ بی ایل انویسٹمنٹ فنڈ

فنڈ نے مکمل طور پر زیر جائزہ مدت کے دوران بالترتیب 168.04 ملین روپے اور 168.63 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ فنڈ کا حجم 30 ستمبر 2021 کے مطابق 3.45 ارب روپے پر موجود تھا، جو اس کے مقابلے میں سال کے آغاز پر 3.88 ملین روپے تھا۔ ہر ایک کلاس کی کارکردگی کا جائزہ ذیل میں دیا جا رہا ہے۔

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'اے' نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 121.09 ملین روپے اور 92.93 ملین روپے کا مجموعی اور خالص آمدنی حاصل کیا۔ کلاس 'اے' کی فی یونٹ خالص اثاثہ جات کی مالیت 31 دسمبر 2021 کے مطابق 7.4404 روپے فی یونٹ تھی جو اس کے مقابلے میں 30 جون 2021 کے مطابق 8.7715 روپے فی یونٹ تھی جس کے ذریعے 15.18% کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 5.83% کا منفی منافع حاصل کیا تھا۔ فنڈ کا حجم 31 دسمبر 2021 کے مطابق 2.11 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 2.49 ملین روپے رہا تھا۔

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی'

ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'بی' نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے دوران بالترتیب 200.68 ملین روپے اور 200.16 ملین روپے کا مجموعی اور خالص خسارہ حاصل کیا۔ کلاس 'بی' کی فی یونٹ خالص اثاثہ جات کی مالیت (NAV) 30 جون 2021 کے مطابق 10.2262 روپے فی یونٹ کے مقابلے میں 31 دسمبر 2021 کو 8.7419 روپے فی یونٹ تھی جس کے ذریعے 14.51% کا ایک منفی منافع دیا جا رہا ہے۔ اسی مدت کے دوران بیچ مارک کے ایس ای 100 انڈیکس نے 5.83% کا منفی منافع حاصل کیا تھا۔ کلاس 'بی' کا حجم 31 دسمبر 2021 کے مطابق 1.16 ارب روپے تھا جو اس کے مقابلے میں سال کے آغاز میں 1.39 ملین روپے رہا تھا۔

اعلامی کمیٹی کی رپورٹ

دی آئی ایس کریٹ ریٹنگ کمپنی لمیٹڈ (دی آئی ایس) نے انتظامی کمیٹی کے لیے منجمنٹ کو ایچ بی ایل انویسٹمنٹ فنڈ (AM2++) (ای ایم ٹو پلس پلس) قرار رکھی ہے اور تفویض کردہ ریٹنگ پوائنٹ 'ک' کو مستحکم سے 'مثبت' پر نظر ثانی کی ہے۔

مزاد

بورڈ اس موقع پر اپنے معزز یونٹ - ہولڈرز کا ان کے مستقل تعاون اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ اس سلسلے میں ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ہینڈل ڈپازٹری کمیٹی آف پاکستان اور ڈیجیٹل سٹوڈین کمیٹی لمیٹڈ بطور شریک، دی پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ تعاون اور رہنمائی پر ان کو خراج تحسین پیش کرتے ہیں۔ بورڈ اپنے اسٹاک کی انتخاب کا دوش اور خصاصہ جہد و جہد پر ان کو بھی خراج تحسین پیش کرنا چاہتا ہے۔

منجانب بورڈ

ایچ بی ایل انویسٹمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Income Fund

FUND INFORMATION

Name of Fund	HBL Income Fund
Name of Auditor	A.F.Ferguson & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited MCB Bank Limited Askari Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited Meezan Bank Limited NRSP Microfinance Bank Limited Industrial & Commercial Bank of China Limited First Microfinance Bank Limited U Microfinance Bank Limited Bank Alfalah Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited Khushali Bank limited
Rating	A+(f) (VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INCOME FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Income Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Noman Abbas Sheikh**
Date: February 24, 2022
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD

HBL Income Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	1,854,726	388,557
Investments	5	1,088,015	1,530,342
Receivable against margin trading system		648,524	413,685
Accrued mark-up		32,467	18,231
Advances, deposits, prepayments and other receivables	6	72,167	53,347
Receivable against sale of investment		172,150	-
Total assets		3,868,049	2,404,162
LIABILITIES			
Payable to the HBL Asset Management Limited - Management Company	7	4,458	6,242
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	304	366
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	355	441
Unclaimed dividend		4,491	4,491
Payable against purchase of investments		-	48,005
Accrued expenses and other liabilities	10	30,264	71,432
Total liabilities		39,872	130,977
NET ASSETS		3,828,177	2,273,185
Unit holders' fund (as per statement attached)		3,828,177	2,273,185
Contingencies and commitments	16		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		32,826,872	20,560,323
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		116.6172	110.5617

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended December 31,		
	2021	2020	2021	2020	
Note ----- (Rupees in '000) -----					
INCOME					
Mark-up on deposit with banks	73,103	11,795	52,397	7,079	
Mark-up / return on investments	45,651	55,200	12,974	32,268	
Mark-up on margin trading system	35,786	-	35,786	-	
Dividend income	9,244	4,803	1,681	2,876	
Gain / (loss) on sale of investments - net	14,767	(4,816)	6,543	(633)	
Unrealised appreciation / (diminution) on re-measurement of investments classified at ' fair value through profit or loss'	3,771	18,096	(239)	1,662	
Other income	865	828	865	267	
Total income	183,187	85,906	110,007	43,519	
EXPENSES					
Remuneration of the HBL Asset Management Limited - Management Company	7	21,731	13,485	11,537	7,953
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8	1,505	773	901	456
Annual fee of the Securities and Exchange Commission of Pakistan	9	355	182	212	107
Allocation of expenses related to registrar services, accounting, operation and valuation services		777	912	-	538
Selling and marketing expenses		2,617	3,649	-	2,152
Settlement and bank charges		6,802	2,505	5,329	1,067
Auditors' remuneration		233	108	127	2
Fee and subscription		235	174	(1,631)	174
Printing and stationery charges		36	-	-	-
Total operating expenses		34,291	21,788	16,475	12,449
Net income from operating activities		148,896	64,118	93,532	31,070
Reversal of provision for / (provision for) Sindh Workers' Welfare Fund	10.2	31,380	(1,283)	-	(622)
Net income for the period before taxation		180,276	62,835	93,532	30,448
Taxation	11	-	-	-	-
Net income for the period after taxation		180,276	62,835	93,532	30,448
Allocation of net income for the period					
Income already paid on redemption of units		41,497	5,799	34,439	4,304
Accounting income available for distribution:					
- Relating to capital gains		14,534	11,835	6,543	1,029
- Excluding capital gains		124,245	45,201	52,550	25,115
		138,779	57,036	59,093	26,144
Net income for the period after taxation		180,276	62,835	93,532	30,448

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	180,276	62,835	93,532	30,448
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>180,276</u>	<u>62,835</u>	<u>93,532</u>	<u>30,448</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000')					
Net assets at beginning of the period (audited)	2,104,559	168,626	2,273,185	1,400,100	143,727	1,543,827
Issuance of 62,310,787 units (2020: 13,911,579 units)						
- Capital value (at net asset value per unit at the beginning of the period)	6,889,189	-	6,889,189	1,506,385	-	1,506,385
- Element of income	235,793	-	235,793	38,778	-	38,778
Total proceeds on issuance of units	7,124,982	-	7,124,982	1,545,163	-	1,545,163
Redemption of 50,044,238 units (2020: 5,900,905 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(5,532,978)	-	(5,532,978)	(638,966)	-	(638,966)
- Element of loss	(175,791)	-	(175,791)	(5,987)	-	(5,987)
- Income already paid on redemption of units	-	(41,497)	(41,497)	-	(5,799)	(5,799)
	(5,708,769)	(41,497)	(5,750,266)	(644,953)	(5,799)	(650,752)
Total comprehensive income for the period	-	180,276	180,276	-	62,835	62,835
Net assets at end of the period (un-audited)	3,520,772	307,405	3,828,177	2,300,310	200,763	2,501,073
Undistributed income brought forward comprising of:						
- Realised		138,257			132,942	
- Unrealised		30,369			10,785	
		168,626			143,727	
Accounting income available for distribution						
- Relating to capital losses		14,534			11,835	
- Excluding capital losses		124,245			45,201	
		138,779			57,036	
Undistributed income carried forward		307,405			200,763	
Undistributed income carried forward comprising of:						
- Realised		303,634			182,668	
- Unrealised		3,771			18,096	
		307,405			200,763	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		110.5617			108.2828	
Net assets value per unit at end of the period		116.6172			112.3167	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund
Condensed Interim Cash Flow Statement (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,	
	2021	2020
Note	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	180,276	62,835
Adjustments		
Mark-up on deposit with banks	(73,103)	(11,795)
Mark-up / return on investments	(45,651)	(55,200)
Mark-up on margin trading system	(35,786)	-
Dividend income	(9,244)	(4,803)
Unrealised appreciation on remeasurement of investments classified investments classified at ' fair value through profit or loss'	(3,771)	(18,096)
(Gain) / loss on sale of investments - net	(14,767)	4,816
(Reversal of provision for) / provision for Sindh Workers' Welfare Fund	(31,380)	1,283
	(33,426)	(20,960)
Decrease / (increase) in assets		
Investments - net	334,366	(541,224)
Receivable against margin trading system	(199,053)	-
Advances, deposits, prepayments and other receivables	(18,820)	5,956
	116,493	(535,268)
Decrease in liabilities		
Payable to the Management Company	(1,784)	1,133
Payable to Central Depository Company of Pakistan Limited - Trustee	(62)	48
Annual fee payable to the Securities and Exchange Commission of Pakistan	(86)	(122)
Accrued expenses and other liabilities	(9,788)	(18,187)
Payable against purchase of investments	(48,005)	-
Dividend payable	-	(4,367)
	(59,725)	(21,495)
	23,342	(577,723)
Dividend received	9,244	4,751
Profit received	58,867	64,555
	68,111	69,306
Net cash generated from / (used in) operating activities	91,453	(508,417)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	7,124,982	1,545,163
Payment against redemption of units	(5,750,266)	(650,752)
Net cash generated from financing activities	1,374,716	894,411
Net increase in cash and cash equivalents	1,466,169	385,994
Cash and cash equivalents at beginning of the period	388,557	622,132
Cash and cash equivalents at end of the period	12 1,854,726	1,008,127

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Income Fund

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

For the half year ended December 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 25, 2006.

During the current period the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 08, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

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

The VIS Credit Rating Company Limited has assigned the asset manager rating of AM2++ (2020: AM2++ on December 31, 2020) to the Management Company and the fund stability rating of A+(f) on January 3, 2022 (2020: A+(f) to the fund. on December 31, 2021). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
----- (Rupees in '000) -----			
4 BANK BALANCES			
- in saving accounts	4.1	<u>1,854,726</u>	<u>388,557</u>

4.1 This includes balance of Rs. 5.998 million (June 30, 2021: Rs. 92.728 million) with Habib Bank Limited (a related party) that carries profit at the rate of 13.40 % (June 30, 2021: 6.20%) and Rs. 950.749 million (June 30, 2021: Rs. 250.010 million) with First Microfinance Bank Limited (a related party) carrying profit at the rate of 12.75% (June 30, 2021: 8.25%). Other profit and loss sharing accounts of the Fund carry profit at the rates ranging from 5.75% to 12.25% (June 30, 2021: 5.60% to 6.89%) per annum.

5	INVESTMENTS	Note	December 31,	June 30,
			2021 (Un-audited)	2021 (Audited)
			----- (Rupees in '000) -----	
Financial assets at fair value through profit or loss				
	- Term finance certificates and sukuk bonds - Listed	5.1	172,260	127,366
	- Term finance certificates and sukuk bonds - Unlisted	5.2	428,400	361,975
	- Investment in Government securities	5.3	149,505	408,115
	- Commercial papers	5.4	278,228	111,150
	- Listed equity securities	5.5	62,194	527,978
	- Future stock contracts	5.6	(2,572)	(6,242)
			<u>1,088,015</u>	<u>1,530,342</u>

5.1 Term finance certificates and sukuk bonds - listed

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

Name of Investee Company	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of		
								total investments	net assets	
					-----Number of certificates-----	----- (Rupees in '000') -----	-----%-----			
Commercial Banks										
JS Bank Limited (December 14, 2016)	1,264	-	-	1,264	127,341	127,649	308	7.35%	3.33%	
Technology & Communication										
TPL Trakker Limited (March 30, 2021) Face value: Rs. 1,000,000	47	-	-	47	45,441	44,611	(830)	2.57%	1.17%	
Technology & Communication										
Worldcall Telecom Limited * (October 7, 2008)	23,750	-	-	23,750	-	-	-	-	-	
Total as at December 31, 2021 (Un-audited)					<u>172,782</u>	<u>172,260</u>	<u>(522)</u>			
Total as at June 30, 2021 (Audited)					<u>109,531</u>	<u>127,366</u>	<u>17,835</u>			

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

5.1.1 World call Telecom Limited TFC's were classified by MUFAP as non-performing on November 8, 2012 after default of instalment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by 2 years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million has been made out of which till December 31, 2021 Rs. 8.441 million has been received leaving outstanding balance as at December 31, 2021 of Rs. 39.326 million, which is fully provided.

5.2 Term finance certificates and sukuk bonds - Unlisted

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

Name of Investee Company	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of		
								total investments	net assets	
				Number of certificates			Rupees in '000		%	
Chemicals										
Ghani Gases Limited (February 2, 2017)	200	-	200	-	-	-	-	-	-	-
Face value: Rs. 100,000										
Agritech Limited (note 5.2.1 & 5.2.3)	2,000	-	-	2,000	-	-	-	-	-	-
Agritech Limited - TFC 4th issue (note 5.2.1)	430	-	-	430	-	-	-	-	-	-
Commercial Banks										
The Bank of Punjab (December 23, 2016)	1,550	135	-	1,685	169,990	175,142	5,152	10.09%	4.58%	
Face value: Rs. 100,000										
JS Bank Limited (December 14, 2016)	7,450	-	7,450	-	-	-	-	-	-	-
Bank Alfalah Limited (January 15, 2021)	7,600	-	-	7,600	37,275	35,299	(1,976)	2.03%	0.92%	
Investment Companies										
Jahangir Siddiqui & Company Limited (March 6, 2018)	15,100	-	-	15,100	34,106	34,313	207	1.98%	0.90%	
Jahangir Siddiqui & Company Limited (July 18, 2017)	10,000	-	-	10,000	33,115	33,646	531	1.94%	0.88%	
Cable & Electrical Goods										
Pak Elektron Limited (November 15, 2021)	-	150	-	150	150,000	150,000	-	8.64%	3.92%	
Face value: Rs. 1,000,000										
Others										
New Allied Electronics Industries (Private) Limited - TFC (note 5.2.1)	15,100	-	-	15,100	-	-	-	-	-	-
New Allied Electronics Industries (Private) Limited - sukuk (note 5.2.1)	10,000	-	-	10,000	-	-	-	-	-	-
Total as at December 31, 2021					424,486	428,400	3,914			
Total as at June 30, 2021					356,057	361,975	5,918			

- 5.2.1 These represent investments in privately placed Term Finance Certificates and Sukuk bonds of the investee company. These investments have been fully provided.
- 5.2.2 The Term Finance Certificates and Sukuk bonds held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage / pledge of fixed assets of the issuer.
- 5.2.3 Installment amounting to Rs. 1.998 million (2020: Rs. 1.998 million) became due for payment on TFCs and are reflected in note 6.

5.3 Investment in Government Securities

5.3.1 Government securities - Market Treasury Bills

Particulars	Issue Date	Face value				Balance as at December 31, 2021			Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	total investments	net assets
(Rupees in '000)										
Market Treasury Bills - 3 -months										
Market treasury bills	May 20, 2021	-	150,000	150,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	300,000	300,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	480,000	480,000	-	-	-	-	-	-
Market treasury bills	October 7, 2021	-	150,000	150,000	-	-	-	-	-	-
Market treasury bills	October 21, 2021	-	50,000	-	50,000	49,836	49,835	(1)	2.87%	1.30%
(%)										

Particulars	Issue Date	Face value				Balance as at December 31, 2021			Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	total investments	net assets
(Rupees in '000)										
Market Treasury Bills- 6 -months										
Market treasury bills	April 8, 2021	-	200,000	200,000	-	-	-	-	-	-
Market treasury bills	May 6, 2021	-	150,000	150,000	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	400,000	400,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	226,000	226,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	282,600	282,600	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	100,000	-	100,000	99,674	99,670	(4)	5.74%	2.60%
Total as at December 31, 2021						149,510	149,505	(5)		
Total as at June 30, 2021						-	-	-		

5.3.2 Government securities - Pakistan Investment Bonds

Particulars	Tenor	Issue Date	Face value				Balance as at December 31, 2021			Market value as a percentage of	
			As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	total investments	net assets
(Rupees in '000)											
Pakistan investment bonds	3 years	August 20, 2020	325,000	-	325,000	-	-	-	-	-	
Pakistan investment bonds	10 years	October 15, 2020	100,000	-	100,000	-	-	-	-	-	
Total as at December 31, 2021						-	-	-			
Total as at June 30, 2021						408,124	408,115	(9)			

5.5 Listed equity securities (spread transactions) - At fair value through profit or loss

* (Ordinary shares have face value of Rs. 10/ each unless stated otherwise).

Name of the Investee Company	As at July 1, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Net assets of the Fund	Total market value of investments	
Number of shares						Rupees in '000			Percentage		
AUTOMOBILE ASSEMBLER											
Gandhara Nissan Limited	-	16,000	-	16,000	-	-	-	-	-	-	-
Gandhara Industries Limited	50,000	54,000	-	50,000	54,000	9,131	9,545	414	0.25%	0.55%	0.01%
						9,131	9,545	414			
OIL & GAS MARKETING COMPANIES											
Hascol Petroleum Limited	230,500	-	-	230,500	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	2,064,000	-	2,064,000	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	132,000	-	132,000	-	-	-	-	-	-	-
Cnergycio PK Limited	-	412,500	-	412,500	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
COMMERCIAL BANKS											
Faysal Bank Limited	-	4,000,000	-	4,000,000	-	-	-	-	-	-	-
BankIslami Pakistan Limited	-	70,000	-	70,000	-	-	-	-	-	-	-
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited	100,000	55,000	-	155,000	-	-	-	-	-	-	-
CHEMICALS											
Engro Polymer & Chemicals Limited	-	259,500	-	259,500	-	-	-	-	-	-	-
ENGINEERING											
Amreli Steels Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
International Industries Limited	-	81,000	-	81,000	-	-	-	-	-	-	-
International Steels Limited	-	74,000	-	74,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	90,000	-	90,000	-	-	-	-	-	-	-

Name of the Investee Company	As at July 1, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Net assets of the Fund	Total market value of investments	
						-----Rupees in '000-----			-----Percentage-----		
CEMENT											
D.G. Khan Cement Company Limited	-	664,500	-	664,500	-	-	-	-	-	-	-
Lucky Cement Limited	-	4,500	-	4,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	200,000	-	-	200,000	3,712	3,674	(38)	0.10%	0.21%	0.05%
Maple Leaf Cement Factory Limited	-	2,366,500	-	2,366,500	-	-	-	-	-	-	-
Pioneer Cement Limited	225,000	-	-	225,000	-	-	-	-	-	-	-
						3,712	3,674	(38)			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	-	30,000	-	30,000	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	160,000	-	160,000	-	-	-	-	-	-	-
FERTILIZERS											
Fauji Fertilizer Company Limited	125,000	-	-	125,000	-	-	-	-	-	-	-
REFINERY											
Attock Refinery Limited	-	95,000	-	95,000	-	-	-	-	-	-	-
National Refinery Limited	-	29,000	-	29,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	41,500	-	41,500	-	-	-	-	-	-	-
TEXTILE COMPOSITE											
Gul Ahmad Textile Mills Limited	-	310,000	-	310,000	-	-	-	-	-	-	-
Azgard Nine Limited	85,500	3,618,500	-	3,704,000	-	-	-	-	-	-	-
Nishat Mills Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS											
Treet Corporation Limited	1,012,000	51,500	-	1,063,500	-	-	-	-	-	-	-
Unity Foods Limited	3,671,500	2,736,500	-	6,408,000	-	-	-	-	-	-	-
TECHNOLOGY AND COMMUNICATION											
Avanceon Limited	45,000	627,000	-	672,000	-	-	-	-	-	-	-
NetSol Technologies Limited	61,000	5,000	-	66,000	-	-	-	-	-	-	-
Telecard Limited	-	1,108,500	-	1,108,500	-	-	-	-	-	-	-
TPL Corp Limited	-	1,009,500	-	1,009,500	-	-	-	-	-	-	-
Hum Network Limited (Face value of Re. 1 each)	1,466,500	19,930,000	-	21,396,500	-	-	-	-	-	-	-
TRG Pakistan Limited	1,325,000	1,046,500	-	2,371,500	-	-	-	-	-	-	-
MISCELLANEOUS											
Siddiqsons Tin Plate Limited	390,000	-	-	390,000	-	-	-	-	-	-	-
TPL Properties Limited	-	1,500,000	-	-	1,500,000	46,395	48,975	2,580	1.28%	2.82%	0.38%
						46,395	48,975	2,580			
GLASS & CERAMICS											
Ghani Global Holdings Limited	-	668,500	-	668,500	-	-	-	-	-	-	-
Total as at December 31, 2021						<u>59,238</u>	<u>62,194</u>	<u>2,956</u>			
Total as at June 30, 2021						<u>521,353</u>	<u>527,978</u>	<u>6,625</u>			

5.5.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchased equity securities in ready settlement market and sold them in future settlement market earning income on spread transactions due to difference in ready and future stock prices.

5.6 This represents unrealised loss amounting to Rs. 2.572 million (June 30, 2021: Rs. 6.242 million) on mark to market of future stock contracts.

5.7 Significant terms and conditions of term finance certificates and sukuks outstanding as at December 31, 2021 are as follows:

Name of security	Number of certificates	Face value per unit	Face value / redemption value in total	Interest rate per annum	Maturity date	Secured / unsecured	Rating
----- (Rupees in '000) -----							
Listed debt securities							
JS Bank Limited	1,264	5	6,320	6 months KIBOR + 1.40%	December 14, 2023	Unsecured	A+
Unlisted debt securities							
The Bank of Punjab	1,685	100	168,500	6 months KIBOR + 1%	December 23, 2026	Unsecured	AA
Bank Alfalah Limited	7,600	5	38,000	6 months KIBOR + 0.75%	January 15, 2024	Secured	AAA
Jahangir Siddiqui and Company Limited	15,100	5	75,500	6 months KIBOR + 1.40%	September 6, 2023	Secured	AA+
Jahangir Siddiqui and Company Limited	10,000	5	50,000	6 months KIBOR + 1.40%	July 18, 2023	Secured	AA+
TPL Trakker Limited	-	1,000	-	3 months KIBOR + 3%	March 30, 2026	Secured	A+
Pak Electron Limited	150	1,000	150,000	3 months KIBOR + 1.3%	February 15, 2023	Secured	A+

5.8 Details of non-compliant investments

The Securities & Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 7, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of total investments
			(Rupees)		(%)		
Worldcall Telecom Limited	5.1.1	TFC	39,326	39,326	-	-	-
New Allied Electronics Industries (Private) Limited	5.2.1	TFC	19,025	19,025	-	-	-
New Allied Electronics Industries (Private) Limited	5.2.1	Sukuk	44,149	44,149	-	-	-
Agritech Limited	5.2.1	TFC	9,992	9,992	-	-	-
			112,492	112,492	-		

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with National Clearing Company of Pakistan Limited	46,504	21,856
Security deposit with Central Depository Company of Pakistan Limited	100	100
Receivable against investments of term finance certificates and sukuk bonds	1,998	1,998
Dividend receivable	-	5,889
Advance tax	25,213	25,212
Prepaid expenses	350	290
	74,165	55,345
Less: Provision against overdue installments of term finance certificates and sukuk bonds	(1,998)	(1,998)
	72,167	53,347

December 31, 2021 (Un-audited) and June 30, 2021 (Audited)
----- (Rupees in '000) -----

7 PAYABLE THE HBL ASET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	7.1	3,584	2,563
Sindh sales tax payable on remuneration of the Management Company	7.2	466	333
Sales load payable		408	497
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	-	196
Selling and marketing expenses payable	7.4	-	2,653
		4,458	6,242

- 7.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. The Management Company has charged remuneration at the rate 1% of average daily net assets of the Fund effective from September 21, 2021. Previously the management fee was charged at 1.31% (June 2021: 1.31%) of average daily net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears during the period.
- 7.2** The Sindh Provincial Government has levied Sindh sales tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.10% to 0.15% of the average annual net assets of the Fund during the period ended December 31, 2021 (June 30, 2021: 0.10%).

- 7.4** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently charged selling and marketing expenses at the rate 0.45% of average daily net assets of the Fund effective from August 12, 2021. Previously the selling and marketing expenses were charged at the rate of 0.4% (June 30, 2021, 0.4%) of the average annual net assets of the Fund. However no selling and marketing expenses are charged from September 21, 2021, which has also been approved by the Board of Directors of the Management Company.

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees) -----	
8	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE		
	Remuneration payable to the Trustee	269	324
	Sindh Sales Tax payable on remuneration of the Trustee	35	42
		<u>304</u>	<u>366</u>

- 8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily net asset value (NAV) of the Fund.

CDC vide letter no CDC/CEO/L-112/06/2019 declared that the tariff structure for the money market schemes shall consist of actual custodial expense plus 0.065% per annum of net assets. Therefore, trustee fee has been charged as 0.075% (2021: 0.075%) per annum of net assets calculated on daily basis.

The remuneration is paid to the Trustee monthly in arrears.

- 8.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees) -----	
9	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	355	441

9.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, the Fund has recognised SECP Fee at the rate of 0.02% (June 30, 2021: 0.02%)

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees) -----	
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	127	191
	Brokerage Payable	782	1,938
	Federal Excise Duty payable	27,578	27,578
	Other payables	1,191	586
	Capital gain tax payable	469	822
	Withholding tax payable	117	8,937
	Provision for Sindh Workers' Welfare Fund	-	31,380
		<u>30,264</u>	<u>71,432</u>

10.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 27.578 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.840 (June 30, 2021: Re. 1.341)

10.2 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). However, the Fund had recorded provision in respect of SWWF with effect from July 1, 2014.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from July 1, 2014 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

11 TAXATION

The Fund's income is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders by way of cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute at least 90% of the income earned by the Fund in cash for the year ending June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

12 CASH AND CASH EQUIVALENTS	Note	(Un-audited) December 31, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
Balances with banks in:			
- saving account	4	<u>1,854,726</u>	<u>1,008,127</u>

13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 0.97% (2020: 1.27%), which includes 0.08% (2020: 0.17%) representing government levies on the Fund and annual fee to SECP. This ratio is within maximum limit of 2.5% prescribed under NBFC Regulation for a collective Investment Scheme categorised as income scheme.

14 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.

Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations.

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

14.1	Transactions during the period	(Un-audited) Half year ended December 31,	
		2021	2020
		----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Management fee inclusive of sales tax	21,731	13,485
	Allocation of expenses related to registrar services, accounting, operation and valuation services	777	912
	Selling and marketing expenses	2,617	3,649
	Habib Bank Limited - Sponsor		
	Bank charges paid	101	64
	Mark-up earned during the period	5,115	2,100
	MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - CIS Managed by the Management Company		
	Redemption of 34,429 units (2020: nil units)	3,946	-
	MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - CIS Managed by the Management Company		
	Investment of 132,074 units (2020: nil units)	15,200	-
	Redemption of 18,617 units (2020: nil units)	2,161	-
	CDC Trustee HBL Cash Fund - under common management		
	Purchase of Market Treasury bill	50,000	-
	CDC Trustee HBL Multi Asset Fund - under common management		
	Purchase of Term Finance Certificate- Bank of Punjab	13,500	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration of the Trustee inclusive of sales tax	1,505	773
	CDC charges	736	103
	Executives and their relatives		
	Issuance of 125,507 units (2020: 16,412 units)	14,309	1,824
	Redemption of 113,376 units (2020: 2,578 units)	12,945	286

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
14.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	3,584	2,563
Sindh sales tax on remuneration of the Management Company	466	333
Sales load payable	408	497
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	196
Selling and marketing expenses payable	-	2,653
Habib Bank Limited - Sponsor		
Outstanding units: 2,000,000 units (June 30, 2021: 2,000,000 units)	233,234	221,123
Bank balances	5,998	92,728
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Associate		
Investment held in the Fund: 55,959 units (June 30, 2021: 90,388 units)	6,526	9,993
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund: 113,457 units (June 30, 2021: Nil units)	13,231	-
Executives and their relatives		
Investment held in the Fund: 122,852 units (June 30, 2021: 114,476 units)	14,327	12,657
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	269	147
Sindh sales tax payable on remuneration of the Trustee	35	19
Security deposit	-	100
CDC Charges	185	12
The First Microfinance Bank-Associate		
Bank balances	950,749	250,010

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and

- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

------(Un-audited)-----			
----- As at December 31, 2021 -----			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			
Financial assets ' at fair value through profit or loss'			
- Term finance certificates and sukuk bonds			
- Listed	-	172,260	-
			172,260
- Term finance certificates and sukuk bonds			
- Unlisted	-	428,400	-
			428,400
- Investment in Government securities	-	149,505	-
			149,505
- Commercial papers	-	278,228	-
			278,228
- Listed equity securities	62,194	-	-
			62,194
- Future stock contracts	(2,572)	-	-
			(2,572)
	59,622	1,028,393	-
	59,622	1,028,393	1,088,015

------(Audited)-----			
----- As at June 30, 2021 -----			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			
Financial assets ' at fair value through profit or loss'			
- Term finance certificates and sukuk bonds			
- Listed	-	127,366	-
			127,366
- Term finance certificates and sukuk bonds			
- Unlisted	-	361,975	-
			361,975
- Investment in Government securities	-	408,115	-
			408,115
- Commercial papers	-	111,150	-
			111,150
- Listed equity securities	527,978	-	-
			527,978
- Future stock contracts	(6,242)	-	-
			(6,242)
	521,736	1,008,606	-
	521,736	1,008,606	1,530,342

16 CONTINGENCIES AND COMMITMENTS

16.1 There are no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

16.2 In March 2020, the World Health Organisation ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

17 GENERAL

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

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements are authorised for issue by the Board of Directors of the Management Company on February 11, 2022.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Government Securities Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GOVERNMENT SECURITIES FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Government Securities Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL GOVERNMENT SECURITIES FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL GOVERNMENT SECURITIES FUND ("the Fund") as at December 31, 2021 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2021 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2022


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Government Securities Fund
Condensed Interim Statement Of Assets And Liabilities (Unaudited)
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note-----	Rupees in '000-----	
ASSETS			
Bank balances	4	811,867	259,770
Investments	5	708,414	835,699
Profit / mark-up receivable		21,243	23,771
Advances, deposits, prepayments and other receivables	6	1,710	1,769
TOTAL ASSETS		1,543,234	1,121,009
LIABILITIES			
Payable to the Management Company	7	2,483	3,240
Payable to the Trustee	8	56	72
Payable to Securities and Exchange Commission of Pakistan	9	105	390
Accrued expenses and other liabilities	10	642,519	46,292
TOTAL LIABILITIES		645,163	49,994
NET ASSETS		898,071	1,071,015
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		898,071	1,071,015
CONTINGENCIES AND COMMITMENTS			
	11	-----Number of units-----	
Number of units in issue		7,651,278	9,516,949
		-----Rupees-----	
Net assets value per unit		117.3753	112.5377

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended December 31		Quarter ended December 31	
		2021	2020	2021	2020
INCOME					
Capital loss on sale of investments - net		(7,262)	(33,183)	(8,698)	(19,157)
Income from Government securities		28,767	103,992	12,686	37,857
Income from term finance certificates and sukuks		2,229	3,011	1,136	1,117
Income from money market placements		656	-	656	-
Mark-up on bank deposits		10,522	7,363	6,311	3,273
		<u>34,912</u>	<u>81,183</u>	<u>12,091</u>	<u>23,090</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.3	1,107	(10,715)	545	9,160
		<u>36,019</u>	<u>70,468</u>	<u>12,636</u>	<u>32,250</u>
EXPENSES					
Remuneration of the Management Company		6,472	15,812	3,064	6,364
Sindh sales tax on remuneration of the Management Company		841	2,056	398	828
Remuneration of the Trustee		312	822	135	331
Sindh sales tax on remuneration of the Trustee		41	107	18	43
Annual fee to the Securities and Exchange Commission of Pakistan		103	253	48	100
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,346	2,808	667	1,130
Selling and marketing expense		2,268	5,060	1,103	2,037
Auditors' remuneration		225	215	80	103
Fees and subscription		211	150	110	74
Securities transaction and settlement costs		190	338	13	178
Bank charges		58	122	7	29
		<u>12,067</u>	<u>27,743</u>	<u>5,643</u>	<u>11,217</u>
Net income for the period from operating activities		23,952	42,725	6,993	21,033
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	10.2	19,958	(854)	-	(420)
Net income for the period before taxation		43,910	41,871	6,993	20,613
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>43,910</u>	<u>41,871</u>	<u>6,993</u>	<u>20,613</u>
Allocation of net income for the period					
Income already paid on redemption of units		11,334	11,174	6,102	9,797
Accounting income available for distribution:					
Relating to capital gains		-	-	(1,138)	-
Excluding capital gains		32,576	30,697	2,029	10,816
		<u>32,576</u>	<u>30,697</u>	<u>891</u>	<u>10,816</u>
		<u>43,910</u>	<u>41,871</u>	<u>6,993</u>	<u>20,613</u>
Earnings per unit	13				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	Half year ended		Quarter ended	
	December 31		December 31	
	2021	2020	2021	2020
	----- Rupees in '000 -----			
Net income for the period after taxation	43,910	41,871	6,993	20,613
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>43,910</u>	<u>41,871</u>	<u>6,993</u>	<u>20,613</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31					
	2021			2020		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----Rupees in '000-----					
Net assets at beginning of the period	876,537	194,478	1,071,015	3,314,588	194,298	3,508,886
Issuance of units 4,769,231 (2020: 4,786,843 units)						
Capital value (at net asset value per unit at the beginning of the period)	536,718	-	536,718	537,441	-	537,441
Element of income	7,720	-	7,720	2,589	-	2,589
Total proceeds on issuance of units	544,438	-	544,438	540,030	-	540,030
Redemption of units 6,634,901 (2020: 20,622,321 units)						
Capital value (at net asset value per unit at the beginning of the period)	(746,677)	-	(746,677)	(2,315,361)	-	(2,315,361)
Income already paid on redemption of units	-	(11,334)	(11,334)	-	(11,174)	(11,174)
Element of loss	(3,281)	-	(3,281)	(1,887)	-	(1,887)
Total payments on redemption of units	(749,958)	(11,334)	(761,292)	(2,317,248)	(11,174)	(2,328,422)
Total comprehensive income for the period	-	43,910	43,910	-	41,871	41,871
	-	43,910	43,910	-	41,871	41,871
Net assets at end of the period	671,017	227,054	898,071	1,537,370	224,995	1,762,365
Undistributed income brought forward						
Realised income		192,733			74,342	
Unrealised income		1,745			119,956	
		194,478			194,298	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		32,576			30,697	
		32,576			30,697	
Undistributed income carried forward		227,054			224,995	
Undistributed income carried forward						
Realised income		227,054			224,995	
Unrealised income		-			-	
		227,054			224,995	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			112.5377			112.2745
Net assets value per unit at end of the period			117.3753			114.3111

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund
Condensed Interim Cash Flow Statement (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half year ended December 31	
		2021	2020
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		43,910	41,871
Adjustments for:			
Capital loss on sale of investments - net		7,262	33,183
Mark-up / profit on bank deposits		(10,522)	(7,363)
Income from Government securities		(28,767)	(103,992)
Income from term finance certificates and sukuk		(2,229)	(3,011)
Income from money market placements		(656)	-
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		(1,107)	10,715
		<u>7,891</u>	<u>(28,597)</u>
Decrease in assets			
Investments - net		121,786	1,502,310
Advances, deposits, prepayments and other receivables		59	639
		<u>121,845</u>	<u>1,502,949</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		(757)	(9,588)
Payable to the Trustee		(16)	(119)
Payable to the Securities and Exchange Commission of Pakistan		(285)	(437)
Accrued expenses and other liabilities		596,227	(44,187)
		<u>595,169</u>	<u>(54,331)</u>
Cash generated from operations		<u>724,905</u>	<u>1,420,021</u>
Income received from Government securities		32,507	125,118
Income received from term finance certificates and sukuk		2,174	4,067
Mark-up received on bank deposits		9,365	8,087
		<u>44,046</u>	<u>137,272</u>
Net cash generated from operating activities		<u>768,951</u>	<u>1,557,293</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		544,438	540,030
Payment against redemption of units		(761,292)	(2,328,422)
Dividend paid		-	(32)
Net cash used in financing activities		<u>(216,854)</u>	<u>(1,788,424)</u>
Net increase / (decrease) in cash and cash equivalents		<u>552,097</u>	<u>(231,131)</u>
Cash and cash equivalents at the beginning of the period		<u>259,770</u>	<u>523,734</u>
Cash and cash equivalents at end of the period	4	<u>811,867</u>	<u>292,603</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Government Securities Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Fund has been categorized as a sovereign income scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CISs).

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

VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Positive Outlook) to the Management Company and assigned stability rating of AA(f) to the Fund as at December 31, 2021 and January 03, 2022, respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of 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 audited financial statements of the Fund for the year ended June 30, 2021.

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- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2020.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2021 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.
- 2.2 Basis of measurement
- This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.
- This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.
- 2.3 Functional and presentation currency
- This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.
- 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN
- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.
- 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, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.
- 3.6 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.
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			December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
		Note	----- Rupees in '000 -----	
4	BANK BALANCES			
	In savings accounts	4.1	811,867	259,770
4.1	This represents bank accounts held with various banks. Mark-up rates on these accounts range between 5.5% to 13.49% per annum (June 30, 2021: 5.60% to 7.85% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 5.328 million (June 30, 2021: Rs. 255.116 million) on which return is earned at rate ranging between 5.5% to 13.49% (June 30, 2021: 5.75% to 7.85%) per annum.			
5	INVESTMENTS			
	Financial assets			
	At fair value through profit or loss	5.1	660,035	835,699
	At amortized cost	5.2	48,379	-
			708,414	835,699
5.1	Financial assets at fair value through profit or loss			
	Government securities			
	Market treasury bills	5.1.1	-	-
	Pakistan Investment Bonds	5.1.2	608,065	785,290
			608,065	785,290
	Term Finance Certificates	5.1.3	51,970	50,409
			660,035	835,699
5.2	Financial assets at amortised cost			
	Commercial Papers	5.2.1	48,379	-

5.1.1 Market Treasury Bills

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales / matured during the	As at December 31, 2021					
----- Rupees in '000 -----										
July 30, 2020	12 Months	-	150,000	150,000	-	-	-	-	-	-
July 29, 2021	3 Months	-	265,000	265,000	-	-	-	-	-	-
June 17, 2021	6 Months	-	515,150	515,150	-	-	-	-	-	-
August 26, 2021	6 Months	-	100,000	100,000	-	-	-	-	-	-
July 15, 2021	3 Months	-	110,000	110,000	-	-	-	-	-	-
July 2, 2021	3 Months	-	125,000	125,000	-	-	-	-	-	-
October 7, 2021	3 Months	-	260,000	260,000	-	-	-	-	-	-
June 17, 2021	3 Months	-	200,000	200,000	-	-	-	-	-	-
Total - As at December 31, 2021		-	1,725,150	1,725,150	-	-	-	-	-	-
Total - As at June 30, 2021		600,000	6,874,000	7,474,000	-	-	-	-	-	-

5.1.2 Pakistan Investment Bonds

Non-Floating

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2021	Unrealised (diminution) / appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales during the period	As at December 31, 2021					
Rupees in '000										
August 20, 2020	3 Years	325,000	764,000	943,000	146,000	136,891	136,747	(145)	15.23%	19.30%
August 5, 2021	3 Years	-	350,000	300,000	50,000	45,109	45,190	81	5.03%	6.38%
October 15, 2020	5 Years	100,000	75,000	175,000	-	-	-	-	0.00%	0.00%
Total - As at December 31, 2021		425,000	1,189,000	1,418,000	196,000	182,001	181,937	(64)	20.26%	25.68%
Total - As at June 30, 2021		1,465,500	2,291,900	3,332,400	425,000	406,952	408,115	1,163	38.11%	48.83%

5.1.2.1 As at December 31, 2021, Pakistan Investment Bonds (PIBs) had a face value of Rs. 196 million (June 30 2021: Rs. 425 million) carrying effective yield ranging between 11.3% to 11.5% per annum (June 30 2021: 8.51% to 9.79%), per annum.

Floating

Issue date	Tenure	Face value				Carrying value as at December 31, 2020	Market value As at December 31, 2020	Unrealised diminution on re-measurement of investments	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchases during the period	Sales during the period	As at December 31, 2020					
Rupees in '000										
August 22, 2019	10 Years	375,000	1,125,000	1,125,000	375,000	376,830	376,463	(367)	41.92%	53.14%
August 26, 2021	2 Years	-	200,000	150,000	50,000	49,699	49,665	(34)	5.53%	7.01%
Total - As at December 31, 2021		375,000	1,325,000	1,275,000	425,000	426,528	426,128	(401)	47.45%	60.15%
Total - As at June 30, 2021		800,000		425,000	375,000	378,029	377,175	(854)	35.22%	45.13%

5.1.2.2 As at December 31, 2021, Pakistan Investment Bonds (PIBs) had a face value of Rs. 425 million (June 30, 2021: Rs. 375 million) carrying effective yield ranging between 8.14% to 9.17%, per annum (June 30, 2021: 8.07%), per annum.

5.1.3 Term Finance Certificates

Name of the investee company	Number of units				Carrying value	Market value As at December 31, 2021	Unrealised appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2021	Purchases during the period	Sales during the period	As at December 31, 2021					
(Rupees in '000)									
Term finance certificates - unlisted									
Bank of Punjab	500	-	-	500	50,399	51,970	1,571	5.79%	7.34%
Total - as at December 31, 2021	500	-	-	500	50,399	51,970	1,571	5.79%	7.34%
Total - as at June 30, 2021	7,500	-	7,000	500	48,973	50,409	1,436	5.00%	6.03%

5.1.3.1 This Term Finance Certificate carry mark-up at the rate ranging between 8.69% to 12.17% per annum (June 30, 2021: 8.35% to 12.2%), per annum.

5.1.3.2 Significant terms and conditions of Term Finance Certificates as at December 31, 2021 are as follows:

Name of the investee company	Remaining principal (per certificate)	Mark-up rate (per annum)	Issue date
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Term finance certificates - unlisted

Bank of Punjab	49,900	6 months KIBOR + 1.00%	December 23, 2016
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5.2 Financial assets at amortized cost:

5.2.1 Commercial paper

Name of the investee company	As at July 1, 2021	Placement made during the period	Income accrued	Matured during the period	As at December 31, 2021	Percentage of net assets	Percentage of total investment
----- (Rupees in '000) -----							
Lucky Electric Power Company Limited (5.2.2)	-	47,723	656	-	48,379	5.39%	6.83%
Total - as at December 31, 2021	-	47,723	656	-	48,379	5.39%	6.83%
Total - as at June 30, 2021	-	-	-	-	-	-	-

5.2.2 These commercial papers carry profit rates ranging between 9.40% to 9.62%. The maturity date for commercial paper of Kot Addu Power Company Limited is May 09, 2022. Management believes that fairvalue of the commercial paper is equal to its amortized cost.

5.3 Net unrealized (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
----- (Rupees in '000) -----			
Market value of investments		660,035	835,699
less: carrying value of investments		(658,928)	(833,954)
		<u>1,107</u>	<u>1,745</u>

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:

National Clearing Company of Pakistan Limited		250	250
Central Depository Company of Pakistan Limited		100	100
		<u>350</u>	<u>350</u>
Prepaid expenses	6.1	157	216
Advance tax	6.2	391	391
Receivable against conversion in of units		812	812
		<u>1,710</u>	<u>1,769</u>

6.1 This includes prepaid expenses recognized in respect of payment made for rating fee.

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

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

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable of the Management Company	967	1,132
	Sindh Sales Tax payable on the Management Company's remuneration	126	147
	Sales load payable	77	420
	Allocation of expenses related to registrar services, accounting, operation and valuation services	210	201
	Selling and marketing expense payable	1,103	1,340
		<u>2,483</u>	<u>3,240</u>
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	42	67
	Sindh Sales Tax on remuneration of the Trustee	6	
	CDS charges payable	8	5
		<u>56</u>	<u>72</u>
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	105	390
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	15,531	15,531
	Provision for Sindh Workers' Welfare Fund	-	19,958
	Withholding tax payable	570	9,677
	Auditors' remuneration	223	446
	Printing charges	30	75
	Brokerage payable	88	103
	Zakat payable	452	452
	Payable against purchase of investment	625,597	-
	Others	28	50
		<u>642,519</u>	<u>46,292</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 15.531 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2021 would have been higher by Re. 2.0298 per unit (June 30, 2021: Re. 1.6319 per unit).

10.2 The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 19.958 million for the period from July 1, 2014 till August 12, 2021.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealized) to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units and directors and executives of the Management Company 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:

		Half year ended December 31	
		2021 (Un-Audited)	2020 (Un-Audited)
		-----Rupees in '000-----	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	6,472	15,812
	Sindh Sales Tax on remuneration of the Management Company	841	2,056
	Sales load paid	1,751	6,254
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,346	2,808
	Selling and marketing expense	2,268	5,060
	Habib Bank Limited - Sponsor		
	Bank charges	56	111
	Mark-up on bank deposits	3,322	1,536
	Shazia Afshan Minhas - Connected Persons - due to 10% Holding		
	Issuance of 296,561 Units	34,502	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	312	822
	Sindh Sales Tax payable on the Trustee fee	41	107
	Central Depository service charges	9	9
		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
		-----Rupees in '000-----	
14.2	Balances outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Remuneration payable to the Management Company	967	1,132
	Sindh Sales Tax on remuneration of the Management Company	126	147
	Sales load payable	77	420
	Allocation of expenses related to registrar services, accounting, operation and valuation services	210	201
	Selling and marketing payable	1,103	1,340
	Habib Bank Limited - Sponsor		
	Bank balances	5,328	255,116
	Markup receivable	247	957
	Shazia Afshan Minhas - Connected Persons - due to 10% Holding		
	Units held: 851,728 (June 30, 2021: Nil)	99,972	-
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	48	67
	CDS charges payable	8	5
	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 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.

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

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

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

		December 31, 2021 (Un-Audited)						
		Carrying Amount			Fair Value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Note		-----Rupees in '000-----						
Financial assets measured at fair value		15.1						
	Pakistan Investment Bonds	608,065	-	608,065	-	608,065	-	608,065
	Term Finance Certificates	51,970	-	51,970	-	51,970	-	51,970
		<u>660,035</u>	<u>-</u>	<u>660,035</u>	<u>-</u>	<u>660,035</u>	<u>-</u>	<u>660,035</u>
Financial assets not measured at fair value		15.2						
	Bank balances	-	811,867	811,867				
	Profit / Mark-up receivable	-	21,243	21,243				
	Deposits	-	350	350				
	Commercial Papers	-	48,379	48,379				
		<u>-</u>	<u>881,839</u>	<u>881,839</u>				
Financial liabilities not measured at fair value		15.2						
	Payable to Management Company	-	2,357	2,357				
	Payable to the Trustee	-	50	50				
	Accrued expenses and other liabilities	-	625,938	625,938				
		<u>-</u>	<u>628,345</u>	<u>628,345</u>				

		June 30, 2021 (Audited)						
		Carrying Amount			Fair Value			
Note		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value		15.1						
	Pakistan Investment Bonds	785,290	-	785,290	-	785,290	-	785,290
	Term Finance Certificates and Corporate Sukuk Bond	50,409	-	50,409	-	50,409	-	50,409
		<u>835,699</u>	<u>-</u>	<u>835,699</u>	<u>-</u>	<u>835,699</u>	<u>-</u>	<u>835,699</u>
Financial assets not measured at fair value		15.2						
	Bank balances	-	259,770	259,770				
	Profit / Mark-up receivable	-	23,771	23,771				
	Deposits and other receivables	-	1,162	1,162				
		<u>-</u>	<u>284,703</u>	<u>284,703</u>				
Financial liabilities not measured at fair value		15.2						
	Payable to the Management Company	-	3,093	3,093				
	Payable to the Trustee	-	64	64				
	Accrued expenses and other liabilities	-	666	666				
		<u>-</u>	<u>3,823</u>	<u>3,823</u>				

15.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Pakistan Investment Bonds, Fund uses the rates which are derived from PKRV and PKRFV rates at reporting date and for investment in respect of Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

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

15.3 Transfers during the period

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

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2021 is 1.17% (December 31, 2020: 1.14%) which includes 0.09% (December 31, 2020: 0.13%) representing Government levy and SECP fee.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 11, 2022.

18 GENERAL

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

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

18.3 In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Money Market Fund

FUND INFORMATION

Name of Fund	HBL Money Market Fund
Name of Auditor	A.F.Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Sindh Bank Limited United Bank Limited Soneri bank limited
Fund Rating	AA+(f) (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Money Market Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.



A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 24, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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▪ KARACHI ▪ LAHORE ▪ ISLAMABAD

HBL Money Market Fund
Condensed Interim Statement of Assets and Liabilities
AS AT DECEMBER 31, 2021

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
Bank balances	4 15,819,191	12,963,462
Investments	5 5,882,043	-
Accrued mark-up on saving accounts	92,177	77,714
Deposits and prepayments	354	105
Total assets	21,793,765	13,041,281
LIABILITIES		
Payable to the HBL Asset Management Limited - Management Company	6 5,030	4,072
Payable to the Central Depository Company of Pakistan Limited - Trustee	7 726	710
Annual fee payable to the Securities and Exchange Commission of Pakistan	8 1,348	2,599
Payable against purchase of investments	4,354,484	-
Dividend payable	2,325	2,942
Accrued expenses and other liabilities	9 62,885	193,988
Total liabilities	4,426,798	204,311
NET ASSETS	<u>17,366,967</u>	<u>12,836,970</u>
Unit holders' fund (as per statement attached)	<u>17,366,967</u>	<u>12,836,970</u>
Contingencies and commitments	9	
	----- (Number of units) -----	
Number of units in issue	<u>162,053,324</u>	<u>125,093,106</u>
	----- (Rupees) -----	
Net assets value per unit	<u>107.1682</u>	<u>102.6193</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Note ----- (Rupees in '000) -----				
INCOME				
Mark-up on deposits with banks	244,286	178,704	184,239	125,655
Mark-up / return on investments	324,780	312,616	149,698	146,720
(Loss) / gain on sale of investments - net	(9,240)	(4,318)	(6,284)	430
	559,826	487,002	327,653	272,805
Unrealised appreciation on re-measurement of investments classified at ' fair value through profit or loss'	2,247	-	1,955	-
Total income	562,073	487,002	329,608	272,805
EXPENSES				
Remuneration of HBL Asset Management Limited - Management Company	6.1 30,461	33,946	15,085	18,622
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1 4,540	4,903	2,262	2,690
Annual fee of Securities and Exchange Commission of Pakistan	8.1 1,348	1,335	728	732
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.4 3,871	-	1,644	-
Settlement and bank charges	809	792	423	571
Auditors' remuneration	321	322	103	161
Fee and subscription	252	159	190	82
Securities transaction cost	11	23	(0)	13
Selling and marketing expenses	6.3 3,871	-	1,644	-
Printing and stationery	45	-	-	-
	45,529	41,480	22,079	22,871
Net income from operating activities	516,544	445,522	307,529	249,934
Reversal of provision for / (provision for) Sindh Workers' Welfare Fund	9.1 62,703	(8,910)	-	(4,998)
Net income for the period before taxation	579,247	436,612	307,529	244,936
Taxation	12 -	-	-	-
Net income for the period after taxation	579,247	436,612	307,529	244,936
Allocation of income for the period				
Income already paid on redemption of units	156,641	130,668	131,240	111,944
Accounting income available for distribution:				
- Relating to capital gains	-	-	-	430
- Excluding capital gains	422,606	305,944	176,289	132,562
	422,606	305,944	176,289	132,992
Net income for the period after taxation	579,247	436,612	307,529	244,936

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	579,247	436,612	307,529	244,936
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	579,247	436,612	307,529	244,936

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in '000'-----						
Net assets at beginning of the period	12,788,663	48,311	12,836,970	9,909,419	65,876	9,975,295
Issuance of 164,444,614 units (2020: 194,589,472 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,875,195	-	16,875,195	19,922,052	-	19,922,052
- Element of income	506,909	-	506,909	340,964	-	340,964
Total proceeds on issuance of units	17,382,104	-	17,382,104	20,263,016	-	20,263,016
Redemption of 127,484,396 units (2020: 131,287,106 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(13,082,363)	-	(13,082,363)	(13,441,163)	-	(13,441,163)
- Income already paid on redemption of units	-	(156,641)	(156,641)	-	(130,668)	(130,668)
- Amount paid out of element of loss	(192,350)	-	(192,350)	(97,612)	-	(97,612)
Total payments on redemption of units	(13,274,713)	(156,641)	(13,431,354)	(13,538,775)	(130,668)	(13,669,443)
Total comprehensive income for the period	-	579,247	579,247	-	436,612	436,612
Net assets at end of the period	16,896,054	470,917	17,366,967	16,633,660	371,820	17,005,480
Undistributed income brought forward						
- Realised		48,311			59,424	
- Unrealised		-			6,452	
		48,311			65,876	
Accounting income available for distribution:						
- Relating to capital losses		-			-	
- Excluding capital gains		422,606			305,944	
		422,606			305,944	
Undistributed income carried forward		470,917			371,820	
Undistributed income carried forward						
- Realised		468,670			371,820	
- Unrealised		2,247			-	
		470,917			371,820	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		102.6193			102.3799	
Net assets value per unit at end of the period		107.1682			105.7973	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund
Condensed Interim Statement of Cash Flows (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,	
	2021	2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	579,247	436,612
Adjustments for non-cash items:		
Loss / (gain) on sale of investments - net	9,240	4,318
Mark-up / return on investments	(324,780)	(312,616)
Mark-up on deposits with banks	(244,286)	(178,704)
Unrealised appreciation on re-measurement of investments classified as Financial asset at fair value through profit and loss	(2,247)	-
(Reversal of provision for) / provision for Sindh Workers' Welfare Fund	(62,703)	8,910
	(45,529)	(41,480)
(Decrease) / increase in assets		
Investments - net	(5,889,036)	3,329,782
Deposits and prepayments	(249)	(158)
	(5,889,285)	3,329,624
Increase / (decrease) in liabilities		
Payable to the HBL Asset Management Limited - Management Company	958	2,790
Payable to the Central Depository Company of Pakistan Limited - Trustee	16	365
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,251)	(418)
Payable against purchase of investment	4,354,484	(1,181,200)
Accrued expenses and other liabilities	(68,400)	(101,590)
	4,285,807	(1,280,053)
	(1,649,007)	2,008,091
Bank profit received	229,823	138,901
Income on investments received	324,780	312,616
	554,603	451,517
Net cash (used in) / generated from operating activities	(1,094,404)	2,459,608
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	13,008,069	20,263,016
Payment against redemption of units	(9,057,319)	(13,669,443)
Dividend paid	(617)	-
Net cash generated from financing activities	3,950,133	6,593,573
Net increase in cash and cash equivalents	2,855,729	9,053,181
Cash and cash equivalents at beginning of the period	12,963,462	7,992,986
Cash and cash equivalents at end of the period	14 15,819,191	17,046,167

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Money Market Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on March 18, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 9, 2010.

During the current period the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 July 12, 2010 to July 14, 2010. The principal activity of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

VIS Credit Rating Company has assigned a management quality rating of AM2++' (positive outlook) to the Management Company and fund stability rating of AA+(f) to the fund on December 31, 2021.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2021.

2.1.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
4 BANK BALANCES		----- (Rupees in '000) -----	
Balances with bank in:			
- saving accounts	4.1	<u>15,819,191</u>	<u>12,963,462</u>
4.1			
These include a balance of Rs 11.728 million (June 30, 2021: Rs 12.445 million) maintained with Habib Bank Limited (a related party) that carries profit rate of 5.00% per annum (June 30, 2021: 7.84%). Other saving accounts of the Fund carry profit at the rates ranging from 5.00% to 11.09% per annum (June 30, 2021: 5.00% to 8.00% per annum).			

5	INVESTMENTS	Note	(Un-Audited)	(Audited)
			December 31, 2021	June 30, 2021
			----- (Rupees in '000) -----	
Financial asset at fair value through profit and loss				
	- Government securities	5.1	4,356,731	-
	- Commercial papers	5.2	1,525,312	-
			<u>5,882,043</u>	<u>-</u>

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

Issue Date	Tenor	Face Value (Rupees in '000)				Rupees in '000			Percentage	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
September 24, 2020	12 Month	-	1,580,000	1,580,000	-	-	-	-	-	-
January 28, 2021	6 Month	-	1,500,000	1,500,000	-	-	-	-	-	-
March 25, 2021	6 Month	-	2,030	2,030	-	-	-	-	-	-
April 8, 2021	6 Month	-	3,250,000	3,250,000	-	-	-	-	-	-
April 22, 2021	6 Month	-	4,180,000	4,180,000	-	-	-	-	-	-
May 6, 2021	6 Month	-	16,580,000	16,580,000	-	-	-	-	-	-
May 20, 2021	6 Month	-	2,600,000	2,600,000	-	-	-	-	-	-
June 3, 2021	6 Month	-	2,230,000	2,230,000	-	-	-	-	-	-
June 17, 2021	6 Month	-	10,600,000	10,600,000	-	-	-	-	-	-
July 2, 2021	6 Month	-	16,650,000	16,650,000	-	-	-	-	-	-
July 15, 2021	6 Month	-	7,100,000	7,100,000	-	-	-	-	-	-
August 12, 2021	6 Month	-	500,000	500,000	-	-	-	-	-	-
August 26, 2021	6 Month	-	500,000	500,000	-	-	-	-	-	-
December 30, 2021	6 Month	-	1,500,000	-	1,500,000	1,421,288	1,422,236	948	32.64%	8.19%
May 20, 2021	3 Month	-	3,545,000	3,545,000	-	-	-	-	-	-
June 3, 2021	3 Month	-	2,700,000	2,700,000	-	-	-	-	-	-
July 2, 2021	3 Month	-	5,300,000	5,300,000	-	-	-	-	-	-
July 15, 2021	3 Month	-	1,225,000	1,225,000	-	-	-	-	-	-
July 29, 2021	3 Month	-	40,000	40,000	-	-	-	-	-	-
August 12, 2021	3 Month	-	750,000	750,000	-	-	-	-	-	-
August 26, 2021	3 Month	-	50,000	50,000	-	-	-	-	-	-
September 9, 2021	3 Month	-	4,000,000	4,000,000	-	-	-	-	-	-
September 23, 2021	3 Month	-	1,650,000	1,650,000	-	-	-	-	-	-
October 7, 2021	3 Month	-	17,710,000	17,710,000	-	-	-	-	-	-
December 2, 2021	3 Month	-	14,400,000	14,400,000	-	-	-	-	-	-
December 30, 2021	3 Month	-	3,000,000	-	3,000,000	2,933,196	2,934,495	1,299	67.36%	16.90%
Total as at December 31, 2021		-	<u>123,142,030</u>	<u>118,642,030</u>	<u>4,500,000</u>	<u>4,354,484</u>	<u>4,356,731</u>	<u>2,247</u>		
Total as at June 30, 2021						<u>-</u>	<u>-</u>	<u>-</u>		

5.2 Investment in Commercial Papers - At fair value through profit or loss

Particulars	Face value (Rupees in '000)				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of	
	As at July 1, 2021	Purchased during the year	Sold/matured during the year	As at December 31, 2021				Total Investments	Net Assets
	(Rupees in '000)							%	
KEL ICP14	-	70,000,000	70,000,000	-	-	-	-	-	-
KEL ICP 20	-	66,000,000	66,000,000	-	-	-	-	-	-
KEL CP	-	132,000,000	-	132,000,000	130,455	130,455	-	2.99%	0.75%
KEL ICP21	-	174,000,000	-	174,000,000	170,928	170,928	-	3.92%	0.98%
KEL ICP 18	-	40,000,000	40,000,000	-	-	-	-	-	-
KELICP22	-	450,000,000	-	450,000,000	440,160	440,160	-	10.10%	2.53%
KEL ICP 23	-	365,000,000	-	365,000,000	353,889	353,889	-	8.12%	2.04%
KEL ICP24	-	445,000,000	-	445,000,000	429,880	429,880	-	9.87%	2.48%
Total as at December 31, 2021				1,566,000,000	1,525,312	1,525,312	-		
Total as at June 30, 2021					-	-	-		

5.3 Investment in Letter of Placement - At fair value through profit or loss

Particulars	Face value (Rupees in '000)				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of	
	As at July 01, 2021	Purchased during the year	Sold / Matured during the year	As at December 31, 2021				Total Investments	Net Assets
	Rupees in '000							%	
Saudi Pak Ind & Agri Investment Co. (Pvt) Ltd.	-	3,170,000	3,170,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	-	1,550,000	1,550,000	-	-	-	-	-	-
SAPICO	-	200,000	200,000	-	-	-	-	-	-
Pak Brunei Investment Com	-	1,550,000	1,550,000	-	-	-	-	-	-
Pak Kuwait Investment Co. Ltd.	-	4,003,000	4,003,000	-	-	-	-	-	-
Total as at December 31, 2021					-	-	-		
Total as at June 30, 2021					-	-	-		

6 PAYABLE TO THE MANAGEMENT COMPANY

	Note	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
Management fee	6.1	2,336	3,538
Sindh sales tax on Management Company's remuneration	6.2	304	460
Sale load payable to management company		746	74
Selling and marketing	6.3	1,644	-
		5,030	4,072

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. The Management Company has charged remuneration at the rate 0.2% of average daily net assets of the Fund effective from November 30, 2021. Previously the management fee was charged at the rate of 0.45% of average daily net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

- 6.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently selling and marketing charges ranging from 0.05% to 0.10% (June 30, 2021, 0% to 0.50%) of the average annual net assets of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company.

- 6.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.05% of the average annual net assets of the Fund during the period ended December 31, 2021 (June 30, 2021: 0.05%).

	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		----- (Rupees) -----	
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE		
	Remuneration payable to the Trustee	7.1	642
	Sindh Sales Tax payable on remuneration of the Trustee	7.2	84
		<u>726</u>	<u>710</u>

- 7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.15% of the net assets or Rs. 700,000 per annum whichever is higher
- From Rs 1,000 million to Rs 5,000 million	Rs. 1.5 million plus 0.075% exceeding Rs. 1,000 million

- 7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
8	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	8.1	1,348
		<u>1,348</u>	<u>2,599</u>

- 8.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, The Fund has recognised SECP Fee at the rate of 0.02% (June 30, 2021: 0.02%)

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited)	(Audited)
			December 31, 2021	June 30, 2021
			----- (Rupees in '000) -----	
	Auditors' remuneration		321	643
	Withholding tax payable		-	73,476
	Capital gain tax payable		15,575	9,124
	Provision for Sindh Workers' Welfare Fund	9.1	-	62,703
	Federal Excise Duty	9.2	41,211	41,211
	Advance received against units to be issued		2,500	2,500
	Others		3,278	4331
			<u>62,885</u>	<u>193,988</u>

9.1 PROVISION FOR SINDH WORKERS' WELFARE FUND

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). However, the Fund had recorded provision in respect of SWWF with effect from July 1, 2014.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from July 1, 2014 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

9.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 41.211 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.25 (June 30, 2021: Re. 0.33)

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

11 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 0.34%, which includes 0.04% representing government levies on the fund (2020: 0.38% which includes 0.11% representing government levies) and annual fee to SECP. This ratio is within maximum limit of 2% prescribed under NBFC Regulation for a collective Investment Scheme categorised as Money Market Scheme.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13 EARNINGS PER UNIT

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

	Note	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
		----- (Rupees) -----	
14 CASH AND CASH EQUIVALENTS			
In saving accounts	4	<u>15,819,191</u>	<u>17,046,167</u>

15 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.

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

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

	(Un-Audited) December 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
15.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Management fee inclusive of sales tax	30,461	33,946
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,871	-
Selling and marketing expenses	3,871	-
Issue of 48,001 units (2020: Nil units)	5,002	-
Redemption of 48,001 units (2020: Nil units)	5,127	-
Habib Bank Limited - Sponsor		
Mark-up earned during the period	124,732	111,411
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Trustee	4,540	4,903
Directors, Executives and Key Management personnel		
Issue of 23,850 units (2020: 33,053 units)	2,464	3,402
Redemption of 35,208 units (2020: 33,494 units)	3,651	3,446
Fauji Fertilizer Company Limited		
Connected persons due to holding 10% or more units		
Issue of units 72,931,452 (2020: 91,479,014 units)	7,715,877	9,535,871
Redemption of 46,836,651 (2020: 63,140,020 unit)	4,966,507	6,571,368
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan		
Issue of units 12,136 (2020: 1,164,959 units)	1,255	120,677
Redemption of 3,891 (2020: 1,160,044 units)	400	120,279
CDC Trustee HBL Islamic Money Market Fund		
Purchase of commercial paper KEL - ICP	69,557	-
Sale of commercial paper KEL - ICP	63,839	-
CDC Trustee HBL Cash Fund		
Sale of Government securities - T-bills	998,181	-

	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
15.2 Amounts outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management Fee	2,336	3,538
Sindh Sales Tax	304	460
Sales load payable	746	74
Selling and marketing	1,644	-
Habib Bank Limited - Sponsor		
Investment held in the Fund : 4,116,245 units (June 30, 2021: 4,116,245 units)	441,131	422,406
Bank balances	11,728,075	12,448,270
Sales load payable	2,823	4,048
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	642	628
Sindh Sales tax	84	82
Directors, Executives and Key Management personnel		
Investment held in the Fund : 26,864 units (June 30, 2021: 38,522 units)	2,879	3,953
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Associate		
Investment held in the Fund : 404,571 units (June 30, 2021: 3,963,326 units)	43,357	40,671
Fauji Fertilizer Company Ltd due to holding 10% or more units		
Investment held in the Fund : 26,094,801 units (June 30, 2021: Nil units)	2,796,533	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

16.1 FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

----- (Un-audited) -----			
----- As at December 31, 2021 -----			
Level 1	Level 2	Level 3	Total
Financial assets ' at fair value through profit or loss'			
- Government securities	4,356,731	-	4,356,731
- Commercial paper*	1,525,312	-	1,525,312
	5,882,043	-	5,882,043

* The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 as the residual maturity of this investment is upto 6 months and are placed with counter parties which have high credit rating.

17 GENERAL

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

17.2 In March 2020, the World Health Organisation ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 11, 2022.

For HBL Asset Management Limited (Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Cash Fund

FUND INFORMATION

Name of Fund	HBL Cash Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Bankers	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited United Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited Soneri Bank Limited Sindh Bank Limited
Fund Rating	'AA+(f) (JCR-VIS)

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE UNIT HOLDERS

HBL CASH FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL CASH FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL CASH FUND ("the Fund") as at December 31, 2021 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2021 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2022


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Cash Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	42,166,764	26,522,253
Investments	5	10,221,168	-
Mark-up receivable		302,807	156,410
Advances, deposits and prepayments	6	1,480	1,221
TOTAL ASSETS		<u>52,692,219</u>	<u>26,679,884</u>
LIABILITIES			
Payable to the Management Company	7	13,376	7,856
Payable to the Trustee	8	1,881	1,547
Payable to Securities and Exchange Commission of Pakistan	9	3,161	5,067
Payable against purchase of investments - net		9,152,543	-
Accrued expenses and other liabilities	10	9,262	126,003
TOTAL LIABILITIES		<u>9,180,223</u>	<u>140,473</u>
NET ASSETS		<u>43,511,996</u>	<u>26,539,411</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>43,511,996</u>	<u>26,539,411</u>
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of Units) -----	
Number of units in issue		<u>426,464,922</u>	<u>262,188,307</u>
		----- (Rupees) -----	
Net assets value per unit		<u>102.0295</u>	<u>101.2227</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
------(Rupees in '000)-----					
Income					
Capital (loss) / gain on sale of investments - net		(4,635)	(4,504)	(8,520)	306
Income from Government securities		405,899	534,233	191,865	266,792
Income from money market transactions and placements		102,244	43,398	85,450	1,425
Mark-up on bank deposits		850,238	289,764	521,512	211,530
		<u>1,353,746</u>	<u>862,891</u>	<u>790,308</u>	<u>480,053</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net		4,997	-	4,971	8
		<u>1,358,743</u>	<u>862,891</u>	<u>795,279</u>	<u>480,061</u>
Expenses					
Remuneration of the Management Company		43,947	35,413	24,461	19,482
Sindh Sales Tax on remuneration of the Management Company		5,713	4,604	3,182	2,533
Remuneration of the Trustee		9,404	7,673	4,776	4,222
Sindh Sales Tax on remuneration of the Trustee		1,222	997	621	549
Annual fee to Securities and Exchange Commission of Pakistan		3,161	2,361	1,737	1,299
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services		2,766	2,951	1,701	1,623
Selling and marketing expense		2,843	2,951	1,854	1,623
Auditors' remuneration		222	223	112	111
Fee and subscription		235	128	103	23
Securities transaction costs and settlement charges		388	334	154	74
Bank charges		364	482	218	317
Printing charges		-	41	-	29
		<u>70,265</u>	<u>58,158</u>	<u>38,920</u>	<u>31,885</u>
Net income for the period from operating activities		<u>1,288,478</u>	<u>804,733</u>	<u>756,359</u>	<u>448,176</u>
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	10.2	98,533	(16,095)	105,664	(8,964)
Net income for the period before taxation		<u>1,387,011</u>	<u>788,638</u>	<u>862,023</u>	<u>439,212</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>1,387,011</u>	<u>788,638</u>	<u>862,032</u>	<u>439,212</u>
Allocation of net income for the period					
Income already paid on redemption		99,058	40,158	70,314	11,414
Accounting income available for distribution:					
Relating to capital gains		362	-	-	-
Excluding capital gains		1,287,591	748,480	966,909	427,798
		<u>1,287,953</u>	<u>748,480</u>	<u>791,718</u>	<u>427,798</u>
		<u>1,387,011</u>	<u>788,638</u>	<u>862,032</u>	<u>439,212</u>
Earnings per unit	13				

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	------(Rupees in '000)-----			
Net income for the period after taxation	1,387,011	788,638	862,032	439,212
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,387,011</u>	<u>788,638</u>	<u>862,032</u>	<u>439,212</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

Statement Of Movement In Unitholders' Fund

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,					
	2021			2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	26,431,839	107,572	26,539,411	17,880,077	91,709	17,971,786
Issuance of 512,323,299 units (2020: 242,418,452 units)						
Capital value (at net asset value per unit at the beginning of the period)	51,957,165	-	51,957,165	24,523,028	-	24,523,028
Element of income	134,928	-	134,928	68,848	-	68,848
Total proceeds on issuance of units	52,092,093	-	52,092,093	24,591,876	-	24,591,876
Redemption of 348,046,684 units (2020:143,739,240 units)						
Capital value (at net asset value per unit at the beginning of the period)	(35,230,229)	-	(35,230,229)	(14,540,648)	-	(14,540,648)
Income already paid on redemption of units	-	(99,058)	(99,058)	-	(40,158)	(40,158)
Element of loss	(32,799)	-	(32,799)	(4,398)	-	(4,398)
Total payments on redemption of units	(35,263,027)	(99,058)	(35,362,086)	(6,257,157)	(40,158)	(14,585,204)
Total comprehensive income for the period	-	1,387,011	1,387,011	-	788,638	788,638
Interim distribution of Rs. 0.7298 per unit declared on August 07, 2020 as cash dividend						
Refund of capital	-	-	-	(8,203)	-	(8,203)
Distribution for the period	-	-	-	-	(138,046)	(138,046)
Interim distribution of Rs. 0.4954 per unit declared on September 04, 2020 as cash dividend						
Refund of capital	-	-	-	(25,191)	-	(25,191)
Distribution for the period	-	-	-	-	(84,019)	(84,019)
Interim distribution of Rs. 0.5295 per unit declared on October 02, 2020 as cash dividend						
Refund of capital	-	-	-	(7,305)	-	(7,305)
Distribution for the period	-	-	-	-	(115,476)	(115,476)
Interim distribution of Rs. 0.6651 per unit declared on November 06, 2020 as cash dividend						
Refund of capital	-	-	-	(9,923)	-	(9,923)
Distribution for the period	-	-	-	-	(159,887)	(159,887)
Interim distribution of Rs. 0.5039 per unit declared on December 04, 2020 as cash dividend						
Refund of capital	-	-	-	(2,811)	-	(2,811)
Distribution for the period	-	-	-	-	(128,760)	(128,760)
Interim distribution of Rs. 0.7771 per unit declared on August 06, 2021 as cash dividend						
Refund of capital	(6,781)	-	(6,781)	-	-	-
Distribution for the period	-	(181,837)	(181,837)	-	-	-
Interim distribution of Rs. 0.9822 per unit declared on September 03, 2021 as cash dividend						
Refund of capital	(58,263)	-	(58,263)	-	-	-
Distribution for the period	-	(245,317)	(245,317)	-	-	-
Interim distribution of Rs. 0.7675 per unit declared on October 08, 2021 as cash dividend						
Refund of capital	(22,942)	-	(22,942)	-	-	-
Distribution for the period	-	(240,509)	(240,509)	-	-	-
Interim distribution of Rs. 0.5907 per unit declared on November 05, 2021 as cash dividend						
Refund of capital	(8,253)	-	(8,253)	-	-	-
Distribution for the period	-	(193,781)	(193,781)	-	-	-
Interim distribution of Rs. 0.5954 per unit declared on December 03, 2021 as cash dividend						
Refund of capital	(2,178)	-	(2,178)	-	-	-
Distribution for the period	-	(184,572)	(184,572)	-	-	-
	(98,417)	340,995	242,578	(53,432)	162,449	109,017
Net assets at end of the period	43,162,488	349,509	43,511,996	36,161,364	214,001	28,087,475
Undistributed income brought forward						
Realised income		107,572			80,763	
Unrealised income		-			10,946	
		107,572			91,709	
Accounting income available for distribution						
Relating to capital gains		362			-	
Excluding capital gains		1,287,591			748,840	
		1,287,953			748,840	
Distribution for the period:						
Interim distribution of Rs. 0.7298 per unit declared on August 07, 2020 as cash dividend		(181,837)			(138,046)	
Interim distribution of Rs. 0.4954 per unit declared on September 04, 2020 as cash dividend		(245,317)			(84,019)	
Interim distribution of Rs. 0.5295 per unit declared on October 02, 2020 as cash dividend		(240,509)			(115,476)	
Interim distribution of Rs. 0.6651 per unit declared on November 06, 2020 as cash dividend		(193,781)			(159,887)	
Interim distribution of Rs. 0.5039 per unit declared on December 04, 2020 as cash dividend		(184,572)			(128,760)	
		(1,046,016)			(626,188)	
Undistributed income carried forward		349,509			214,001	
Undistributed income carried forward						
Realised income		344,512			214,001	
Unrealised income		4,997			-	
		349,509			214,001	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			101.2227			101.1599
Net assets value per unit at end of the period			102.0295			101.6423

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund
Condensed Interim Statement of Cash Flow (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended	
	December 31,	
	2021	2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,387,011	788,638
Adjustments for:		
Capital loss on sale of investment - net	4,635	4,504
Income from Government securities	(405,899)	(534,233)
Income from money market placements	(102,244)	(43,398)
Mark-up on bank deposits	(850,238)	(289,764)
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(4,997)	-
	28,268	(74,253)
(Increase) / decrease in assets		
Investments - net	(10,220,804)	4,405,302
Advances, deposits and prepayments	(259)	(197)
	(10,221,063)	4,405,105
Increase in liabilities		
Payable to the Management Company	5,521	4,395
Payable to the Trustee	334	666
Payable to Securities and Exchange Commission of Pakistan	(1,906)	(101)
Payable against purchase of investments - net	9,152,543	-
Accrued expenses and other liabilities	(116,741)	27,923
Dividend payable	-	-
	9,039,751	32,883
Cash generated from operations	(1,153,044)	4,363,735
Income received from Government securities	405,823	534,233
Income received from money market placement	102,244	43,398
Mark-up received on bank deposits	703,914	221,374
	1,211,981	799,005
Net cash generated from operating activities	58,937	5,162,740
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	52,092,093	24,951,876
Amount paid on redemption of units	(35,362,086)	(14,585,204)
Dividend paid	(1,144,433)	(679,622)
Net cash generated from financing activities	15,585,574	9,687,050
Net increase in cash and cash equivalents during the period	15,644,511	14,849,790
Cash and cash equivalents at the beginning of the period	26,522,253	13,602,521
Cash and cash equivalents at the end of the period	42,166,764	28,452,311

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Cash Fund

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Positive Outlook) to the Management Company and assigned stability rating of AA+(f) to the Fund as at December 31, 2021 and December 30, 2021, respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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, 2021.

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- 2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2020.
- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2021 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.
- 2.2 Basis of measurement
- This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.
- This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.
- 2.3 Functional and presentation currency
- This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.
- 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN
- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2021, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.
- 3.4 There are certain standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan, effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2021.
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		December 31, 2021 (Un-Audited)		June 30, 2021 (Audited)	
4	BANK BALANCES	Note	----- (Rupees in '000) -----		
	Cash at bank				
	In current account		7		7
	In saving accounts	4.1	42,166,757		26,552,246
			<u>42,166,764</u>		<u>26,552,253</u>

4.1 This represents bank accounts held with various banks. profit rates on these accounts range between 5.5% to 13.4% per annum (June 30, 2021: 5.00% to 14.50% per annum). This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 25,779.586 million (June 30, 2021: Rs. 22,716.150 million) on which return is earned at the range between 6.50% to 13.4% (June 30, 2021: 4.50% to 7.85% per annum).

5 INVESTMENTS

Financial assets

At fair value through profit or loss	5.1	9,157,541	-
At amortized cost	5.2	1,063,627	-
		<u>10,221,168</u>	<u>-</u>

5.1 Market Treasury Bills

Issue date	Tenure	As at July 1, 2021	Purchases during the period	Sales during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as percentage of net assets	Market value as percentage of total investments
						Carrying value	Market value	Appreciation / (diminution)		
----- (Rupees in '000) -----										
July 30, 2020	1 Year	-	275,000	275,000	-	-	-	-	0.00%	0.00%
November 04, 2021	3 Months	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
September 09, 2021	3 Months	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
August 12, 2021	3 Months	-	480,000	480,000	-	-	-	-	0.00%	0.00%
October 21, 2021	3 Months	-	5,550,000	5,550,000	-	-	-	-	0.00%	0.00%
September 23, 2021	3 Months	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
August 12, 2021	6 Months	-	3,500,000	3,500,000	-	-	-	-	0.00%	0.00%
July 30, 2020	1 Year	-	1,900,000	1,900,000	-	-	-	-	0.00%	0.00%
July 02, 2021	3 Months	-	5,100,000	5,100,000	-	-	-	-	0.00%	0.00%
December 02, 2021	3 Months	-	1,200,000	1,200,000	-	-	-	-	0.00%	0.00%
June 03, 2021	3 Months	-	15,030,000	15,030,000	-	-	-	-	0.00%	0.00%
October 07, 2021	3 Months	-	16,650,000	16,650,000	-	-	-	-	0.00%	0.00%
June 17, 2021	3 Months	-	3,290,000	3,290,000	-	-	-	-	0.00%	0.00%
May 20, 2021	3 Months	-	5,565,000	5,565,000	-	-	-	-	0.00%	0.00%
July 29, 2021	3 Months	-	1,175,000	1,175,000	-	-	-	-	0.00%	0.00%
December 30, 2021	3 Months	-	5,000,000	-	5,000,000	4,888,632	4,890,827	2,195	11.24%	47.85%
July 02, 2021	6 Months	-	14,200,000	14,200,000	-	-	-	-	0.00%	0.00%
June 03, 2021	6 Months	-	10,889,000	10,889,000	-	-	-	-	0.00%	0.00%
May 06, 2021	6 Months	-	27,080,000	27,080,000	-	-	-	-	0.00%	0.00%
April 08, 2021	6 Months	-	3,474,000	3,474,000	-	-	-	-	0.00%	0.00%
March 11, 2021	6 Months	-	8,700,000	8,700,000	-	-	-	-	0.00%	0.00%
July 15, 2021	6 Months	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
May 20, 2021	6 Months	-	11,600,000	11,600,000	-	-	-	-	0.00%	0.00%
April 22, 2021	6 Months	-	9,300,000	9,300,000	-	-	-	-	0.00%	0.00%
March 25, 2021	6 Months	-	7,350,000	7,350,000	-	-	-	-	0.00%	0.00%
August 26, 2021	6 Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
July 29, 2021	6 Months	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
December 30, 2021	6 Months	-	4,500,000	-	4,500,000	4,263,911	4,266,714	2,802	9.81%	41.74%
January 28, 2021	6 Months	-	75,000	75,000	-	-	-	-	0.00%	0.00%
Total - As at December 31, 2021		-	174,383,000	164,883,000	9,500,000	9,152,543	9,157,541	4,997	21.05%	89.59%
Total - June 30, 2021		-	-	-	-	-	-	-	0.00%	0.00%

5.2 Commercial paper

Name of investee company	Maturity Date	As at July 1, 2021	Placement made during the year	Income accrued	Placement matured / sold during the year	As at December 31, 2021	Percentage of total of investments	Percentage of net assets
----- (Rupees in '000) -----								
K Electric Limited	January 26, 2022	-	450,000	393	380,000	69,607	0.68%	0.16%
K Electric Limited	February 21, 2022	-	450,000	5,008	-	444,992	4.35%	1.02%
K Electric Limited	March 21, 2020	-	300,000	5,245	-	294,755	2.88%	0.68%
K Electric Limited	April 6, 2022	-	260,000	5,727	-	254,273	2.49%	0.58%
Total - as at December 31, 2020		-	1,460,000	16,373	380,000	1,063,627	10.41%	2.44%
Total - as at June 30, 2021		-	-	-	-	-	0.00%	0.00%

These commercial papers carry mark-up at the rate ranging between 7.89% to 8.47% (June 30, 2021: Nil) per annum.

	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
6	Note	----- (Rupees in '000) -----
Security deposit with:		
Central Depository Company of Pakistan Limited	100	100
	100	100
Prepaid expenses	365	106
Advance tax	6.1 1,015	1,015
	<u>1,480</u>	<u>1,221</u>

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

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

	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
7	Note	----- (Rupees in '000) -----
PAYABLE TO THE MANAGEMENT COMPANY		
Remuneration payable to the Management Company	7,422	5,593
Sindh sales tax payable on the Management Company's remuneration	965	727
Allocation of expenses related to registrar services, accounting, operation and valuation services	356	219
Sales load payable	2,856	4
Selling and marketing expenses payable	1,777	1,313
	<u>13,376</u>	<u>7,856</u>

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	1,650	1,369
	Sindh sales tax payable on the Management Company's remuneration	214	178
	CDS charges payable	17	-
		<u>1,881</u>	<u>1,547</u>
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	<u>3,161</u>	<u>5,067</u>
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 7,528	7,528
	Provision for Sindh Workers' Welfare Fund	10.2 -	98,533
	Withholding tax payable	1,246	19,044
	Sales Load-payable	-	313
	Auditors' remuneration	222	443
	Brokerage payable	131	8
	Zakat Payable	89	71
	Other payable	46	63
		<u>9,262</u>	<u>126,003</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2020, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 7.528 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2021 would have been higher by Rs. 0.017 per unit (June 30, 2021: Rs. 0.028 per unit).

10.2 Workers' Welfare Fund and Sindh Workers' Welfare Fund

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 102.730 million for the period from July 1, 2014 till August 12, 2021.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealized) for the period ending June 30, 2021 to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Half year ended December 31,	
		2021	2020
		----- (Un-Audited) -----	
		----- (Rupees in '000) -----	
14.1	Transaction during the period		
	HBL Asset Management Limited		
	Remuneration of the Management Company	43,947	35,413
	Sindh Sales Tax on remuneration of the Management Company	5,713	4,604
	Allocation of expenses related to registrar services, accounting, operation and valuation services	2,766	2,951
	Selling and marketing expense	2,843	2,951
	Issuance of 2,337,804 units (2020: 6,833,444 units)	236,863	693,611
	Redemption of 2,438,996 units (2020: 3,859,497 units)	248,000	392,000
	Dividend paid	1,938	1,618
	Central Depository Company Of Pakistan Limited - Trustee		
	Remuneration of the Trustee	9,404	7,673
	Sindh Sales Tax on remuneration of the Trustee	1,222	997
	CDS connection charges	12	12
	Habib Bank Limited - Sponsor		
	Mark-up on bank deposits	334,570	173,865
	Bank charges paid	360	448
	Directors and Executives of the Management Company		
	Issuance of 116,572 (2020: 64,369) units	11,855	6,532
	Redemption of 26,187 (2020: 41,054) units	2,662	4,168
	Dividend paid	474	75
	HBL Financial Planning Fund - Active Allocation Plan - Associate		
	Issuance of Nil (2020: 20,970) units	-	2,122
	Redemption of 14,992 (2020: 156,391) units	1,522	15,851
	Dividend paid	-	571
	HBL Financial Planning Fund - Conservative Allocation Plan - Associate		
	Issuance of 5 (2020: 3) units	0.465	0.342
	Dividend paid	0.465	0.342
	HBL Financial Planning Fund - Special Income Plan - Associate		
	Issue of 13,422 (2020: 1,362,104) units	1,359	138,348
	Redemption of 884,450 (2020: 190,299) units	89,683	19,302
	Dividend paid	1,359	927
	Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units		
	Issuance of 56,000,000 (2020: 91,397,340) units	5,705,381	9,275,662
	Redemption of Nil (2020: 55,265,917) units	-	5,608,192
	Dividend paid	-	152,037

	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
HBL Islamic Money Market Fund - under common management		
Sale of Commercial Papers	367,557	199,489
HBL Money Market Fund - under common management		
Purchase of Market Treasury Bills	1,000,000	-
HBL Income Fund - under common management		
Sale of Market Treasury Bills	50,000	-
14.2 Balances outstanding as at period / year end		
HBL Asset Management Limited		
Units held: 2,93,600 (June 30, 2021: 394,763)	29,955	39,959
Payable to Management Company	7,422	5,593
Sindh sales tax on Management Company's remuneration	965	727
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	356	219
Sales load payable	2,856	4.08
Selling and marketing expense payable	1,777	1,313
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,881	1,547
Security deposit held	100	100
Habib Bank Limited - Sponsor		
Bank balances	25,779,586	22,716,150
Mark-up receivable	86,364	143,973
Sales load payable	-	313
Directors and Executives of the Management Company		
Units held: 198,580 (June 30, 2021: 108,195)	20,261	10,952
MCBFSL Trustee HBL Financial Planning Fund - Active Allocation Plan - Fund under common		
Units held: Nil (June 30, 2021: 14,992)	-	1,518
MCBFSL Trustee HBL Financial Planning Fund - Conservative Allocation Plan - Fund under common		
Units held: 128 (June 30, 2021: 124)	13	13
MCBFSL Trustee HBL Financial Planning Fund - Special Income Plan - Fund under common management		
Units held: Nil (June 30, 2021: 871,029)	-	88,168
Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units		
Units held: 56,000,000 (June 30, 2021: Nil)	5,713,652	-

15 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 (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:

		December 31, 2021 (Un-Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets measured at fair value	15.1							
Market treasury bills		9,157,541	-	9,157,541	-	9,157,541	-	9,157,541
		<u>9,157,541</u>	<u>-</u>	<u>9,157,541</u>	<u>-</u>	<u>9,157,541</u>	<u>-</u>	<u>9,157,541</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	42,166,764	42,166,764				
Investments								
Commercial Paper		-	1,063,627	1,063,627				
Mark-up / interest receivable		-	302,807	302,807				
Deposits		-	100	100				
		<u>-</u>	<u>43,533,198</u>	<u>43,533,198</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	12,411	12,411				
Payable to the Trustee		-	1,665	1,665				
Accrued expenses and other liabilities		-	353	353				
		<u>-</u>	<u>14,429</u>	<u>14,429</u>				

		June 30, 2021 (Audited)						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
Financial assets measured at fair value	15.1							
Market treasury bills		-	-	-	-	-	-	-
Financial assets not measured at fair value	15.2							
Bank balances		-	26,522,253	26,522,253				
Mark-up receivable		-	156,410	156,410				
Deposits		-	100	100				
		-	26,678,763	26,678,763				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	7,129	7,129				
Payable to the Trustee		-	1,212	1,212				
Accrued expenses and other liabilities		-	764	764				
		-	9,105	9,105				

15.1 Valuation techniques

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

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

15.3 Transfers during the period

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

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended December 31, 2021 is 0.22% (June 30, 2021: 0.32%) which includes 0.03% (June 30, 2021: 0.11%) representing Government levy and SECP fee.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 11, 2022.

18 GENERAL

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

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

18.3 "In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Stock Fund

FUND INFORMATION

Name of Fund	HBL Stock Fund
Name of Auditor	A.F.Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Khushhali Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
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Tel: (92-21) 111-111-500
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Email: info@cdcpak.com



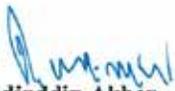
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Stock Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 24, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

HBL Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	51,380	102,568
Investments	5	519,759	919,590
Dividend receivable and accrued mark-up		593	3,623
Receivable against sale of investments		760	532,832
Advances, deposits, prepayments and other receivables	6	3,202	10,451
Total assets		575,694	1,569,064
LIABILITIES			
Payable to the HBL Asset Management Limited - Management Company	7	3,838	7,655
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	128	228
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	89	400
Payable against purchase of investments		6,724	23,548
Accrued expenses and other liabilities	10	40,590	585,888
Total liabilities		51,369	617,719
NET ASSETS		<u>524,325</u>	<u>951,345</u>
Unit holders' fund (as per statement attached)		<u>524,325</u>	<u>951,345</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>5,472,655</u>	<u>8,486,417</u>
		----- (Rupees) -----	
Net assets value per unit		<u>95.8082</u>	<u>112.1021</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
------(Rupees in '000)-----					
INCOME					
Dividend income		16,139	36,836	9,459	31,416
Mark-up on deposits with banks		2,231	4,218	905	1,924
Income on Government securities		225	-	225	-
(Loss) / gain on sale of investments - net		(127,418)	123,239	(129,095)	56,948
		(108,823)	164,293	(118,506)	90,288
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss' - net	5.4	(68,312)	257,642	67,249	47,557
Total income		(177,135)	421,935	(51,257)	137,845
EXPENSES					
Remuneration of HBL Asset Management Limited - Management Company		10,084	23,563	4,721	11,809
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,008	1,748	397	838
Annual fee to the Securities and Exchange Commission of Pakistan		89	209	42	105
Allocation of expenses related to registrar services, accounting, operation and valuation services		2,454	5,734	1,149	2,873
Selling and marketing expense		4,685	10,947	2,194	5,487
Securities transaction costs		2,426	3,873	1,473	1,951
Auditors' remuneration		353	319	193	159
Settlement and bank charges		378	347	193	220
Other expenses		149	17	116	17
		21,626	46,757	10,478	23,459
Net (loss) / income from operating activities		(198,761)	375,178	(61,735)	114,386
Reversal of provision for / (provision for) Sindh Workers' Welfare Fund	10.2	44,249	(7,504)	-	(2,288)
Net (loss) / income for the period before taxation		(154,512)	367,675	(61,735)	112,099
Taxation	13	-	-	-	-
Net (loss) / income for the period after taxation		(154,512)	367,675	(61,735)	112,099
Allocation of net income for the period:					
Income already paid on redemption of units		-	17,264	-	4,902
Accounting income available for distribution:					
- Relating to capital gains		-	350,410	-	104,505
- Excluding capital gains		-	-	-	2,691
		-	350,410	-	107,196
		(154,512)	367,675	(61,735)	112,099

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

Condensed Interim Statement of Comprehensive Income (Un-Audited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(154,512)	367,675	(61,735)	112,099
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(154,512)	367,675	(61,735)	112,099

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Statement Of Movement In Unitholders' Fund
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	-----Rupees in '000'-----					
Net assets as at the beginning of the period (audited)	1,837,991	(886,646)	951,345	2,925,074	(1,084,330)	1,840,744
Issuance of 1,796,727 units (2020: 3,505,409 units)						
- Capital value (at net asset value per unit at the beginning of the period)	201,417	-	201,417	302,664	-	302,664
- Element of income	(17,286)	-	(17,286)	46,551	-	46,551
Total proceeds on issue of units	184,131	-	184,131	349,215	-	349,215
Redemption of 4,810,489 units (2020: 3,883,952 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(539,266)	-	(539,266)	(335,348)	-	(335,348)
- Amount paid out of element of loss	82,627	-	82,627	(26,985)	-	(26,985)
- Income already paid on redemption	-	-	-	-	(17,264)	(17,264)
Total payments on redemption of units	(456,639)	-	(456,639)	(362,333)	(17,264)	(379,597)
Total comprehensive (loss) / income for the period	-	(154,512)	(154,512)	-	367,675	367,675
Distribution during the period	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(154,512)	(154,512)	-	367,675	367,675
Net assets as at the end of the period (un-audited)	1,565,483	(1,041,158)	524,325	2,911,956	(733,920)	2,178,036
Accumulated loss brought forward comprising of:						
- Realised		(966,283)			(1,084,330)	
- Unrealised		79,637			-	
		(886,646)			(1,084,330)	
Accounting income available for distribution:						
- Relating to capital gains		-			350,410	
- Excluding capital gains		-			-	
Net (loss) / income available for distribution		(154,512)			350,410	
Accumulated loss carried forward		(1,041,158)			(733,920)	
Accumulated loss carried forward comprising of:						
- Realised		(972,846)			(991,561)	
- Unrealised		(68,312)			257,642	
		(1,041,158)			(733,920)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		112.1021			86.3419	
Net asset value per unit at end of the period		95.8082			104.0097	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund
Condensed Interim Cash Flow Statement (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period before taxation		(154,512)	367,675
Adjustments for non-cash items:			
Mark-up on deposits with banks		(2,231)	(4,218)
Dividend income		(16,139)	(36,836)
Income from Government securities		(225)	-
Loss / (gain) on sale of investments - net		127,418	(123,239)
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial asset at fair value through profit or loss - net (Reversal of provision for) / provision for Sindh Workers' Welfare Fund		68,312	(257,642)
		(44,249)	7,504
		(21,626)	(46,756)
Decrease / (increase) in assets			
Investments - net		204,326	(55,859)
Net receivable against sale of investments		515,248	(15,362)
Advances, deposits, prepayments and other receivables		7,249	(17)
		726,823	(71,238)
(Decrease) / increase in liabilities			
Payable to the HBL Asset Management Limited - Management Company		(3,817)	1,751
Payable to the Central Depository Company of Pakistan Limited - Trustee		(100)	39
Annual fee payable to the Securities and Exchange Commission of Pakistan		(311)	(208)
Accrued expenses and other liabilities		(1,049)	1,044
		(5,277)	2,626
Mark-up on bank deposits received		2,431	4,920
Dividend received		18,969	32,402
Net cash generated from / (used in) operating activities		721,320	(78,046)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		184,131	349,215
Payments against redemption of units		(956,639)	(379,597)
Net cash used in financing activities		(772,508)	(30,382)
Net decrease in cash and cash equivalents		(51,188)	(108,428)
Cash and cash equivalents at beginning of the period		102,568	209,661
Cash and cash equivalents at end of the period	14	51,380	101,233

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Stock Fund

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

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on August 09, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 21, 2007.

During the current period, the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 8, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 categorised as "Equity Scheme" and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from August 29, 2007 to August 31, 2007.

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

1.5 VIS Credit Rating Company has assigned a management quality rating of AM2++' (Stable outlook) on December 31, 2021 to the Management Company.

1.6 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees in '000) -----			
4 BANK BALANCES			
Balances with banks in:			
saving accounts	4.1	51,361	102,550
current accounts		19	18
		<u>51,380</u>	<u>102,568</u>

- 4.1 This includes balances of Rs. 4.588 million (June 30, 2021: 66.714 million) with Habib Bank Limited (a related party). These accounts carry mark-up at the rates of 5% (2021: 5%) per annum. Other profit or loss accounts of the Fund carry profit at the rates of 5.5% to 11.15% (June 30, 2021: 5% to 7.4%) per annum.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
Note	------(Rupees in '000) -----	
5 INVESTMENTS		
Financial assets at fair value through profit or loss account		
- Listed equity securities	5.1	519,759
		919,590

- 5.1 Listed equity securities - At fair value through profit or loss
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	-----Number of shares-----					Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2021	Carrying Value	Market value	Unrealised gain/ (loss)	Total Investments	Net Assets	
Insurance											
IGI Holdings Limited	199,100	99,200	-	192,700	105,600	19,661	16,223	(3,438)	3.12%	3.09%	0.07%
IGI Life Insurance Limited	200,500	20,000	-	100,000	120,500	5,643	4,591	(1,052)	0.88%	0.88%	0.07%
TPL Insurance Limited	402,000	4,500	-	290,000	116,500	4,563	3,460	(1,103)	0.67%	0.66%	0.10%
	801,600	123,700	-	582,700	342,600	29,867	24,274	(5,593)			
Textile composite											
Nishat Chunian Limited	190,000	-	-	190,000	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	279,800	88,000	-	258,000	109,800	5,661	5,167	(494)	0.99%	0.99%	0.02%
Azgard Nine Limited	894,000	725,000	-	886,500	732,500	21,659	9,588	(12,071)	1.84%	1.83%	0.15%
Interloop Limited	138,250	-	4,147	69,000	73,397	4,990	5,335	345	1.03%	1.02%	0.01%
	1,502,050	813,000	4,147	1,403,500	915,697	32,310	20,090	(12,220)			
Cement & material											
Attock Cement Pakistan Limited	209,000	154,100	-	10,500	352,600	61,080	48,997	(12,083)	9.43%	9.34%	0.26%
Cherat Cement Company Limited	52,500	-	-	52,500	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	72,900	-	-	72,900	-	-	-	-	-	-	-
Kohat Cement Limited	41,400	-	-	13,000	28,400	5,864	5,356	(508)	1.03%	1.02%	0.01%
Lucky Cement Limited	62,150	20,500	-	44,553	38,097	31,253	25,879	(5,374)	4.98%	4.94%	0.01%
Fauji Cement Company Limited	-	235,000	-	235,000	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	149,000	815,000	-	817,500	146,500	5,713	5,267	(446)	1.01%	1.00%	0.01%
Pioneer Cement Limited	56,500	8,000	-	64,500	-	-	-	-	-	-	-
	643,450	1,232,600	-	1,310,453	565,597	103,910	85,499	(18,411)			
Power generation & distribution											
The Hub Power Company Limited	412,558	-	-	269,000	143,558	11,437	10,241	(1,196)	1.97%	1.95%	0.01%
	412,558	-	-	269,000	143,558	11,437	10,241	(1,196)			
Engineering											
Agha Steel Industry Limited	288,000	226,000	15,025	389,025	140,000	3,398	3,664	266	0.70%	0.70%	0.02%
Aisha Steel Mills Limited	579,000	-	-	579,000	-	-	-	-	-	-	-
Amreli Steels Limited	110,000	182,500	-	292,500	-	-	-	-	-	-	-
International Industries Limited	45,500	-	-	45,500	-	-	-	-	-	-	-
International Steels Limited	153,401	-	-	153,401	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	90,285	210,000	24,342	139,200	185,427	17,666	19,305	1,639	3.71%	3.68%	0.06%
	1,266,186	618,500	39,367	1,598,626	325,427	21,064	22,969	1,905			
Automobile assembler											
Pak Suzuki Motor Company Limited	21,100	-	-	21,100	-	-	-	-	-	-	-
Gandhara Industries Limited	-	23,000	-	23,000	-	-	-	-	-	-	-
	21,100	23,000	-	44,100	-	-	-	-	-	-	-
Pharmaceuticals											
The Searle Company Limited	7,333	-	2,199	-	9,532	1,779	1,370	(409)	0.26%	0.26%	0.00%
Abbott Laboratories (Pakistan) Limited	-	200	-	-	200	154	144	(10)	0.03%	0.03%	0.00%
Ferozsons Laboratories Limited	-	33,000	-	9,600	23,400	9,555	7,624	(1,931)	1.47%	1.45%	0.06%
Highnoon Laboratories Limited	-	15,000	-	8,150	6,850	4,265	4,301	36	0.83%	0.82%	0.02%
	7,333	48,200	2,199	17,750	39,982	15,753	13,439	(2,314)			
Cable & electrical goods											
Pak Elektron Limited	403,000	205,000	-	608,000	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	360,000	216,000	-	576,000	-	-	-	-	-	-	-
	763,000	421,000	-	1,184,000	-	-	-	-	-	-	-

Name of the Investee Company	Number of shares					Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2021	Carrying Value	Market value	Unrealised gain/ (loss)	Total Investments	Net Assets	
Miscellaneous											
TPL Properties Limited	465,000	-	-	465,000	-	-	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited	-	167,563	-	167,563	-	-	-	-	-	-	-
Pace (Pakistan) Limited	-	672,000	-	672,000	-	-	-	-	-	-	-
	465,000	839,563	-	1,304,563	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	47,000	-	-	47,000	-	-	-	-	-	-	-
National Refinery Limited	56,000	33,700	-	56,500	33,200	15,052	9,448	(5,604)	1.82%	1.80%	0.04%
	103,000	33,700	-	103,500	33,200	15,052	9,448	(5,604)			
Oil & gas exploration companies											
Mari Petroleum Company Limited	17,069	-	-	10,900	6,169	9,404	10,205	801	1.96%	1.95%	0.00%
Oil & Gas Development Company Limited	343,300	-	-	253,500	89,800	8,534	7,741	(793)	1.49%	1.48%	0.00%
Pakistan Oilfields Limited	18,000	18,000	-	13,670	22,330	8,557	7,986	(571)	1.54%	1.52%	0.01%
Pakistan Petroleum Limited	405,519	136,100	-	444,500	97,119	7,597	7,676	79	1.48%	1.46%	0.00%
	783,888	154,100	-	722,570	215,418	34,092	33,608	(484)			
Oil & gas marketing companies											
Pakistan State Oil Company Limited	138,741	24,100	-	75,500	87,341	19,453	15,886	(3,567)	3.06%	3.03%	0.02%
Sui Northern Gas Pipelines Limited	-	100,000	-	100,000	-	-	-	-	0.00%	0.00%	0.00%
	138,741	124,100	-	175,500	87,341	19,453	15,886	(3,567)			
Commercial banks											
Faysal Bank Limited	26,018	550,500	-	77,000	499,518	12,771	11,489	(1,282)	2.21%	2.19%	0.03%
Habib Bank Limited	108,504	413,654	-	112,000	410,158	48,604	47,833	(771)	9.20%	9.12%	0.03%
MCB Bank Limited	108,964	35,000	-	75,000	68,964	11,068	10,576	(492)	2.03%	2.02%	0.01%
Standard Chartered Bank (Pak) Ltd	1,102,000	231,000	-	325,000	1,008,000	34,316	36,772	2,456	7.07%	7.01%	0.03%
United Bank Limited	367,215	98,513	-	232,621	233,107	28,987	31,838	2,851	6.13%	6.07%	0.02%
Bank Alfalah Limited	-	521,552	-	265,000	256,552	8,500	8,877	377	1.71%	1.69%	0.01%
Bank AL Habib Limited	-	234,000	-	115,000	119,000	8,388	8,212	(176)	1.58%	1.57%	0.01%
Meezan Bank Ltd	-	16,000	-	16,000	-	-	-	-	-	-	-
BankIslami Pakistan Limited	-	296,000	-	296,000	-	-	-	-	-	-	-
	1,712,701	2,396,219	-	1,513,621	2,595,299	152,634	155,597	2,963			
Fertilizer											
Engro Corporation Limited	96,500	-	-	96,500	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	343,000	306,000	-	649,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	132,784	-	-	132,784	-	-	-	-	-	-	-
	572,284	306,000	-	878,284	-	-	-	-	-	-	-
Chemical											
Nimir Resins Limited	-	614,750	-	412,000	202,750	7,687	3,824	(3,863)	0.74%	0.73%	0.14%
Nimir Resins Limited (5) (note 5.1.1)	733,500	250,000	-	983,500	-	-	-	-	-	-	-
Descon Oxychem Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
	733,500	879,750	-	1,410,500	202,750	7,687	3,824	(3,863)			
Automobile parts & accessories											
The General Tyre & Rubber	285,000	92,000	-	268,500	108,500	9,009	5,030	(3,979)	0.97%	0.0096	0.09%
Panther Tyres Limited	141,811	-	-	141,811	-	-	-	-	-	-	-
	426,811	92,000	-	410,311	108,500	9,009	5,030	(3,979)			
Technology & communication											
Avanceon Limited	51,000	136,500	-	129,000	58,500	7,051	5,331	(1,720)	1.03%	1.02%	0.02%
Netsol Technologies Limited	76,000	86,000	-	112,000	50,000	7,712	4,693	(3,019)	0.90%	0.90%	0.06%
Hum Network Limited (note 5.1.1)	-	140,000	-	140,000	-	-	-	-	-	-	-
Systems Limited	17,100	17,000	-	19,314	14,786	8,900	11,235	2,335	2.16%	2.14%	0.01%
TPL Trakker Limited	1,728,000	2,422,500	-	137,000	4,013,500	71,665	67,066	(4,599)	12.90%	12.79%	2.14%
TRG Pakistan Limited	59,000	128,000	-	187,000	-	-	-	-	-	-	-
Octopus Digital Limited	-	70,658	-	70,658	-	-	-	-	-	-	-
Air Link Communication Limited	-	160,750	4,931	165,681	-	-	-	-	-	-	-
WorldCall Telecom Limited	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-
TPL Corporation Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
	2,931,100	3,661,408	4,931	2,460,653	4,136,786	95,328	88,325	(7,003)			
Foods & personal care products											
Clover Pakistan Limited	76,000	-	-	76,000	-	-	-	-	-	-	-
Fauji Foods Limited	7,000	1,323,226	-	621,500	708,726	7,827	6,513	(1,314)	1.25%	1.24%	0.09%
Al Shaheer Corporation Limited	-	690,500	-	690,500	-	-	-	-	-	-	-
Fauji Foods Limited-LOR	-	699,226	-	699,226	-	-	-	-	-	-	-
The Organic Meat Company Limited	526,272	1,027,500	89,177	1,204,000	438,949	14,812	13,928	(884)	2.68%	2.66%	0.36%
Unity Foods Limited	766,400	308,000	-	655,500	418,900	17,836	11,088	(6,748)	2.13%	2.11%	0.04%
Unity Foods Limited-LOR3	-	187,897	-	187,897	-	-	-	-	-	-	-
	1,375,672	4,236,349	89,177	4,134,623	1,566,575	40,475	31,529	(8,946)			
Total as at December 31, 2021						588,071	519,759	(68,312)			
Total as at June 30, 2021						839,953	919,590	79,637			

5.1.1 All shares have a face value of Rs 10 each except for the shares of Hum Network Limited and Nimir Resins Limited which have a face value of Re 1 and Rs 5 respectively.

5.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2021	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Attock Cement Pakistan Limited	350,000	48,636	-	-
Bank Alfalah Limited	100,000	3,460	-	-
Bank Al Habib Limited	100,000	6,901	-	-
Faysal Bank Limited	250,000	5,750	-	-
Habib Bank Limited	258,000	30,088	-	-
The Hub Power Company Limited	139,010	9,917	410,000	32,665
Interloop Limited	50,000	3,635	-	-
Lucky Cement Limited	37,300	25,337	57,300	49,475
Mari Petroleum Company Limited	5,800	9,595	15,500	23,628
MCB Bank Limited	67,000	10,274	102,000	16,303
Mughal Iron And Steel Industries Ltd	100,000	10,411	50,000	522
Oil & Gas Development Company Limited	89,000	7,672	333,000	31,645
Pakistan Petroleum Limited	50,000	3,952	-	-
Pakistan State Oil Company Limited	80,000	14,551	80,000	1,794
Standard Chartered Bank (Pakistan) Limited	500,000	18,240	-	-
Systems Limited	10,000	7,599	-	-
United Bank Limited	215,000	29,365	300,000	37
	<u>2,401,110</u>	<u>245,383</u>	<u>937,800</u>	<u>123,404</u>

5.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or to be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2021, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Company	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2021	
	Bonus shares			
	Number of shares withheld	Rupees in '000	Number of shares withheld	Rupees in '000
Mughal Iron & Steel Industries Limited	20,889	2,175	18,165	1896
The Searle Company Limited	9,532	1,370	7,333	1779
Pakistan State Oil Company Limited	3,503	637	3,503	786
Faysal Bank Limited	26,018	598	26,018	442
	<u>59,942</u>	<u>4,780</u>	<u>55,019</u>	<u>4,903</u>

5.4 Unrealized (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'

Note

(Un-audited) (Audited)
December 31, June 30,
2021 2021
----- (Rupees in '000) -----

Market value of investments	519,759	919,590
Less: carrying value of investments before mark to market	<u>(588,071)</u>	<u>(839,953)</u>
	<u>(68,312)</u>	<u>79,637</u>

5.5 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	% of net assets	% of total investments
		----- (Rupees in '000) -----		----- (%) -----		
Dewan Cement Limited	Advance	25,000	25,000	-	-	-

5.6 Market treasury bills - 'at fair value through profit or loss'

Particulars	Issue date	Face value				Balance as at December 31, 2021			Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investment
(Rupees)										
----- (%) -----										
Market treasury bills- 3-months										
Market treasury bills	7-Oct-21	-	15,000,000	15,000,000	-	-	-	-	-	-
Market treasury bills	12-Aug-21	-	20,000,000	20,000,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	30,000,000	30,000,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	25,000,000	25,000,000	-	-	-	-	-	-
Market treasury bills- 6-months										
Market treasury bills	6-May-21	-	45,000,000	45,000,000	-	-	-	-	-	-
Market treasury bills	22-Apr-21	-	25,000,000	25,000,000	-	-	-	-	-	-
Total as at December 31, 2021					-					
Total as at June 30, 2021					-					

(Un-audited) (Audited)
December 31, June 30,
2021 2021

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

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

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		510	511
Prepaid listing fee		-	7,340
Advance against subscription of Term Finance Certificates (TFC)	6.1	25,000	25,000
Prepaid Legal Charges		92	-
		28,202	35,451
Less: Provision in respect of advance against subscription of term finance certificates	6.1	(25,000)	(25,000)
		3,202	10,451

6.1 The Fund had subscribed towards the Term Finance Certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till December 31, 2021. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at December 31, 2021, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		(Un-audited) (Audited) December 31, June 30, 2021 2021
		----- (Rupees in '000) -----
Management fee payable	7.1	1,134 2,401
Sindh Sales Tax payable on remuneration of the Management Company	7.2	147 312
Sales load payable		52 12
Selling and marketing expenses payable	7.3	2,193 4,270
Allocated expenses payable	7.4	312 660
		3,838 7,655

7.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. Currently, the management fee is charged at the rate of 2% of average annual net assets of the fund (June 30, 2021: 2%) during the period.

7.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined a capping of 1.05% (June 30, 2021, 1.05%) of the average annual net assets of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company.

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended December 31, 2021 (June 30, 2021: 0.55%).

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees) -----	
8	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE		
	Remuneration payable to the Trustee	113	202
	Sindh Sales Tax payable on remuneration of the Trustee	15	26
		<u>128</u>	<u>228</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff structure is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.02% of the net assets or Rs. 700,000 per annum whichever is higher
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

8.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
9	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	89	400

9.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, The Fund has recognised SECP Fee at the rate of 0.02% (June 30, 2021: 0.02%)

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Federal Excise Duty	37,838	37,838
	Provision for Sindh Workers' Welfare Fund	-	44,249
	Withholding tax payable	736	762
	Auditors remuneration	353	924
	Payable to broker	1,000	1,279
	Redemption payable	-	500,000
	Others	663	836
		<u>40,590</u>	<u>585,888</u>

10.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 37.838 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 6.914 (June 30, 2021: Rs 4.459)

10.2 Provision For Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). However, the Fund had recorded provision in respect of SWWF with effect from July 1, 2014.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from July 1, 2014 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

12 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 2.44%, which includes 0.15% representing government levies on the fund (2020: 2.33% which includes 0.51% representing government levies) and annual fee to SECP. This ratio is within maximum limit of 4.5% prescribed under NBFC Regulation for a collective Investment Scheme categorised as Equity Scheme.

13 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred net loss during the current period, therefore no provision for taxation has been made in these condensed interim financial statements.

		(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
14	CASH AND CASH EQUIVALENTS	Note	----- (Rupees in '000) -----
	Balances with banks	4	<u>51,380</u> <u>101,233</u>

15 TRANSACTIONS AND BALANCES 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.

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

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

15.1 Transactions during the period

	(Un-audited) Half year ended December 31,	
	2021	2020
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Management Fee including sales tax thereon	10,084	23,563
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,454	5,734
Selling and marketing expense	4,685	10,947
Habib Bank Limited - Sponsor		
Bank charges paid	5	9
Mark-up on deposits with banks earned	865	2,160
Dividend income earned	720	36,836
Redemption of units 1,601,828 (2020 : nil)	150,000	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,008	1,748
Central Depository service charges	106	87
HBL Equity Fund		
Sale of equity securities	1,090	-
MCBFSL - HBL Financial Planning Fund Active Allocation Plan - Trustee		
Issuance of nil units (2020: 522 units)	-	51
Redemption of nil units (2020: 2,988 units)	-	291
MCBFSL - HBL Financial Planning Fund Conservative Allocation Plan - Trustee		
Issuance of nil (2020: 286,784 units)	-	29,725
Redemption of nil (2020: 306,901 units)	-	31,238

15.2 Balances outstanding as at period / year end	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Management fee	1,134	2,401
Sindh Sales Tax	147	312
Sales load payable	52	12
Selling and marketing payable	2,193	4,270
Allocation of expenses related to registrar services, accounting, operation and valuation services	312	660
Habib Bank Limited - Sponsor		
Investment held in the Fund: 2,529,800 units (June 30, 2021: 4,131,628 units)	242,375	463,164
Bank balances	4,588	66,713
Payable against redemption	-	497,593
Mark-up receivable	865	274
Directors and Executives of the Management Company and their relatives		
Directors and their relatives*		
Investment held in the Fund: 1,579 units (June 30, 2021: 1,579 units)	151	177
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	113	202
Sindh Sales Tax	15	26
Security deposit	100	100
Unit holder having 10% or more than 10% of investment		
Units held: 552,702 units	52,953	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

------(Un-audited)-----				
----- As at December 31, 2021 -----				
	Level 1	Level 2	Level 3	Total
Financial assets ' at fair value through profit or loss'				
- Quoted equity securities	519,759	-	-	519,759
	<u>519,759</u>	<u>-</u>	<u>-</u>	<u>519,759</u>
------(Audited)-----				
----- As at June 30, 2021 -----				
	Level 1	Level 2	Level 3	Total
Financial assets ' at fair value through profit or loss'				
- Quoted equity securities	919,590	-	-	919,590
	<u>919,590</u>	<u>-</u>	<u>-</u>	<u>919,590</u>

17 GENERAL

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

17.2 In March 2020, the World Health Organisation ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 11, 2022.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Equity Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS

HBL EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022



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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL EQUITY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL EQUITY FUND ("the Fund") as at December 31, 2021 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2021 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2022

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.

HBL Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	106,888	701,869
Investments	5	1,573,173	2,155,293
Dividend and mark-up receivable		205	6,105
Advances, deposits and prepayments	6	2,902	2,805
Advance for purchase of investment		-	8,563
TOTAL ASSETS		1,683,168	2,874,635
LIABILITIES			
Payable to the Management Company	7	7,756	4,579
Payable to the Trustee	8	244	257
Payable to Securities and Exchange Commission of Pakistan	9	185	236
Payable against redemption of units		89,901	25,080
Payable against purchase of investments - net		5,099	554,112
Accrued expenses and other liabilities	10	6,815	20,005
TOTAL LIABILITIES		110,000	604,269
NET ASSETS		1,573,168	2,270,366
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,573,168	2,270,366
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of Units) -----	
Number of units in issue		14,419,345	16,223,229
		----- (Rupees) -----	
Net assets value per unit		109.1012	139.9454

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
(Rupees in '000)					
Income					
Capital (loss) / gain on sale of investments - net		(120,724)	83,463	(122,187)	41,010
Dividend income		28,561	11,923	16,838	10,757
Mark-up on bank deposits		1,309	1,219	782	521
Income from Government securities		20	-	-	-
		(90,834)	96,605	(104,567)	52,288
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit and loss' - net		(329,562)	80,519	(10,495)	44,837
		(420,396)	177,124	(115,062)	97,125
Expenses					
Remuneration of the Management Company		18,533	7,562	8,006	4,245
Sindh Sales Tax on remuneration of the Management Company		2,409	983	1,041	552
Remuneration of the Trustee		1,431	757	551	425
Sindh Sales Tax on remuneration of the Trustee		186	98	186	55
Annual fee to Securities and Exchange Commission of Pakistan		185	76	80	43
Allocation of expenses related to registrar services, accounting, operation and valuation services		4,976	1,554	2,202	872
Selling and marketing expenses		9,643	2,499	4,203	2,017
Auditors' remuneration		262	226	155	117
Fees and subscriptions		98	14	60	7
Securities transaction costs and settlement charges		5,693	5,173	2,217	3,259
Bank charges		102	3	56	3
		43,518	18,945	18,757	11,595
Net (loss) / income for the period from operating activities		(463,914)	158,179	(133,819)	85,530
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	10.2	8,197	(3,164)	-	(1,711)
Net (loss) / income for the period before taxation		(455,717)	155,015	(133,819)	83,819
Taxation	12	-	-	-	-
Net (loss) / income for the period after taxation		(455,717)	155,015	(133,819)	83,819
Allocation of net income for the period					
Income already paid on redemption of units		-	51,033	-	39,947
Accounting income available for distribution:					
Relating to capital gains		-	103,982	-	43,872
Excluding capital gains		-	-	-	-
		-	103,982	-	43,872
		-	155,015	-	83,819
Earnings per unit	13				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(455,717)	155,015	(133,819)	83,819
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(455,717)</u>	<u>155,015</u>	<u>(133,819)</u>	<u>83,819</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,					
	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	2,106,739	163,627	2,270,366	412,122	10,630	422,752
Issuance of 5,259,257 units (2020: 10,140,406 units)						
Capital value (at net asset value per unit at the beginning of the period)	736,009	-	736,009	1,017,498	-	1,017,498
Element of (loss) / income	(112,057)	-	(112,057)	226,640	-	226,640
Total proceeds on issuance of units	623,952	-	623,952	1,244,138	-	1,244,138
Redemption of units 7,063,141 (2020: 5,956,278 units)						
Capital value (at net asset value per unit at the beginning of the period)	(988,454)	-	(988,454)	(597,659)	-	(597,659)
Income already paid on redemption of units	-	-	-	-	(51,033)	(51,033)
Element of income / (loss)	123,021	-	123,021	(74,525)	-	(74,525)
Total payments on redemption of units	(865,433)	-	(865,433)	(672,184)	(51,033)	(723,217)
Total comprehensive (loss) / income for the period	-	(455,717)	(455,717)	-	155,015	155,015
Net assets at end of the period	1,865,258	(292,090)	1,573,168	984,076	114,612	1,098,688
Undistributed income / accumulated (loss) brought forward						
Realised income	108,165			24,551		
Unrealised loss	55,462			(13,921)		
	163,627			10,630		
Accounting income available for distribution						
Relating to capital gains	-			103,982		
Excluding capital gains	-			-		
	-			103,982		
Total comprehensive loss for the period	(455,717)			-		
Accumulated (loss) / undistributed income carried forward	(292,090)			114,612		
Accumulated (Loss) / undistributed income carried forward						
Realised income	37,472			34,093		
Unrealised (loss) / income	(329,562)			80,519		
	(292,090)			114,612		
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			139.9454			100.3410
Net assets value per unit at end of the period			109.1012			130.8386

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,	
	2021	2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(455,717)	155,015
Adjustments for:		
Capital loss / (gain) on sale of investments - net	120,724	(83,463)
Dividend income	(28,561)	(11,923)
Mark-up on bank deposits	(1,309)	(1,219)
Income from Government securities	(20)	-
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss'- net	329,562	(80,519)
	<u>(35,321)</u>	<u>(22,109)</u>
Decrease / (increase) in assets		
Investments - net	131,835	(500,272)
Receivable against sale of investments - net	-	(47,727)
Advance for purchase of investment	8,563	-
Advances, deposits and prepayments	(97)	(13)
	<u>140,301</u>	<u>(548,012)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	3,177	2,754
Payable to the Trustee	(13)	91
Payable to Securities and Exchange Commission of Pakistan	(51)	16
Payable against purchase of investments - net	(549,013)	-
Dividend payable	-	(214)
Accrued expenses and other liabilities	(13,190)	65,886
	<u>(559,090)</u>	<u>68,533</u>
Cash used in operations	(454,110)	(501,588)
Dividend received	34,311	8,332
Income received from investments	20	-
Mark-up received on bank deposits	1,458	1,134
	<u>35,789</u>	<u>9,466</u>
Net cash used in operating activities	(418,321)	(492,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	623,952	1,244,138
Payment against redemption of units	(800,612)	(699,000)
Net cash (used in) / generated from financing activities	(176,660)	545,138
Net (decrease) / increase in cash and cash equivalents	(594,981)	53,016
Cash and cash equivalents at the beginning of the period	701,869	26,474
Cash and cash equivalents at the end of the period	<u>4</u> <u>106,888</u>	<u>79,490</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of the Collective Investment Schemes (CISs). The investment objective of the Fund is to provide investors a diversified equity portfolio with a primary objective of maximizing risk-adjusted returns over longer investment horizon through a combination of capital gains and dividend income. Title to the assets of the Fund is held in the name of the CDC as Trustee of the Fund.

VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Positive Outlook) 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 provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), the directives issued by the SECP and the requirements of the Trust Deed.

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

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2021.

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, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2020.

2.1.4 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021, unless otherwise stated.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.

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, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2021.

4	BANK BALANCES	Note	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
			----- (Rupees in '000) -----	
	In savings accounts	4.1	106,385	701,366
	In current account		503	503
			<u>106,888</u>	<u>701,869</u>

4.1 This represents bank accounts held with various banks. Mark-up rate on these accounts range from 5% to 12.25% per annum (June 30, 2021: 5.% to 7.% per annum). This includes an amount held by a related party Habib Bank Limited, amounting to Rs. 8.854 million (June 30, 2021: Rs. 50.79 million) on which return is earned at rate 6% (June 30, 2021: 5.60%) per annum.

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Listed equity securities	5.1	1,573,173	2,155,293
Market Treasury Bills	5.2	-	-
		<u>1,573,173</u>	<u>2,155,293</u>

5.1 Financial assets at 'fair value through profit or loss' - listed equity securities

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

Name of the investee Companies (sector wise)	Notes	As at July 1, 2021	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2021	Carrying Amount as at December 31, 2021	Market Value as at December 31, 2021	Unrealised appreciation/ (diminution) on re- measurement of investments	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
Automobile Assembler												
Gandhara Industries Limited		-	46,000	-	-	46,000	13,079	8,131	(4,949)	0.52%	0.52%	0.08%
		-	46,000	-	-	46,000	13,079	8,131	(4,949)	0.52%	0.52%	0.08%
CEMENT												
Attock Cement Pakistan Ltd	5.1.1	872,100	181,900	-	-	1,054,000	187,827	146,464	(41,363)	9.31%	9.31%	0.77%
Cherat Cement Company Ltd.		8,000	-	-	8,000	-	-	-	-	0.00%	0.00%	0.00%
D G Khan Cement Co.Ltd.		81,000	-	-	81,000	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Ltd		12,000	85,300	-	12,000	85,300	16,684	16,088	(597)	1.02%	1.02%	0.04%
Lucky Cement Ltd	5.1.1	91,100	69,684	-	40,880	119,904	98,588	81,448	(17,140)	5.18%	5.18%	0.04%
Maple Leaf Cement Factory Ltd		520,200	724,700	-	1,244,900	-	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited		161,500	14,000	-	175,500	-	-	-	-	0.00%	0.00%	0.00%
Thatta Cement Co. Ltd		1,364,000	-	-	1,364,000	-	-	-	-	0.00%	0.00%	0.00%
		3,109,900	1,075,584	-	2,926,280	1,259,204	303,100	244,000	(59,100)	15.51%	15.51%	
CHEMICAL												
Nimir Resins Limited		2,533,500	2,948,250	-	3,369,500	2,112,250	75,826	39,837	(35,989)	2.53%	2.53%	1.49%
		2,533,500	2,948,250	-	3,369,500	2,112,250	75,826	39,837	(35,989)	2.53%	2.53%	1.49%
COMMERCIAL BANKS												
Faysal Bank Limited	5.1.2	1,440	555,000	-	68,000	488,440	12,103	11,234	(869)	0.71%	0.71%	0.03%
MCB Bank Limited		48,000	-	-	48,000	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	5.1.1	225,000	1,037,149	-	648,000	614,149	81,941	83,880	1,939	5.33%	5.33%	0.05%
Habib Bank Limited	5.1.1	-	1,273,000	-	131,000	1,142,000	141,671	133,180	(8,491)	8.47%	8.47%	0.08%
Standard Chartered Bank Pakistan Limited		3,918,500	545,500	-	-	4,464,000	150,350	162,847	12,497	10.35%	10.35%	0.12%
		4,192,940	3,410,649	-	895,000	6,708,589	386,065	391,141	5,077	24.86%	24.86%	
AUTOMOBILE PARTS & ACCESSORIES												
Panther Tyres Limited		664,682	-	-	664,682	-	-	-	-	0.00%	0.00%	0.00%
General Tyre & Rubber		1,087,000	215,000	-	300,000	1,002,000	84,220	46,453	(37,767)	2.95%	2.95%	0.82%
		1,751,682	215,000	-	964,682	1,002,000	84,220	46,453	(37,767)	3%	3%	
CABLE & ELECTRICAL GOODS												
Pak Elektron Limited		1,034,000	187,000	-	583,000	638,000	21,781	14,368	(7,413)	0.91%	0.91%	0.13%
Waves Singer Pakistan Limited		1,683,000	284,000	-	1,967,000	-	-	-	-	0.00%	0.00%	0.00%
		2,717,000	471,000	-	2,550,000	638,000	21,781	14,368	(7,413)	0.91%	0.91%	
FOOD & PERSONAL CARE PRODUCTS												
Al Shaheer Corporation Ltd		-	1,224,000	-	1,224,000	-	-	-	-	0.00%	0.00%	0.00%
Clover Pakistan Limited		382,500	-	-	382,500	-	-	-	-	0.00%	0.00%	0.00%
FAUJI FOODS LIMITED-LOR		-	1,244,743	-	1,244,743	-	-	-	-	0.00%	0.00%	0.00%
The Organic Meat Company Limited		1,164,800	2,068,330	-	1,536,000	1,697,130	57,762	53,850	(3,912)	3.42%	3.42%	1.38%
Fauji Foods Limited		24,500	2,133,743	-	324,500	1,833,743	24,358	16,852	(7,506)	1.07%	1.07%	0.23%
		1,571,800	6,670,816	-	4,711,743	3,530,873	82,120	70,702	(11,418)	4.49%	4.49%	1.61%

Name of the investee Companies (sector wise)	Notes	As at July 1, 2021	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2021	Carrying Amount as at December 31, 2021	Market Value as at December 31, 2021	Unrealised appreciation/ (diminution) on re-measurement of investments	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 -----						----- (Rupees in '000) -----						
FOOD & PERSONAL CARE PRODUCTS												
Unity Foods Limited		1,558,800	770,000	-	365,000	1,963,800	86,044	51,982	(34,063)	3.30%	3.30%	0.20%
Unity Foods Limited-LOR3		-	395,110	-	98,000	297,110	-	315	315	0.02%	0.02%	0.15%
		1,558,800	1,165,110	-	463,000	2,260,910	86,044	52,297	(33,748)	3.32%	3.32%	0.35%
ENGINEERING												
Agha Steel Ind. Ltd		1,077,500	160,000	37,625	1,200,125	75,000	1,917	1,963	45	0.12%	0.12%	0.01%
Aisha Steel Mills Ltd		746,500	-	-	746,500	-	-	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited		56,000	220,000	-	276,000	-	-	-	-	0.00%	0.00%	0.00%
International Industries Ltd		107,100	-	-	107,100	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited		413,500	93,000	-	506,500	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steel Inds Ltd		292,940	188,000	41,016	158,000	363,956	34,616	37,891	3,275	2.41%	2.41%	0.11%
		2,693,540	661,000	78,641	2,994,225	438,956	36,534	39,854	3,321	2.53%	2.53%	0.12%
FERTILIZER												
Engro Corporation Limited		279,900	-	-	279,900	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited		73,000	-	-	73,000	-	-	-	-	0.00%	0.00%	0.00%
		352,900	-	-	352,900	-	-	-	-	0.00%	0.00%	0.00%
OIL & GAS EXPLORATION COMPANIES												
Pakistan Oilfields Limited		10,500	-	-	10,500	-	-	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited		848,716	352,000	-	1,017,216	183,500	15,590	15,818	228	1.01%	1.01%	0.00%
Pakistan Petroleum Limited		979,800	315,000	-	1,094,800	200,000	15,746	15,808	62	1.00%	1.00%	0.01%
Mari Petroleum Company Limited		9,000	7,000	-	9,000	7,000	11,620	11,580	(40)	0.74%	0.74%	0.01%
		1,848,016	674,000	-	2,131,516	390,500	42,956	43,205	250	2.75%	2.75%	0.02%
OIL & GAS MARKETING COMPANIES												
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	395,331	71,200	-	156,685	309,846	69,123	56,358	(12,765)	3.58%	3.58%	0.07%
Hi-Tech Lubricants Limited		-	165,500	-	165,500	-	-	-	-	0.00%	0.00%	0.00%
		395,331	236,700	-	322,185	309,846	69,123	56,358	(12,765)	3.58%	3.58%	0.07%
INSURANCE												
TPL Insurance Limited		497,500	571,500	-	-	1,069,000	38,995	31,749	(7,245)	2.02%	2.02%	0.91%
IGI Holdings Limited		609,200	311,000	-	25,000	895,200	163,544	137,530	(26,014)	8.74%	8.74%	0.63%
IGI Life Insurance Limited		749,500	214,000	-	-	963,500	43,738	36,709	(7,029)	2.33%	2.33%	0.56%
		1,856,200	1,096,500	-	25,000	2,927,700	246,277	205,988	(40,289)	13.09%	13.09%	2.10%
PHARMACEUTICALS												
The Searle Company Limited	5.1.2	274	-	82	-	356	66	51	(15)	0.00%	0.00%	0.00%
Ferozsons Laboratories Limited		-	114,500	-	26,300	88,200	33,950	28,738	(5,211)	1.83%	1.83%	0.24%
Highnoon Laboratories Limited		-	26,000	-	2,000	24,000	14,933	15,068	136	0.96%	0.96%	0.06%
		274	140,500	82	28,300	112,556	48,949	43,858	(5,092)	2.79%	2.79%	0.31%
REFINERY												
Attock Refinery Limited		5,700	-	-	5,700	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited		175,200	67,453	-	79,009	163,644	79,717	46,571	(33,145)	2.96%	2.96%	0.20%
		180,900	67,453	-	84,709	163,644	79,717	46,571	(33,145)	2.96%	2.96%	0.20%
INVESTMENT BANKS/COs./SECURITIES												
EFG Hermes Pakistan Limited		95,500	-	-	95,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Stock Exchange Limited		-	566,000	-	566,000	-	-	-	-	0.00%	0.00%	0.00%
		95,500	566,000	-	661,500	-	-	-	-	0.00%	0.00%	0.00%
POWER GENERATION & DISTRIBUTION												
The Hub Power Company Limited		140,000	-	-	140,000	-	-	-	-	0.00%	0.00%	0.00%
		140,000	-	-	140,000	-	-	-	-	0.00%	0.00%	0.00%
TECHNOLOGY & COMMUNICATION												
Octopus Digital Limited		-	37,705	-	37,705	-	-	-	-	0.00%	0.00%	0.00%
Air Link Communication Ltd		-	260,375	6,478	266,853	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited		210,000	280,500	-	490,500	-	-	-	-	0.00%	0.00%	0.00%
Netsol Technologies		139,000	303,000	-	214,500	227,500	34,553	21,353	(13,200)	1.36%	1.36%	0.25%
Pakistan Telecommunication Co Ltd		500,000	-	-	500,000	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	5.1.2	81,071	37,500	-	75,500	43,071	24,356	32,727	8,371	2.08%	2.08%	0.03%
TPL Corp Limited		-	1,250,000	-	1,250,000	-	-	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited		5,220,500	5,081,000	-	659,500	9,642,000	172,141	161,118	(11,023)	10.24%	10.24%	5.15%
TRG Pakistan Ltd		231,000	211,000	-	442,000	-	-	-	-	0.00%	0.00%	0.00%
WorldCall Telecom Ltd		1,700,000	800,000	-	2,500,000	-	-	-	-	0.00%	0.00%	0.00%
		8,081,571	8,261,080	6,478	6,436,558	9,912,571	231,051	215,198	(15,852)	13.68%	13.68%	5.43%
TEXTILE COMPOSITE												
Azgard Nine Ltd		3,328,500	1,642,000	-	2,715,000	2,255,500	69,375	29,524	(39,850)	1.88%	1.88%	0.46%
Gul Ahmed Textile Mills Ltd		637,800	245,000	-	575,000	307,800	15,974	14,485	(1,489)	0.92%	0.92%	0.06%
Interloop Limited		323,500	-	8,655	185,500	146,655	9,971	10,660	689	0.68%	0.68%	0.02%
Nishat (Chunian) Ltd		90,000	325,000	-	415,000	-	-	-	-	0.00%	0.00%	0.00%
		4,379,800	2,212,000	8,655	3,890,500	2,709,955	95,320	54,670	(40,649)	3.48%	3.48%	0.54%
MISCELLANEOUS												
Pace (Pakistan) Ltd		-	1,523,000	-	1,523,000	-	-	-	-	0.00%	0.00%	0.00%
Shifa International Hospitals Limited		-	143,000	2,860	143,000	2,860	575	542	(33)	0.03%	0.03%	0.00%
TPL Properties Limited		1,929,500	-	-	1,929,500	-	-	-	-	0.00%	0.00%	0.00%
		1,929,500	1,666,000	2,860	3,595,500	2,860	575	542	(33)	0.03%	0%	0%
Total - As at December 31, 2021		39,389,154	31,583,624	96,716	36,543,098	34,526,414	1,902,736	1,573,173	(329,562)	100%	100%	
Total - As at June 30, 2021		7,764,604	127,329,624	1,491,759	97,196,833	39,389,154	2,099,831	2,155,293	55,462	100%	95%	

*Sponsor of the management company

5.1.1 As at December 31, 2021 the Fund has pledged shares 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, of following companies:

- Attock Cement Pakistan Limited (100,000 shares having market value of Rs. 13.896 million)
- Lucky Cement Limited (50,000 shares having market value of Rs. 33.964 million)
- Habib Bank Limited (100,000 shares having market value of Rs. 11.662 million)
- United Bank Limited (200,000 shares having market value of Rs. 27.316 million)
- Pakistan State Oil Company Limited (230,000 shares having market value of Rs. 41.835 million)

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 High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.27 million at December 31, 2021 (June 30, 2021: Rs. 1.58 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 of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

5.2 Financial assets at 'fair value through profit or loss' - Market treasury bills

Issue date	Tenure	Face value				Carrying value	Market value As at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at December 31, 2021					
		----- Number of Units -----				----- Rupees in '000 -----				
6-May-21	6 Months	-	45,000,000	45,000,000	-	-	-	-	-	
22-Apr-21	6 Months	-	45,000,000	45,000,000	-	-	-	-	-	
12-Aug-21	3 Months	-	10,000,000	10,000,000	-	-	-	-	-	
Total - As at December 31, 2021		-	100,000,000	100,000,000	-	-	-	-	-	
Total - As at June 30, 2021		-	55,000,000	55,000,000	-	-	-	-	-	

	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	-----

6 ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with:

National Clearing Company of Pakistan Limited
Central Depository Company of Pakistan Limited

Prepaid listing fee

Advance tax

2,500	2,500
100	100
<u>2,600</u>	<u>2,600</u>
97	-
6.1 205	205
<u>2,902</u>	<u>2,805</u>

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

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO 2001.

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable of the Management Company	2,527	2,818
	Sindh Sales Tax payable on the Management Company's remuneration	329	366
	Allocation of expenses related to registrar services, accounting, operation and valuation services	695	473
	Selling and marketing expense payable	4,204	-
	Sales load payable	1	922
		<u>7,756</u>	<u>4,579</u>
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	212	223
	Sindh Sales Tax payable on Trustee Fee	27	29
	CDS charges payable	5	5
		<u>244</u>	<u>257</u>
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	<u>185</u>	<u>236</u>
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 5,685	5,685
	Provision for Sindh Workers' Welfare Fund	10.2 -	8,197
	Withholding tax payable	279	1,268
	Brokerage payable	491	4,291
	Auditors' remuneration	225	440
	Printing charges	12	56
	Others	123	68
		<u>6,815</u>	<u>20,005</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, 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. 5.685 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2021 would have been higher by Rs. 0.394 per unit (June 30, 2021: Rs. 0.3504 per unit).

10.2 The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 8.197 million in Equity Fund for the period from July 1, 2014 till August 12, 2021.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealized) to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units and directors and executive of the Management Company 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:

	Half year ended December 31,	
	2021 (Un-Audited)	2020 (Un-Audited)
	----- (Rupees in '000) -----	
14.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	18,533	7,562
Sindh Sales Tax on remuneration of the Management Company	2,409	983
Selling and marketing expenses	9,643	2,499
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,976	1,554
Sales load paid	1,271	-
Issuance of Nil (2020: 622,083) units	-	78,000
Redemption of 345,975 (2020: 221,441) units	36,666	25,000
Habib Bank Limited - Sponsor		
Issuance of 1,413,425 (2020: Nil) units	150,000	-
Bank charges	100	3
Mark-up on bank deposits	289	288
Dividend Income	1,548	-
CDC Trustee- Punjab Pension Fund Trust- connected person * holding 10% or more units		
Issue of 271,771 (2020: Nil) units	32,300	-
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management*		
Issuance of 22,606 (2020: Nil) units	2,383	-
Redemption of 96,586 (2020: Nil) units	12,479	-
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management*		
Issuance of 63,948 (2020: Nil) units	7,161	-
Directors and Executives of the Management Company		
Issue of 32,002 (2020: 84,739) units	3,831	10,276
Redemption of 46,691 (2020: 55,638) units	5,867	6,096
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,431	757
Sindh Sales Tax on remuneration of the Trustee	186	98
Central Depository service charges	198	109
HBL Stock Fund Under Common Management*		
Purchase of equity securities	57,259	-

December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
----- (Rupees in '000) -----	

14.2 Balances outstanding as at period / year end

HBL Asset Management Limited - Management Company

Remuneration payable of the Management Company	2,527	2,818
Sindh Sales Tax payable on the Management Company's remuneration	329	366
Selling and marketing expenses	4,204	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	695	473
Sales load payable	1	922
Units held: Nil (2021: 345,975)	-	48,418

Habib Bank Limited - Sponsor

Bank balances	9,357	51,292
Units held: 5,008,233 (2021: 3,594,808) Units	546,404	503,077

MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan - Under Common Management

Units held: 256,957 (June 30, 2021: 330,938)	28,034	46,313
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MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Under Common Management

Units held: 138,317 (June 30, 2021: 74,369)	15,091	10,408
--	--------	--------

Directors and Executives of the Management Company

Units held: 6,312 units (June 30, 2021: 21,893 units)	689	3,064
---	-----	-------

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	239	252
Central Depository Charges payable	5	5
Security deposit	100	100

CDC Trustee- Punjab Pension Fund Trust- connected person * holding 10% or more units

Units held: 1,692,360 units (June 30, 2021: Nil)	184,638	-
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*Comparative transactions / balances of these parties have not been disclosed as these parties were not related parties in the last period.

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.

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

- Fair value 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.

		December 31, 2021 (Un-Audited)						
		Carrying amount			Fair value			
	Note	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value								
Investments		1,573,173	-	1,573,173	1,573,173	-	-	1,573,173
		<u>1,573,173</u>	<u>-</u>	<u>1,573,173</u>	<u>1,573,173</u>	<u>-</u>	<u>-</u>	<u>1,573,173</u>
Financial assets not measured at fair value								
Bank balances	15.1	-	106,888	106,888				
Dividend and mark-up receivable		-	205	205				
Receivable against sale of investments - net		-	-	-				
Deposits		-	2,600	2,600				
		<u>-</u>	<u>109,693</u>	<u>109,693</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	7,427	7,427				
Payable to the Trustee		-	212	212				
Payable against redemption of units		-	89,901	89,901				
Accrued expenses and other liabilities		-	5,889	5,889				
		<u>-</u>	<u>103,429</u>	<u>103,429</u>				
		June 30, 2021 (Audited)						
		Carrying amount			Fair value			
	Note	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value								
Investments		2,155,293	-	2,155,293	2,155,293	-	-	2,155,293
		<u>2,155,293</u>	<u>-</u>	<u>2,155,293</u>	<u>2,155,293</u>	<u>-</u>	<u>-</u>	<u>2,155,293</u>
Financial assets not measured at fair value								
Bank balances	15.1	-	701,869	701,869				
Dividend and profit receivable		-	6,105	6,105				
Deposits		-	2,600	2,600				
Receivable against sale of investments - net		-	8,563	8,563				
		<u>-</u>	<u>719,137</u>	<u>719,137</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	4,213	4,213				
Payable to the Trustee		-	228	228				
Payable against redemption of units		-	25,080	25,080				
Dividend payable		-	554,112	554,112				
Accrued expenses and other liabilities		-	4,803	4,803				
		<u>-</u>	<u>588,436</u>	<u>588,436</u>				

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

15.2 Transfers during the period

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

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2021 is 2.18% (2020: 3.09%) which includes 0.19% (2020: 0.65%) representing Government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 11, 2022.

18 GENERAL

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

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

18.3 In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Energy Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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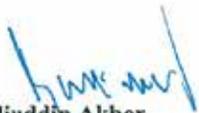
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ENERGY FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL ENERGY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL ENERGY FUND ("the Fund") as at December 31, 2021 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2021 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2022


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company (limited by guarantee) and forms part of the international BDO network of independent member firms.

HBL Energy Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	22,528	13,030
Investments	5	603,845	772,110
Dividend and mark-up receivable		155	138
Advances, deposits, prepayments and other receivables	6	3,288	2,996
Receivable against sale of investment		-	36,357
TOTAL ASSETS		629,816	824,631
LIABILITIES			
Payable to the Management Company	7	3,195	3,992
Payable to the Trustee	8	123	157
Payable to Securities and Exchange Commission of Pakistan	9	71	157
Unclaimed dividend		5,382	5,382
Payable against redemption of units		-	17,660
Accrued expenses and other liabilities	10	15,402	22,760
TOTAL LIABILITIES		24,173	50,108
NET ASSETS		605,643	774,523
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		605,643	774,523
CONTINGENCIES AND COMMITMENTS			
	11	----- (Number of units) -----	
Number of units in issue		58,365,125	64,621,727
		----- (Rupees) -----	
Net assets value per unit		10.3768	11.9855

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
(Rupees in '000)					
Income					
Capital (loss) / gain on sale of investments - net		(29,931)	56,535	(23,347)	16,620
Dividend income		35,944	16,523	19,523	14,367
Mark-up on bank deposits		1,096	1,492	522	628
		7,109	74,550	(3,302)	31,615
Unrealized (diminution) / appreciation on re-measurement of investments classified as financial asset at 'fair value through profit or loss'- net		(103,312)	27,883	(655)	(17,332)
		(96,203)	102,433	(3,957)	14,283
Expenses					
Remuneration of the Management Company		7,023	7,793	3,275	3,808
Sindh Sales Tax on remuneration of the Management Company		913	1,013	426	495
Remuneration of the Trustee		702	779	328	381
Sindh Sales Tax on remuneration of the Trustee		92	101	43	49
Annual fee to Securities and Exchange Commission of Pakistan		70	78	33	38
Allocation of expenses related to registrar services, accounting, operation and valuation services		1,931	2,143	900	1,047
Selling and marketing expenses		3,687	4,091	1,719	1,999
Auditors' remuneration		223	218	223	109
Fees and subscription		219	17	191	15
Securities transaction cost		704	2,485	324	1,010
Settlement and bank charges		224	276	109	131
		15,788	18,994	7,571	9,082
Net (loss) / income for the period from operating activities		(111,991)	83,439	(11,528)	5,201
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	10.2	7,319	(1,669)	(1)	(104)
Net (loss) / income for the period before taxation		(104,672)	81,770	(11,529)	5,097
Taxation	12	-	-	-	-
Net (loss) / income for the period after taxation		(104,672)	81,770	(11,529)	5,097
Allocation of net income for the period					
Income already paid on redemption of units		-	19,409	-	3,696
Accounting income available for distribution:					
Relating to capital gains		-	62,361	-	1,401
Excluding capital gains		-	-	-	-
		-	62,361	-	1,401
		-	81,770	-	5,097
Earnings per unit	13				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(104,672)	81,770	(11,529)	5,097
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(104,672)</u>	<u>81,770</u>	<u>(11,529)</u>	<u>5,097</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,	
	2021	2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(104,672)	81,770
Adjustments for:		
Capital loss / (gain) on sale of investments - net	29,931	(56,535)
Dividend income	(35,944)	(16,523)
Mark-up on bank deposits	(1,096)	(1,492)
Unrealized diminution / (appreciation) on re-measurement of investments classified at 'fair value through profit or loss' - net	103,312	(27,883)
	<u>(8,469)</u>	<u>(20,663)</u>
Decrease / (increase) in assets		
Investments - net	<u>35,022</u>	<u>(74,281)</u>
Advances, deposits, prepayments and other receivables	<u>36,065</u>	<u>(35,170)</u>
	71,087	(109,451)
(decrease) / increase in liabilities		
Payable to the Management Company	<u>(797)</u>	<u>1,322</u>
Payable to the Trustee	<u>(34)</u>	<u>30</u>
Payable to Securities and Exchange Commission of Pakistan	<u>(86)</u>	<u>(59)</u>
Accrued expenses and other liabilities	<u>(25,018)</u>	<u>27,242</u>
Unclaimed dividend	<u>-</u>	<u>(6)</u>
	<u>(25,935)</u>	<u>28,529</u>
Cash generated / (used) in operations	<u>36,683</u>	<u>(101,585)</u>
Dividend received	<u>35,920</u>	<u>14,908</u>
Mark-up received on bank deposits	<u>1,103</u>	<u>1,522</u>
	<u>37,023</u>	<u>16,430</u>
Net cash flows from operating activities	<u>73,706</u>	<u>(85,155)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	<u>51,875</u>	<u>684,758</u>
Amount paid on redemption of units	<u>(116,083)</u>	<u>(608,191)</u>
Net cash flows from financing activities	<u>(64,208)</u>	<u>76,567</u>
Net increase / (decrease) in cash and cash equivalents	9,498	(8,588)
Cash and cash equivalents at beginning of the period	<u>13,030</u>	<u>39,502</u>
Cash and cash equivalents at end of the period	<u>4</u> <u>22,528</u>	<u>30,914</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Energy Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2021.
- 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, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 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 December 31, 2021 have not been reviewed.
- 2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless stated otherwise.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flows 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, 2021, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan, standards effective for the first time in this condensed interim financial information and are mandatory for the Fund's accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2021.

December 31,
2021
(Un-Audited)

June 30,
2021
(Audited)

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

4 BANK BALANCES

	4.1	22,517	13,019
In savings accounts			
In current accounts		11	11
		22,528	13,030

4.1 This represents bank accounts held with various banks. Mark-up rates on these accounts range between 5% to 12.25 % per annum (June 30, 2021: 5% to 5.5% per annum). This includes balance held with Habib Bank Limited and MCB Bank limited (a related party) amounting to Rs. 2.86 million (June 30, 2021: Rs. 0.4513 million) and 12.29 million (June 30, 2021: 0.558 million) on which return is earned at 6% (June 30, 2021: 5%) and 5% (June 30, 2021: 5.5%) respectively.

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Listed equity securities	5.1	603,845	772,110
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5.1 Investment in listed equity securities - Financial Assets at 'fair value through profit or loss'

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

Name of the Investee Company	Notes	As at July 1, 2021	Purchases during the period	Bonus Issue	Sales during the period	As at December 31, 2021	Carrying Amount as at December 31, 2021	Market Value as at December 31, 2021	Unrealized appreciation / (diminution) on re-measurement of investments	Market value as percentage of total investments	Market value as percentage of net assets	Par value as a percentage of issued capital of the Investee company
----- Number of shares -----						----- (Rupees in '000) -----						
Oil and Gas Exploration Companies												
Pakistan Petroleum Limited	5.1.1	1,280,332	75,000	-	301,500	1,053,832	90,794	83,295	(7,499)	13.79%	13.75%	0.04%
Oil and Gas Development Company Limited	5.1.1	1,273,158	281,000	-	420,000	1,134,158	105,182	97,764	(7,418)	16.19%	16.14%	0.03%
Mari Petroleum Company Limited		38,529	11,500	-	4,240	45,789	70,291	75,746	5,455	12.54%	12.51%	0.03%
Pakistan Oilfields Limited		208,229	25,000	-	77,789	155,440	61,191	55,588	(5,602)	9.21%	9.18%	0.05%
		2,800,248	392,500	-	803,529	2,389,219	327,458	312,393	(15,063)	51.73%	51.58%	
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	5.1.1 & 5.1.2	553,324	76,000	-	94,800	534,524	118,133	97,225	(20,908)	16.10%	16.05%	0.11%
Sui Northern Gas Pipeline Limited		508,000	280,000	-	154,000	634,000	30,185	21,207	(8,978)	3.51%	3.50%	0.10%
Sui Southern Gas Company Limited		569,500	-	-	569,500	-	-	-	-	0.00%	0.00%	0.00%
Attock Petroleum Limited		-	35,500	-	10,000	25,500	8,418	8,007	(411)	1.33%	1.32%	0.03%
Hi-Tech Lubricants Limited		-	166,500	-	166,500	-	-	-	-	0.00%	0.00%	0.00%
Shell Pakistan Limited		136,700	20,000	-	136,700	20,000	2,428	2,424	(4)	0.40%	(0.00)	0.01%
		1,767,524	578,000	-	1,131,500	1,214,024	159,164	128,863	(30,301)	21.34%	20.88%	
Power Generation & Distribution												
The Hub Power Company Limited		1,065,398	69,000	-	258,000	876,398	69,638	62,522	(7,116)	10.35%	10.32%	0.07%
Kot Addu Power Company Ltd		579,000	-	-	200,000	379,000	16,809	12,261	(4,548)	2.03%	2.02%	0.04%
		1,644,398	69,000	-	458,000	1,255,398	86,447	74,783	(11,664)	12.38%	12.35%	
Refinery												
Attock Refinery Limited		60,000	111,000	-	5,000	166,000	31,518	23,909	(7,609)	3.96%	3.95%	0.16%
Cnergyco Pk Limited		700,000	-	-	700,000	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited		151,000	128,153	-	54,631	224,522	102,569	63,897	(38,673)	10.58%	10.55%	0.28%
Pakistan Refinery Limited		237,500	-	-	237,500	-	-	-	-	0.00%	0%	0.00%
		1,148,500	239,153	-	997,131	390,522	134,087	87,806	(46,282)	14.54%	14.50%	
Total - As at December 31, 2021		7,360,670	1,278,653	-	3,390,160	5,249,163	707,156	603,845	(103,312)	100.00%	99.30%	
Total - As at June 30, 2021		10,367,216	23,774,889	-	26,781,435	7,360,670	756,325	772,110	15,785	100.00%	99.69%	

5.1.1 As at December 31, 2021, the Fund has pledged shares 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 of following companies:

- Oil and Gas Development Company (300,000 shares having market value of Rs. 25.86 million)
- Pakistan Petroleum Limited (200,000 shares having market value of Rs. 15.808 million)
- Pakistan State Oil Company Limited (100,000 shares having market value of Rs. 18.189 million)

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 High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.4545 million at December 31, 2021 (June 30, 2021: Rs. 0.535 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

5.2 Investment in market treasury bills - Financial Assets at 'fair value through profit or loss'

Issue date	Tenure	Face value				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation on re-measurement of investments	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchases during the year	Sales / matured during the year	As at December 31, 2021					
-----Rupees in '000-----										
May 6, 2021	6 Months	-	10,000	10,000	-	-	-	-	-	-
April 22, 2021	6 Months	-	10,000	10,000	-	-	-	-	-	-
August 12, 2021	3 Months	-	15,000	15,000	-	-	-	-	-	-
October 7, 2021	3 Months	-	10,000	10,000	-	-	-	-	-	-
Total - as at December 31, 2021		-	45,000	45,000	-	-	-	-	-	-
Total - as at December 31, 2020		-	-	-	-	-	-	-	-	-

5.2.1 As at December 31, 2021, Market Treasury Bills (T-bills) had a face value of Rs. Nil (June 30, 2021: Nil) carrying effective yield ranging between Nil (June 30, 2021: Nil), per annum.

	December 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
Note	-----	-----
	(Rupees in '000)	

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:

National Clearing Company of Pakistan Limited	2,500	2,500
Central Depository Company of Pakistan Limited	300	300
	<u>2,800</u>	<u>2,800</u>
Prepaid legal fee	127	-
Advance tax	257	196
Prepaid Annual Fee- CDC	104	-
	<u>3,288</u>	<u>2,996</u>

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

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R", dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application within stipulated time, as per ITO 2001.

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
7	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration to the Management Company	1,049	1,361
	Sindh Sales Tax payable on the Management Company's remuneration	136	177
	Allocation of expenses related to registrar services, accounting, operation and valuation services	289	375
	Selling and marketing expense payable	1,720	2,079
		<u>3,195</u>	<u>3,992</u>
8	PAYABLE TO THE TRUSTEE		
	Trustee fee payable	105	136
	Sindh Sales Tax payable on remuneration of Trustee	14	18
	CDS charges payable	4	3
		<u>123</u>	<u>157</u>
9	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	71	157
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty	10.1 13,921	13,920
	Provision for Sindh Workers' Welfare Fund	10.2 -	7,320
	Withholding tax payable	383	462
	Brokerage payable	113	306
	Auditors' remuneration	665	443
	Printing charges	-	-
	Zakat payable	248	241
	NCCPL payable	-	36
	Other	72	32
		<u>15,402</u>	<u>22,760</u>

10.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 13.921 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2021 would have been higher by Re. 0.24 per unit (June 30, 2021: Re. 0.22 per unit).

10.2 Workers' Welfare Fund and Sindh Workers' Welfare Fund

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 7.319 million for the period from July 1, 2014 till August 12, 2021.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains whether realised or unrealized for the year ending June 30, 2022 to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units and directors and executives of the Management Company 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:

		Half year ended December 31,	
		2021	2020
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
14.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	7,023	7,793
	Sindh Sales Tax on remuneration of the Management Company	913	1,013
	Allocation of expenses related to registrar services, accounting, operation and valuation services	1,931	2,143
	Selling and marketing expenses	3,687	4,091
	Habib Bank Limited - Sponsor		
	Bank charges	13	13
	Mark-up on bank deposits	193	105
	Executives of the Management Company		
	Issue of 26,380 (2020: 245,706) units	270	2,619
	Redemption of 432,357 (2020: 59,138) units	4,377	620
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	702	779
	Sindh Sales Tax on remuneration of the Trustee	92	101
	CDS charges	27	3
	Annual CDC charges	105	-
	Rohtas Associates Private Limited- Connected person due to holding more than 10% units:		
	Issue of Nil (2020: 16,674,441) units	-	-
	Redemption of Nil (2020: 10,396,527) units	-	-
14.2	Balances outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	1,049	1,361
	Sindh Sales Tax on Management Company's remuneration	136	177
	Allocation of expenses related to registrar services, accounting, operation and valuation services	289	375
	Selling and marketing expenses	1,720	2,079

	Half year ended December 31,	
	2021 (Un-Audited)	2020 (Un-Audited)
	----- (Rupees in '000) -----	
Habib Bank Limited - Sponsor		
Bank balances	2,861	451
Units held: 19,690,192 (June 30, 2020: 19,690,192)	204,321	235,997
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	105	136
Sindh Sales Tax on remuneration of the Trustee	14	16
CDS charges payable	4	3
Security deposit	300	300
Prepaid Annual Fee - CDC	104	-
Directors and Executives of the Management Company		
Units held: 26,802 (June 30, 2021: 432,779)	278	4,833
MCB Bank Limited- Connected person due to holding more than 10% units:		
Bank balance	12,290	558
Units held: 6,468,400 (June 30, 2021: 6,468,400)	67,121	64,753
Rohtas Associates Private Limited- Connected person due to holding more than 10% units:		
Units held: 6,277,914 (June 30, 2021: 6,277,914)	65,145	75,244

15 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.

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

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

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

		December 31, 2021 (Un-Audited)						
		Carrying amount			Fair Value			
	Note	Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value								
Investments - net		603,845	-	603,845	603,845	-	-	603,845
		603,845	-	603,845	603,845	-	-	603,845
Financial assets not measured at fair value								
Bank balances	15.1	-	22,528	22,528				
Dividend and mark-up receivable		-	155	155				
Deposits and other receivables		-	3,031	3,031				
		-	25,714	25,714				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	3,058	3,058				
Payable to the Trustee		-	109	109				
Accrued expenses and other liabilities		-	778	778				
Unclaimed dividend		-	5,382	5,382				
		-	9,327	9,327				
		June 30, 2021 (Audited)						
		Carrying amount			Fair Value			
	Note	Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value								
Investments - net		772,110	-	772,110	772,110	-	-	772,110
		772,110	-	772,110	772,110	-	-	772,110
Financial assets not measured at fair value								
Bank balances	15.1	-	13,030	13,030				
Dividend and mark-up receivable		-	138	138				
Receivable against sale of investment		-	36,357	36,357				
Deposits		-	2,800	2,800				
		-	52,325	52,325				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	3,815	3,815				
Payable to the Trustee		-	139	139				
Accrued expenses and other liabilities		-	18,446	18,446				
Unclaimed dividend		-	5,382	5,382				
		-	27,782	27,782				

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

15.2 Transfers during the period

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

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the half year ended December 31, 2021 is 2.27% (2020: 2.67%) which includes 0.17% (2020: 0.38%) representing Government levy and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 11, 2022.

18 GENERAL

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

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

18.3 In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Multi Asset Fund

FUND INFORMATION

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
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Email: info@cdcpak.com



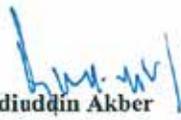
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MULTI ASSET FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Independent Auditors' Review Report to the unit holders of HBL Multi Asset Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Multi Asset Fund** ("the Fund") as at 31 December 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cashflow and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended 31 December 2021 and 31 December 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 24 February 2022

Karachi

UDIN : RR202110188nCjaO39g8


KPMG Taseer Hadi & Co.
Chartered Accountants

HBL Multi Asset Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
For the six months period ended December 31, 2021

		December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	6	35,857	54,922
Investments	7	167,272	161,844
Dividend receivable and accrued mark-up		360	428
Advances and deposits	8	3,072	2,964
Receivable against sales of Investments		44	-
Total assets		206,605	220,158
Liabilities			
Payable to the Management Company	9	677	703
Payable to the Trustee		38	38
Payable to Securities and Exchange Commission of Pakistan		20	41
Payable against purchase of investments		-	4,003
Accrued expenses and other liabilities	10	7,033	12,936
Total liabilities		7,768	17,721
Net assets		198,837	202,437
Unit holders' fund (as per statement attached)		198,837	202,437
Contingencies and Commitments	11		
		-----Number of units-----	
Number of units in issue		1,855,748	1,795,511
		----- (Rupees) -----	
Net assets value per unit		107.1465	112.7464

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Income Statement And Other Comprehensive Income (Un-Audited)
For the six and three months period ended December 31, 2021

	For six months period ended December 31,		For three months period ended December 31,	
	2021	2020	2021	2020
	(Rupees in '000)			
Income				
Net realised (loss) / gain on sale of investments	(6,022)	9,328	(6,350)	5,184
Dividend income	2,923	2,569	1,715	2,091
Return on investments calculated using effective interest method	1,298	802	788	426
Profit on deposits with banks calculated using effective interest method	1,613	1,830	776	919
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	(11,058)	18,841	3,005	3,073
Reversal of provision against non-performing Term Finance Certificates and Sukuk bonds	-	1,520	-	-
Other income	-	14	-	8
	(11,246)	34,904	(66)	11,701
Expenses				
Remuneration to the Management Company	2,279	2,402	1,133	1,150
Remuneration of the Trustee	228	240	113	115
Annual fee to Securities and Exchange Commission of Pakistan	20	21	10	10
Allocation of expenses related to registrar services, accounting, operation and valuation services	354	372	177	178
Selling and marketing expense	489	515	243	246
Auditors' remuneration	279	234	179	135
Securities transaction costs	310	259	258	173
Settlement and bank charges	181	177	94	46
Fee and subscription	142	39	85	32
	4,282	4,259	2,292	2,085
Net (loss) / income from operating activities	(15,528)	30,645	(2,358)	9,616
Reversal / (provision) for Sindh Workers' Welfare Fund	10.2	5,562	(613)	-
				(192)
Net (loss) / income for the period before taxation	(9,966)	30,032	(2,358)	9,424
Taxation	12	-	-	-
Net (loss) / income for the period after taxation	(9,966)	30,032	(2,358)	9,424
Allocation of net (loss) / income for the period after taxation				
Net income for the period after taxation	(9,966)	30,032	(9,966)	9,424
Income already paid on redemption of units	-	(3,712)	-	(6,930)
Accounting income available for distribution	(9,966)	26,320	(9,966)	2,494
Accounting (loss) / income available for distribution:				
- Relating to capital (loss) / gains	-	24,708	-	8,014
- Excluding capital (loss) / gains	-	1,612	-	916
	-	26,320	-	8,930

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the six and three months period ended December 31, 2021

	For six months period ended		For three months period ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(9,966)	30,032	(2,358)	9,424
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(9,966)	30,032	(2,358)	9,424

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Statement of Movement in Unitholders' Fund (Un-Audited)
For the six and three months period ended December 31, 2021

	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income / (accumulated loss)	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	220,838	(18,401)	202,437	243,068	(49,304)	193,764
Issue of 183,565 units (2020: 651,785 units)						
- Capital value	20,696	-	20,696	61,321	-	61,321
- Element of loss	(571)	-	(571)	7,317	-	7,317
Total proceeds on issuance of units	20,125	-	20,125	68,638	-	68,638
Redemption of 123,328 units (2020: 872,232 units)						
- Capital value	(13,905)	-	(13,905)	(82,061)	-	(82,061)
- Element of income	146	-	146	(6,485)	(3,712)	(10,197)
Total payments on redemption of units	(13,759)	-	(13,759)	(88,546)	(3,712)	(92,258)
Total comprehensive (loss) / income for the period	-	(9,966)	(9,966)	-	30,032	30,032
Total comprehensive (loss) / income for the period	-	(9,966)	(9,966)	-	30,032	30,032
Net assets at end of the period	227,204	(28,367)	198,837	223,160	(22,984)	200,176
Undistributed loss brought forward						
- Realised gain/ (loss)		713			(28,505)	
- Unrealised loss		(19,114)			(20,799)	
		(18,401)			(49,304)	
Accounting (loss) / income available for distribution						
- Relating to capital gains / (loss)		-			24,708	
- Excluding capital gains / (loss)		-			1,612	
		-			26,320	
Total comprehensive (loss) for the period		(9,966)			-	
Accumulated loss carried forward		(28,367)			(22,984)	
Accumulated loss carried forward						
-Realised loss		(17,309)			(41,825)	
-Un-realised gain / (loss)		(11,058)			18,841	
		(28,367)			(22,984)	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period			112.7464			94.0814
Net assets value per unit at end of the period			107.1465			108.8453

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the six and three months period ended December 31, 2021

	2021	2020
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	(9,966)	30,032
Adjustments		
Net realised gain/loss on sale of investments	6,022	(9,328)
Profit on deposits with banks calculated using effective yield method	(1,613)	(1,830)
Return on investments calculated using effective yield method	(1,298)	(802)
Dividend income	(2,923)	(2,569)
Net unrealised diminution / (appreciation) on remeasurement of investments classified as 'financial asset at fair value through profit or loss'	11,058	(18,841)
	1,280	(3,338)
<i>Decrease / (increase) in assets</i>		
Investments	(22,508)	4,436
Advances, deposits and other receivables	(108)	(3,463)
Receivable against sale of investments	(44)	-
	(22,660)	973
<i>Increase / (decrease) in liabilities</i>		
Payable to Management Company	(26)	(463)
Payable to Trustee	-	4
Payable to Securities and Exchange Commission of Pakistan	(21)	(18)
Payable against redemption of units	(4,003)	(416)
Accrued expenses and other liabilities	(5,903)	(3,018)
	(9,953)	(3,911)
Net cash used in operations	(31,333)	(6,276)
Profits received on bank deposits	1,650	1,945
Markup received on investments	1,322	804
Dividend income received	2,930	2,435
	5,902	5,184
Net cash used in operating activities	(25,431)	(1,092)
Cash flows from financing activities		
Amount received on issue of units	20,125	68,638
Payment against redemption of units	(13,759)	(92,258)
Net cash generated from / (used in) financing activities	6,366	(23,620)
Net decrease in cash and cash equivalents	(19,065)	(24,712)
Cash and cash equivalents at beginning of the period	54,922	69,747
Cash and cash equivalents at end of the period	35,857	45,035

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Multi Asset Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the six and three months period ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Positive outlook) to the Management Company as on 31 December 2021 (31 December 2020: AM2++ (Positive outlook))

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

Impact of Covid-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many governments are still taking stringent steps to help contain the spread of the virus, including vaccination campaigns, requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. During the period, the provincial government imposed complete lockdown only in Sindh amid increasing COVID-19 cases in early July. Further, subsequent to period end, African variant of Covid 19 (named "Omicron") has affected the country adversely. Consequently, this would lead to uncertainties in terms of increase in number of cases due to which Sindh government and National Command Operation Center (NCOC) has imposed micro lockdown in highly affected areas which could affect the overall operations and the business in future requiring close monitoring by the management as it is an alarming situation for overall economy of Pakistan. The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders. The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that would be no significant impact that will adversely affect the operations and financial position of the Fund in future periods.

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;
- 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) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations 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 and the NBFC Regulations 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, 2021. 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 December 31, 2021.

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, 2021.

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, 2021.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2021.

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in '000)	
6	BANK BALANCES	<i>Note</i>	
	Savings accounts	6.1 <u>35,857</u>	<u>54,922</u>
6.1	This represents bank accounts held with different banks. Profit rates on these accounts ranges between 4% - 12.25% (June 30, 2021: 4.00% - 7.8%) per annum.		
7	INVESTMENTS	<i>Note</i>	
	Investments by category		
	At fair value through profit or loss		
	Listed equity securities	7.1 139,357	139,755
	Term finance certificates and sukuk bonds	7.2 3,797	17,705
	Investment in T-bills	7.3 -	-
		<u>143,154</u>	<u>157,460</u>
	Financial assets At amortised Cost		
	Sukuk certificates	7.4 4,601	4,384
	Commercial paper	7.5 19,517	-
		<u>24,118</u>	<u>4,384</u>
	Total investment	<u>167,272</u>	<u>161,844</u>

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

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

Name of Investee Company	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2021	Cost of holdings as at December 31, 2021	Market value as at December 31, 2021	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)				(Rupees in '000)		(%)			
Automobiles Parts & Accessories										
Ghandhara Tyre & Rubber Company of Pakistan Limited	30,000	21,500	-	5,000	46,500	3,840	2,156	1.29	1.11	-
Panther Tyres Limited	19,526	-	-	19,526	-	-	-	-	-	-
	49,526	21,500	-	24,526	46,500	3,840	2,156	1.29	1.11	-
Auto Mobile Assembler										
Ghandhara Industries Limited.	-	2,300	-	2,300	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	3,000	-	-	3,000	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	2,500	-	-	2,500	-	-	-	-	-	-
	5,500	2,300	-	7,800	-	-	-	-	-	-
Cable and Electrical Goods										
Waves Singer Pakistan Limited	40,000	4,000	-	44,000	-	-	-	-	-	-
	40,000	4,000	-	44,000	-	-	-	-	-	-
Cement										
Attock Cement Pakistan Limited	32,000	-	-	-	32,000	5,755	4,447	2.66	2.24	0.02
D. G. Khan Cement Company Limited	26,900	-	-	26,900	-	-	-	-	-	-
Fauji Cement Company Limited	-	25,000	-	25,000	-	-	-	-	-	-
Kohat Cement Limited	6,200	-	-	2,500	3,700	765	698	0.42	0.35	-
Lucky Cement Limited	12,800	8,130	-	3,300	17,630	13,819	11,976	7.16	6.02	-
Maple Leaf Cement Factory Limited	88,000	154,000	-	74,000	168,000	6,585	6,040	3.61	3.04	-
Pioneer Cement Limited	15,000	2,200	-	15,000	2,200	199	195	0.12	0.10	-
	180,900	189,330	-	146,700	223,530	27,123	23,356	13.97	11.75	0.02
Food & personal care products										
Fauji Foods Limited - Letter of right	-	209,935	-	209,935	-	-	-	-	-	-
Fauji Foods Limited	-	282,935	-	73,000	209,935	2,317	1,929	0.01	0.01	-
Unity Foods Limited	97,000	54,500	-	-	151,500	5,938	4,010	2.40	2.02	0.71
Unity Foods Limited- Letter of right	-	30,481	-	7,000	23,481	-	25	-	-	-
	97,000	577,851	-	289,935	384,916	8,255	5,964	2.41	2.03	0.71
Commercial Banks										
Bank Al-Falah Limited	-	148,100	-	-	148,100	4,961	5,124	3.06	2.58	0.01
Bank Al-Habib Limited	-	36,000	-	36,000	-	-	-	-	-	-
Faysal Bank Limited	72,250	113,500	-	-	185,750	4,221	4,272	2.55	2.15	0.01
Habib Bank Limited	49,471	97,800	-	4,000	143,271	17,425	16,708	9.99	8.40	0.01
MCB Bank Limited	22,400	6,000	-	5,500	22,900	3,641	3,512	2.10	1.77	-
Meezan Bank Limited	6,300	-	945	7,245	-	-	-	-	-	-
Standard Chartered Bank (Pakistan) Limited	128,500	8,500	-	-	137,000	4,638	4,998	2.99	2.51	-
United Bank Limited	62,400	29,700	-	10,000	82,100	10,264	11,213	6.70	5.64	0.01
	341,321	439,600	945	62,745	719,121	45,150	45,827	27.39	23.05	0.04
Engineering										
Agha Steel Industries Limited	54,000	2,000	2,400	57,000	1,400	44	37	0.02	0.02	-
Aisha Steel Mills Limited	60,000	-	-	60,000	-	-	-	-	-	-
Amreli Steels Limited	15,000	82,500	-	40,000	57,500	2,468	2,574	1.54	1.29	0.02
International Industries Limited	10,500	-	-	10,500	-	-	-	-	-	-
International Steel Limited	9,000	-	-	9,000	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	28,612	27,500	6,001	4,500	57,613	5,320	5,998	3.59	3.02	0.02
	177,112	112,000	8,401	181,000	116,513	7,832	8,609	5.15	4.33	0.04
Fertilizers										
Fauji Fertilizer Bin Qasim Limited	-	50,000	-	50,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	12,500	-	-	12,500	-	-	-	-	-	-
	12,500	50,000	-	62,500	-	-	-	-	-	-

Name of Investee Company	As at July 01, 2021	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2021	Cost of holdings as at December 31, 2021	Market value as at December 31, 2021	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) -----				--- (Rupees in '000) ---		----- (%) -----			
Food & personal care products										
The Organic Meat Company Limited	130,725	5,000	10,122	49,500	96,347	3,198	3,057	1.83	1.54	0.09
	130,725	5,000	10,122	49,500	96,347	3,198	3,057	1.83	1.54	0.09
Insurance										
Adamjee Insurance Company Limited	16,000	-	-	16,000	-	-	-	-	-	-
IGI Life Insurance Limited	19,000	16,500	-	-	35,500	1,613	1,353	0.81	0.68	0.02
IGI Holdings Limited	12,200	17,000	-	-	29,200	5,146	4,486	2.68	2.26	0.02
	47,200	33,500	-	16,000	64,700	6,759	5,839	3.49	2.94	0.04
Refinery										
Attock Refinery Limited	5,500	3,500	-	5,500	3,500	564	504	-	-	-
National Refinery Limited	2,600	200	-	-	2,800	1,423	797	-	-	-
	8,100	3,700	-	5,500	6,300	1,987	1,301	-	-	-
Oil & Gas Exploration										
Mari Petroleum Company Limited	4,015	900	-	600	4,315	6,598	7,138	4.27	3.59	-
Oil & Gas Development Company Limited	67,800	59,000	-	94,650	32,150	2,747	2,771	1.66	1.39	-
Pakistan Oilfields Limited	6,200	-	-	6,200	-	-	-	-	-	-
Pakistan Petroleum Limited	73,306	76,500	-	114,006	35,800	2,805	2,830	1.69	1.42	-
	151,321	136,400	-	215,456	72,265	12,150	12,739	7.62	6.40	-
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	22,904	5,600	-	1,000	27,504	5,914	5,003	1.69	1.42	-
	22,904	5,600	-	1,000	27,504	5,914	5,003	1.69	1.42	-
Pharmaceuticals										
Abbott Laboratories (Pak) Limited	-	2,500	-	2,500	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	8,000	-	8,000	-	-	-	-	-	-
Highnoon Laboratories Limited	-	3,000	-	1,500	1,500	933	942	0.56	0.47	-
The Searle Company Limited	862	13,000	258	-	14,120	2,022	2,029	1.21	1.02	-
	862	26,500	258	12,000	15,620	2,955	2,971	1.77	1.49	-
Power Generation and Distribution										
Hub Power Company Limited	64,483	-	-	18,000	46,483	3,703	3,316	1.98	1.67	-
	64,483	-	-	18,000	46,483	3,703	3,316	1.98	1.67	-
Miscellaneous										
Pace (Pakistan) Limited.	-	75,000	-	75,000	-	-	-	-	-	-
	-	75,000	-	75,000	-	-	-	-	-	-
Textile Composite										
Gul Ahmed Textile Mills Limited	62,400	-	-	21,000	41,400	2,100	1,948	1.16	0.98	-
Interloop Limited	28,250	-	847	-	29,097	1,978	2,115	1.26	1.06	-
Kohinoor Textile Mills Limited	40,000	-	-	5,500	34,500	2,594	2,395	1.43	1.20	-
Nishat (Chunian) Limited	39,000	-	-	39,000	-	-	-	-	-	-
Nishat Mills Limited	8,700	10,800	-	-	19,500	1,877	1,552	0.93	0.78	-
	178,350	10,800	847	65,500	124,497	8,549	8,010	4.78	4.02	-
Transport										
Pakistan International Bulk Terminal Limited	-	59,000	-	59,000	-	-	-	-	-	-
Pakistan National Shipping Corporation	13,000	-	-	13,000	-	-	-	-	-	-
	13,000	59,000	-	72,000	-	-	-	-	-	-
CHEMICAL										
Descon Oxychem Limited	-	127,500	-	28,000	99,500	2,433	2,289	1.37	1.15	-
Dynea Pakistan Limited	-	3,100	-	200	2,900	740	626	0.37	0.31	-
	-	130,600	-	28,200	102,400	3,173	2,915	1.74	1.46	-
Technology and Communication										
Octopus Digital Limited	-	16,430	-	9,430	7,000	494	544	-	-	-
Air Link Communication Limited	-	41,500	1,462	42,962	-	-	-	-	-	-
Avanceon Limited	36,000	16,000	-	22,500	29,500	3,196	2,688	1.61	1.35	-
Hum Network Limited	-	30,000	-	30,000	-	-	-	-	-	-
Netsol Technologies Limited	12,000	3,500	-	1,900	13,600	2,174	1,276	0.76	0.64	-
Systems Limited	-	3,000	-	2,700	300	200	228	-	-	-
TPL Trakker Limited	154,500	58,500	-	-	213,000	3,687	3,559	2.13	1.79	-
TRG Pakistan Limited	17,500	16,500	-	34,000	-	-	-	-	-	-
	220,000	185,430	1,462	143,492	263,400	9,751	8,295	4.50	3.78	-
Total as at December 31, 2021	1,740,804	2,068,111	22,035	1,520,854	2,310,096	150,339	139,357	80.06	67.33	1.18

7.1.1 Investments include shares having market value aggregating to Rs.37.2628 million (June 30, 2021: Rs. 33.207 million) that have been pledged with 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 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 544,244 as at December 31, 2021 (June 30, 2021: Rs 568,594) and not yet deposited in CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

7.2 Term Finance Certificates and Sukuk Bonds - At fair value through profit or loss

Name of the Investee Company	As at July 1, 2021	Purchases during the period	Sales / Matured / Settled during the period	As at December 31, 2021	Amortised Cost as at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of	
							Total Investments	Net Assets
	----- (Number of certificates) -----			----- (Rupees in '000) -----		----- % -----		
Term Finance Certificates								
Commercial Bank								
The Bank of Punjab	135	-	135	-	-	-	-	-
	135	-	135	-	-	-	-	-
Technology & Communication								
TPL Trakker Limited	4	-	-	4	3,873	3,797	2.27	0.02
	4	-	-	4	3,873	3,797	2.27	0.02
Total	139	-	135	4	3,873	3,797	2.27	0.02

Significant terms and conditions of Term finance certificate and sukuk bonds outstanding as at December 31, 2021 are as follows:

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
TPL Trakker Limited	944,444	3 month KIBOR + 3%	30-Mar-21	30-Mar-26

7.3 T-bills - At fair value through profit or loss

	Maturity Date	As at July 1, 2021	Placements made during the period	Matured / Sale during the period	Amortised Cost as at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of	
							Total Investment of fund	Net Assets of fund
	----- (Rupees in '000) -----						----- % -----	
Bank Alfalah limited	4-Nov-21	-	40,000	40,000	-	-	-	-
Bank Alfalah limited	21-Oct-21	-	25,000	25,000	-	-	-	-
Bank Alfalah limited	30-Dec-21	-	65,000	65,000	-	-	-	-
		-	130,000	130,000	-	-	-	-

7.4 Sukuk certificates - At amortised cost

	Maturity Date	Face Value				Carring Value as at December 31, 2021	Carring Value as Percentage of Total Investment	Carring Value as Percentage of Net Asset
		As at July 01, 2021	Placement During the period	Maturity / Sold During the period	As at December 31, 2021			
Power Generation & Distribution		------(Rupees in '000)-----					-----%	
The Hub Power Company Limited	12-Nov-22	50	-	-	50	4,601	2.75	2.31
Total		50	-	-	50	4,601	2.75	2.31

Name of Security	Remaining Principal (per Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
The Hub Power Company Limited	100,000	6 month KIBOR + 2.5%	9-Nov-20	11-Nov-22

7.5 Commercial paper - At amortised cost

	Maturity Date	Rate of return	Face Value				Carring Value as at December 31, 2021	Carring Value as Percentage of Total Investment	Carring Value as Percentage of Net Asset
			As at July 01, 2021	Placement During the period	Maturity / Sold During the period	As at December 31, 2021			
			------(Rupees in '000)-----					-----%	
K-Electric	7-Apr-22	8.66%	-	15,000	-	15,000	14,670	8.77	7.38
K-Electric	4-May-22	9.41%	-	5,000	-	5,000	4,847	2.90	2.44
			-	20,000	-	20,000	19,517	11.67	9.82

8 ADVANCES AND DEPOSITS

	Note	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
		(Rupees in '000)	
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited (CDC)		100	100
Advance against Term Finance Certificates (TFCs)	8.1	25,000	25,000
Prepaid legal fee		97	-
Advance tax	8.2	375	364
		28,072	27,964
Provision in respect of advance against Term Finance Certificates (TFCs)	8.1	(25,000)	(25,000)
		3,072	2,964

8.1 The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till December 31, 2021. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at Decemeber 31, 2021, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

8.2 This pertains to tax erroneously collected by bank on markup on bank deposits which will be claimed on filing of tax returns by the Fund.

	<i>Note</i>	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
9 PAYABLE TO THE MANAGEMENT COMPANY		(Rupees in '000)	
Management fee		333	339
Sindh Sales Tax		43	44
Sales load payable		-	19
Allocation of expenses related to registrar services accounting, operation and valuation services		58	59
Selling and marketing payable		243	242
		677	703
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		239	316
Federal Excise Duty	10.1	6,610	6,610
Payable to brokers		125	81
Dividend Payable		3	3
Withholding Tax Payable		-	303
Provision for Workers' Welfare Fund	10.2	-	5,562
Other payables		56	61
		7,033	12,936

10.1 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, 2021.

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, 2019 aggregating to Rs. 6.610 million. Had the provision not been retained, the Net Assets Value per unit of the Fund as on December 31, 2021 would have been higher by Rs. 3.5619 per unit (June 30, 2021: Rs. 3.6814 per unit).

10.2 Provision for Workers' Welfare Fund

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan (MUFAP), in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

However, during the period, the SRB through its letter dated August 12, 2021 (received on August 13, 2021) to (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the SWWF Act 2014 and are therefore subject to Sindh Workers' Welfare Fund charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 5.562 million in HBL Money Market Fund for the period from July 1, 2014 till August 12, 2021.

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2021 except those disclosed in the year end 30 June 2021 note 12.

12 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 the 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 11 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, 2022 to its unit holders.

13 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:

	Half year ended December 31,	
	2021	2020
13.1 Transactions during the period	(Un-Audited) (Rupees in '000)	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	2,279	2,402
Allocation of expenses related to registrar services, accounting, operation and valuation services	353	372
Selling and marketing cost payable	489	515
Habib Bank Limited - Sponsor		
Bank charges paid during the period	3	1
Mark-up earned during the period*	184	155
Dividend income earned during the period	213	-
Purchase of 97,800 Share (2020: 21,000 shares)	11,857	2,830
Sale of 4,000 Share (2020: Nil shares)	511	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	228	240
Central Depository service charges	12	11
HBL Income Fund		
Sale of Bank of Punjab Term Finance Certificate	13,500	-

13.2 Amounts outstanding as at period / year end	December 31, 2021 (Un-Audited)	June 30, 2021 (Audited)
	(Rupees in '000)	
HBL Asset Management Limited - Management Company		
Management fee payable	333	339
Sales tax payable	43	44
Sales load Payable	-	19
Allocation of expenses related to registrar services, accounting, operation and valuation services	58	59
Selling and Marketing Cost	243	242
Habib Bank Limited - Sponsor		
Investment held in the Fund: 822,848 units (June 30, 2021: 822,848 units)	88,165	92,773
Outstanding balance of shares: 143,271 shares (June 30, 2021: 49,471 shares)	16,708	6,054
Bank balances	1,524	6,343
Mark-up receivable on deposits with bank	5	21
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	34	34
Sindh Sales Tax	4	4
Security Deposit	100	100
Mr. Rafiuddin Zakir Mahmood - Connected Person Due to holding of 10% or more		
Investment held in the Fund: 312,940 units (June 30, 2021: 312,940 units)	33,530	35,283

* These carry profit rate ranging between 4.00% to 5.00% (June 2021: 4.00% to 6.00%) per annum.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

December 31, 2021 (Un-Audited)							
	Carrying amount			Fair Value			
	Mandatorily at fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial instruments	<i>Note</i> ----- (Rupees in '000) -----						
Financial assets measured at fair value							
Investments							
Listed equity securities	139,357	-	139,357	139,357	-	-	139,357
Term Finance Certificates and sukuk bonds	3,797	-	3,797	-	3,797	-	3,797
	<u>143,154</u>	<u>-</u>	<u>143,154</u>				
Financial assets not measured at fair value							
Bank balances	-	35,857	35,857				
Dividend receivable and accrued mark-up	-	360	360				
Advances and deposits	-	2,600	2,600				
Commercial Paper	-	19,517	19,517				
Term Finance Certificates and sukuk bonds	-	4,601	4,601				
	<u>-</u>	<u>62,935</u>	<u>62,935</u>				
Financial liabilities not measured at fair value							
	14.1						
Payable to the Management Company	-	677	677				
Payable to the Trustee	-	38	38				
Accrued expenses and other liabilities	-	423	423				
	<u>-</u>	<u>1,138</u>	<u>1,138</u>				
June 30, 2021 (Audited)							
	Carrying amount			Fair Value			
	Mandatorily at fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial instruments	<i>Note</i> ----- (Rupees in '000) -----						
Financial assets measured at fair value							
Investments							
- Listed equity securities	139,755	-	139,755	139,755	-	-	139,755
- Term Finance Certificates	17,705	-	17,705	-	17,705	-	17,705
	<u>157,460</u>	<u>-</u>	<u>157,460</u>				
Financial assets not measured at fair value							
Bank balances	-	54,922	54,922				
Dividend receivable and accrued mark-up	-	428	428				
Advances and deposits	-	2,600	2,600				
Term Finance Certificates and sukuk bonds	-	4,384	4,384				
	<u>-</u>	<u>62,334</u>	<u>62,334</u>				
Financial liabilities not measured at fair value							
	14.1						
Payable to the Management Company	-	659	659				
Payable to the Trustee	-	34	34				
Accrued expenses and other liabilities	-	461	461				
	<u>-</u>	<u>1,154</u>	<u>1,154</u>				

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

14.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

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

The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Balanced Scheme' in accordance with the said circular. As at December 31 2021, the Fund is compliant with all the requirements of the said circular except for clause 2 (iv) which requires that the rating of any debt security in the portfolio shall not be lower than A- (A Minus).

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

Name of Non-Compliant Investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	% of net assets	% of gross assets
		----- (Rupees in '000) -----				
Dewan Cement Limited	TFC	25,000	25,000	-	-	-

16 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the SECP, the total expense ratio of the Fund for the half year ended December 31, 2021 is 2.14% (December 31, 2020: 4.58%) which includes 0.15% (December 31, 2020: 0.49%) representing government levy, Worker's Welfare Fund and SECP fee.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on February 11, 2022.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Financial Planning Fund

FUND INFORMATION

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



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS
HBL FINANCIAL PLANNING FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

HBL Financial Planning Fund, an open-end Scheme established under a Trust Deed dated March 22, 2017 executed between HBL Asset Management Company Limited, as the Management Company and Digital Custodian Company Limited Formerly MCB Financial Services Limited, as the Trustee. The Fund commenced its operations from October 11, 2017.

1. HBL Asset Management Company Limited, the Management Company of HBL Financial Planning Fund has, in all material respects, managed HBL Financial Planning Fund during the year ended 31st December, 2021 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Karachi: February 21, 2022

Authorize Signatory

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Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS OF HBL FINANCIAL PLANNING FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL FINANCIAL PLANNING FUND ("the Fund") as at December 31, 2021 and the related 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 and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). HBL Asset Management Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2021 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2022

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL Financial Planning Fund
Condensed Interim Statement of Assets and Liabilities
AS AT DECEMBER 31, 2021

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)				
	Active	Conservative	Special	Total	Active	Conservative	Special	Total	
	Allocation	Allocation	Income		Allocation	Allocation	Income		
Note	Plan	Plan	Plan	Rupees in '000	Plan	Plan	Plan		
ASSETS									
Bank balances	4	211	305	60	576	237	1,598	1,089	2,924
Investments	5	34,560	71,677	-	106,237	57,824	51,084	88,149	197,057
Preliminary expenses and flotation costs		240	256	-	496	377	372	-	749
Advances and prepayments	6	107	88	-	195	68	36	-	104
TOTAL ASSETS		35,118	72,326	60	107,504	58,506	53,090	89,238	200,834
LIABILITIES									
Payable to the Management Company	7	7	13	-	20	10	9	15	34
Payable to the Trustee	8	3	6	-	9	5	5	8	18
Payable to Securities and Exchange									
Commission of Pakistan	9	4	6	3	13	12	12	24	48
Accrued expenses and other liabilities	10	192	59	57	308	679	1,944	1,266	3,889
TOTAL LIABILITIES		206	84	60	350	706	1,970	1,313	3,989
NET ASSETS		34,912	72,242	-	107,154	57,800	51,120	87,925	196,845
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)									
		34,912	72,242	-	107,154	57,800	51,120	87,925	196,845
CONTINGENCIES AND COMMITMENTS									
	11	Number of units							
Number of units in issue		359,663	631,549	-		499,316	443,711	833,350	1,776,377
		Rupees							
Net assets value per unit		97.0723	114.3882	-		115.7579	115.2069	105.5096	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2021				For the period from July 1, 2021 to September 13, 2021				For the half year ended December 31, 2020			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note	Rupees in '000											
Income												
Capital (loss) / gain on sale of investments - net	(891)	20	176	(695)	67	1,837	1,411	3,315	67	1,837	1,411	3,315
Dividend income	-	-	1,358	1,358	571	-	927	1,498	571	-	927	1,498
Mark-up on bank deposits	31	23	21	75	44	285	33	362	44	285	33	362
Back-end load	-	-	-	-	-	-	26	26	-	-	26	26
	(860)	43	1,555	738	682	2,122	2,397	5,201	682	2,122	2,397	5,201
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(6,808)	(481)	-	(7,289)	6,061	1,394	542	7,997	6,061	1,394	542	7,997
5.1	(7,668)	(438)	1,555	(6,551)	6,743	3,516	2,939	13,198	6,743	3,516	2,939	13,198
Expenses												
Remuneration of the Management Company	3	4	4	11	9	51	2	62	9	51	2	62
Sindh Sales Tax on remuneration of the Management Company	-	1	1	2	1	7	-	8	1	7	-	8
Remuneration of the Trustee	19	26	15	60	28	31	61	120	28	31	61	120
Sindh Sales Tax on remuneration of the Trustee	2	3	2	7	4	4	8	16	4	4	8	16
Annual fee to the Securities and Exchange Commission of Pakistan	4	6	3	13	6	7	14	27	6	7	14	27
Allocation of expenses related to registrar services, accounting, operation and valuation services	42	58	34	134	62	69	136	267	62	69	136	267
Amortisation of preliminary expenses and flotation costs	135	118	-	253	135	118	-	253	135	118	-	253
Auditors' remuneration	67	59	49	175	34	31	84	149	34	31	84	149
Fees and subscription	48	49	11	108	14	12	8	34	14	12	8	34
Bank charges	6	3	79	88	5	11	4	20	5	11	4	20
Printing charges	25	25	4	54	8	4	8	20	8	4	8	20
	351	352	202	905	306	345	325	976	306	345	325	976
Net (loss) / income from operating activities	(8,019)	(790)	1,353	(7,456)	6,437	3,171	2,614	12,222	6,437	3,171	2,614	12,222
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	406	332	466	1,204	(129)	(63)	(52)	(244)	(129)	(63)	(52)	(244)
10.1 Net (loss) / income for the period before taxation	(7,613)	(458)	1,819	(6,252)	6,308	3,108	2,562	11,978	6,308	3,108	2,562	11,978
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
12 Net (loss) / income for the period after taxation	(7,613)	(458)	1,819	(6,252)	6,308	3,108	2,562	11,978	6,308	3,108	2,562	11,978
Allocation of net income for the period												
Income already paid on redemption of units	-	-	162	162	100	367	230	797	100	367	230	797
Accounting income available for distribution	-	-	176	176	6,031	2,741	1,953	10,725	6,031	2,741	1,953	10,725
Relating to capital gains	-	-	1,481	1,481	177	-	379	556	177	-	379	556
Excluding capital gains	-	-	1,657	1,657	6,208	2,741	2,332	11,281	6,208	2,741	2,332	11,281
	-	-	1,819	1,819	6,308	3,108	2,562	11,978	6,308	3,108	2,562	11,978
Earnings per unit	13											

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2021 (CONTINUED)

Note	For the period from July 1, 2021 to September 13, 2021				For the quarter ended				
	For the quarter ended		Special Income Plan	Total	For the quarter ended		Special Income Plan	Total	
	Active Allocation Plan	Conservative Allocation Plan			Active Allocation Plan	Conservative Allocation Plan			
	(Rupees in '000)								
Income									
Capital (loss) / gain on sale of investments - net	(844)	19	-	(825)	67	19	1,397	1,483	
Dividend income	-	-	-	-	344	-	927	1,271	
Mark-up on bank deposits	9	13	-	22	15	140	30	185	
Back-end load	-	-	-	-	-	-	-	-	
	(835)	32	-	(803)	426	159	2,354	2,939	
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net	5.1	(1,410)	209	-	(1,201)	1,806	1,318	(507)	2,617
		(2,245)	241	-	(2,004)	2,232	1,477	1,847	5,556
Expenses									
Remuneration of the Management Company	2	2	-	4	3	1	1	5	
Sindh Sales Tax on remuneration of the Management Company	-	1	-	1	-	-	-	-	
Remuneration of the Trustee	8	14	-	23	14	12	29	55	
Sindh Sales Tax on remuneration of the Trustee	1	2	-	3	2	2	4	8	
Annual fee to the Securities and Exchange Commission of Pakistan	2	3	-	5	3	3	7	13	
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	18	32	-	50	31	27	66	124	
Amortisation of preliminary expenses and flotation costs	67	60	-	127	68	60	-	128	
Auditors' remuneration	35	31	-	66	17	15	42	74	
Fees and subscription	28	29	-	57	7	6	4	17	
Bank charges	2	(1)	-	1	3	8	4	15	
Printing charges	8	4	-	12	8	4	8	20	
	171	177	-	348	156	138	165	460	
Net (loss) / income from operating activities	(2,416)	64	-	(2,352)	2,076	1,339	1,682	5,096	
Reversal / (provision) for Sindh Workers' Welfare Fund	10.1	-	-	-	(42)	(27)	(34)	(103)	
Net (loss) / income for the period before taxation	(2,416)	64	-	(2,352)	2,034	1,312	1,648	4,993	
Taxation	12	-	-	-	-	-	-	-	
Net (loss) / income for the period after taxation	(2,416)	64	-	(2,352)	2,034	1,312	1,648	4,993	
Allocation of net income for the period									
Income already paid on redemption of units	-	-	-	-	44	366	222	-	
Accounting income available for distribution									
Relating to capital gains	-	-	-	-	1,832	946	1,047	-	
Excluding capital gains	-	-	-	-	158	-	379	-	
	-	-	-	-	1,990	946	1,426	-	
	-	-	-	-	2,034	1,312	1,648	-	

Earnings per unit

13

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2021		For the period from July 1, 2021 to September 13, 2021		For the half year ended December 31, 2020			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000							
Net (loss) / income for the period after taxation	(7,613)	(458)	1,819	(6,252)	6,308	3,108	2,562	11,978
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(7,613)</u>	<u>(458)</u>	<u>1,819</u>	<u>(6,252)</u>	<u>6,308</u>	<u>3,108</u>	<u>2,562</u>	<u>11,978</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2021 (CONTINUED)

	For the quarter ended December 31, 2021				Quarter ended December 31, 2020			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	----- (Rupees in '000) -----							
Net (loss) / income for the period after taxation	(2,416)	64	-	(2,352)	2,034	1,312	1,648	4,993
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(2,416)</u>	<u>64</u>	<u>-</u>	<u>(2,352)</u>	<u>2,034</u>	<u>1,312</u>	<u>1,648</u>	<u>4,993</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

	Conservative Allocation Plan					
	For the half year ended December 31, 2021			For the half year ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees in '000 -----					
Net assets at beginning of the period	42,154	8,966	51,120	46,342	6,207	52,549
Issuance of 190,458 units (2020: 2,614,725 units)						
Capital value (at net asset value per unit at the beginning of the period)	21,942	-	21,942	283,183	-	283,183
Element of (loss) / income	(62)	-	(62)	6,922	-	6,922
Total proceeds on issuance of units	21,880	-	21,880	290,105	-	290,105
Redemption of 2,620 units (2020: 2,610,792 units)						
Capital value (at net asset value per unit at the beginning of the period)	(302)	-	(302)	(282,756)	-	(282,756)
Income already paid on redemption of units	-	-	-	-	(367)	(367)
Element of income / (loss)	2	-	2	(6,803)	-	(6,803)
Total payments on redemption of units	(300)	-	(300)	(289,559)	(367)	(289,926)
Total comprehensive income for the period	-	(458)	(458)	-	3,108	3,108
Net assets at end of the period	63,734	8,508	72,242	46,888	8,948	55,836
Undistributed income brought forward						
Realised income		7,975			6,074	
Unrealised income		991			133	
		8,966			6,207	
Accounting income available for distribution						
Relating to capital gains		-			2,741	
Excluding capital gains		-			-	
		-			2,741	
Total comprehensive loss for the period		(458)			-	
Undistributed income carried forward		8,508			8,948	
Undistributed income carried forward						
Realised income		8,989			7,554	
Unrealised (loss) / income		(481)			1,394	
		8,508			8,948	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			115.2069			108.3030
Net assets value per unit at end of the period			114.3882			114.1509

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED) FOR THE PERIOD AND HALF YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

	Special Income Plan					
	For the period from July 1, 2021 to September 13, 2021			For the half year ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Rupees in '000			Rupees in '000			
Net assets at beginning of the period	81,693	6,232	87,925	135,761	5,733	141,494
Issuance of 24,128 units (2020: 4,353 units)						
Capital value (at net asset value per unit at the beginning of the period)	2,546	-	2,546	458	-	458
Element of income	6	-	6	-	-	-
Total proceeds on issuance of units	2,552	-	2,552	458	-	458
Redemption of units 857,477 (2020: 237,991 units)						
Capital value (at net asset value per unit at the beginning of the period)	(90,472)	-	(90,472)	(24,941)	-	(24,941)
Income already paid on redemption of units	-	(162)	(162)	-	(230)	(230)
Element of loss	(246)	-	(246)	(5)	-	(5)
Total payments on redemption of units	(90,718)	(162)	(90,880)	(24,946)	(230)	(25,176)
Total comprehensive income for the period	-	1,819	1,819	-	2,562	2,562
Interim distribution						
Rs 2.2 per unit declared on September 13, 2021 as cash dividend						
Distribution for the period	-	(1,416)	(1,416)	-	(265)	(265)
	-	403	403	-	2,297	2,297
Net assets at end of the period	(6,473)	6,473	-	111,273	7,800	119,073
Undistributed income brought forward						
Realised income / (loss)		6,196			(1,029)	
Unrealised income		36			6,762	
		6,232			5,733	
Accounting income available for distribution						
Relating to capital gains		176			1,953	
Excluding capital gains		1,481			379	
		1,657			2,332	
Interim distribution of Rs 2.2 per unit declared on September 13, 2021 as cash dividend		(1,416)			(265)	
Undistributed income carried forward		6,473			7,800	
Undistributed income carried forward						
Realised income		6,473			7,258	
Unrealised income		-			542	
		6,473			7,800	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			105.5096			104.7978
Net assets value per unit at end of the period			-			106.6451

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund
Condensed Interim Cash Flow Statement (unaudited)
FOR THE HALF YEAR AND PERIOD ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2021				For the period from July 1, 2021 to September 13, 2021				For the half year ended December 31, 2020			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
Note ----- Rupees in '000 -----												
CASH FLOWS FROM OPERATING ACTIVITIES												
Net (Loss) / income for the period before taxation	(7,613)	(458)	1,819	(6,252)	6,308	3,108	2,562	11,978				
Adjustments for:												
Capital loss / (gain) on sale of investment - net	891	(20)	(176)	695	(67)	(1,837)	(1,411)	(3,315)				
Dividend income	-	-	(1,358)	(1,358)	(571)	-	(927)	(1,498)				
Mark-up on bank deposits	(31)	(23)	(21)	(75)	(44)	(285)	(33)	(362)				
Back-end load	-	-	-	-	-	-	(26)	(26)				
Amortisation of preliminary expenses and flotation costs	135	118	-	253	135	118	-	253				
Unrealised diminution / (appreciation) re-measurement of investments classified as 'fair value through profit or loss' - net	6,808	481	-	7,289	(6,061)	(1,394)	(542)	(7,997)				
	190	98	264	552	(300)	(290)	(377)	(967)				
Decrease in assets												
Investments - net	15,565	(21,054)	88,325	82,836	(1,632)	1,265	26,505	26,138				
Preliminary expenses and flotation cost	2	(2)	-	-	1	(2)	-	(1)				
Advances and prepayments	(39)	(52)	-	(91)	8	7	(9)	6				
	15,528	(21,108)	88,325	82,745	(1,623)	1,270	26,496	26,143				
Decrease in liabilities												
Payable to the Management Company	(3)	4	(15)	(14)	2	(2,309)	(4)	(2,311)				
Payable to the Trustee	(2)	1	(8)	(9)	-	-	-	-				
Payable to Securities and Exchange Commission of Pakistan	(8)	(6)	(21)	(35)	(9)	(5)	(9)	(23)				
Accrued expenses and other liabilities	(487)	(1,885)	(1,209)	(3,581)	(438)	(3,006)	(2,536)	(5,980)				
	(500)	(1,886)	(1,253)	(3,639)	(445)	(5,320)	(2,549)	(8,314)				
Cash generated from operations	15,218	(22,896)	87,336	79,658	(2,368)	(4,340)	23,570	16,862				
Dividend received	-	-	1,358	1,358	571	-	927	1,498				
Mark-up received on bank deposits	31	23	21	75	44	285	33	362				
Back-end load	-	-	-	-	-	-	26	26				
Net cash generated from operating activities	15,249	(22,873)	88,715	81,091	(1,753)	(4,055)	24,556	18,748				
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts from issue of units	990	21,880	2,552	25,422	1,269	290,105	458	291,832				
Payment against redemption of units	(16,265)	(300)	(90,880)	(107,445)	(2,272)	(289,926)	(25,176)	(317,374)				
Dividend paid	-	-	(1,416)	(1,416)	-	-	(265)	(265)				
Net cash used in financing activities	(15,275)	21,580	(89,744)	(83,439)	(1,003)	179	(24,983)	(25,807)				
Net decrease in cash and cash equivalents during the period	(26)	(1,293)	(1,029)	(2,348)	(2,756)	(3,876)	(427)	(7,059)				
Cash and cash equivalents at the beginning of the period	237	1,598	1,089	2,924	3,468	4,116	954	8,538				
Cash and cash equivalents at the end of the period	4 211	305	60	576	712	240	527	1,479				

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Financial Planning Fund

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Fund is an open ended fund of fund scheme and the Fund is listed on Pakistan Stock Exchange Limited. The Fund currently has three different plans; namely, Active Allocation Plan, Conservative Allocation Plan and Special Income Plan (collectively referred as 'Plans'). The units of Conservative Allocation Plan and Active Allocation Plan were initially offered to public (IPO) from September 11, 2017 to October 10, 2017 and the units of Special Income Plan were offered from June 11, 2019 to September 13, 2019. The units are transferable and can be redeemed by surrendering them to the Fund at the option of unit holder. The Fund is perpetual, however, the Allocation Plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans may be offered for a limited subscription period.

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

- The "Active Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active asset allocation between equity scheme(s), income scheme(s) and money market scheme(s) based on the Fund Manager's outlook on the asset classes.
- The "Conservative Allocation Plan" is an Allocation Plan under the "HBL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity scheme(s), income scheme(s) and money market scheme(s). This Allocation Plan is suitable for investors who have moderate risk tolerance and have a short to medium term investment horizon.
- The "Special Income Plan" is an Allocation Plan under the "HBL Financial Planning Fund" with an objective to earn a potentially high return through active allocation of funds between income scheme(s) and money market scheme(s) based on fundamental analysis of economic indicators, interest rate environment, market liquidity conditions and a strategy of minimizing risk and volatility. The plan commenced on 15 September, 2019 for the duration of 24 month (two years) and matured on 13 September, 2021.

VIS Credit Rating Agency has assigned 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 MCBFSL as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2021.

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, 2021, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2021.

2.1.4 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless otherwise stated.

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2021.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2021.

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, 2021. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2021.

4 BANK BALANCES

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	
Note	Rupees in '000				Rupees in '000				
In saving accounts	4.1	211	305	60	577	237	1,598	1,089	2,924

4.1 These accounts carry mark-up at the rates ranging between 5% to 12.25% (June 30, 2021: 4% to 5.6%) per annum. This includes an amount held by a related party (Habib Bank Limited) amounting to Rs. 0.199 million (June 30, 2021: Rs. 0.225 million) and Rs. 0.218 million (June 30, 2021: Rs. 1.513 million), Rs. 0.028 million (June 30, 2021: Rs. 0.998 million) by Active Allocation Plan, Conservative Allocation Plan and Special Income Plan, respectively.

5 INVESTMENTS

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	
Financial assets classified at fair value through profit or loss	Rupees in '000				Rupees in '000				
Units of mutual funds	5.1	34,560	71,677	-	106,237	57,824	51,084	88,149	197,057

5.1 Units of Mutual Funds

Name of Investee Funds	Total units as at July 1, 2021	Purchases made during the period	Sales made during the period	Total units as at December 31, 2021	Total carrying value as at December 31, 2021	Total market value as at December 31, 2021	Unrealised appreciation / (diminution) on re-measurement of investment as at December 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total value of investment
	Number of units			Rupees in '000					
Active Allocation Plan									
HBL Cash Fund	14,995	-	14,995	-	-	-	-	0.00%	0.00%
HBL Income Fund	90,388	-	34,429	55,959	6,187	6,526	339	18.69%	18.88%
HBL Equity Fund	330,938	22,606	96,586	256,957	35,181	28,034	(7,147)	80.30%	81.12%
As at December 31, 2021 (Un-Audited)	436,320	22,606	146,010	312,915	41,368	34,560	(6,808)	99%	100%
As at June 30, 2021 (Audited)	578,774	554,934	697,388	436,320	53,939	57,824	3,885	100%	100%
Conservative Allocation Plan									
HBL Money Market Fund	396,326	12,143	3,891	404,578	41,518	43,342	1,824	60.00%	60.47%
HBL Cash Fund	124	5	-	129	13	13	-	0.02%	0.02%
HBL Equity Fund	74,370	63,948	-	138,318	17,569	15,091	(2,478)	20.89%	21.05%
HBL Income Fund	-	132,074	18,617	113,457	13,057	13,231	174	18.31%	18.46%
As at December 31, 2021 (Un-Audited)	470,820	208,170	22,508	656,482	72,157	71,677	(480)	99%	100%
As at June 30, 2021 (Audited)	542,386	1,563,837	1,635,403	470,820	50,093	51,084	991	100%	100%
Special Income Plan									
HBL Cash Fund	871,029	13,422	884,451	0	-	-	-	0.00%	-
As at December 31, 2021 (Un-Audited)	871,029	13,422	884,451	0	-	-	-	0.00%	-
As at June 30, 2021 (Audited)	1,279,310	1,401,835	1,810,115	871,029	88,113	88,149	36	100%	100%
Total as at December 31, 2021 (Un-Audited)	1,778,169	244,198	1,052,969	969,397	113,525	106,237	(7,288)		
Total as at June 30, 2021	2,400,469	3,520,606	4,142,906	1,778,169	192,148	197,057	4,912		

6 ADVANCES AND PREPAYMENTS

Note	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Advance tax	37	9	-	46	37	9	-	46
Prepaid Legal fee	39	53	-					
Prepaid listing fee	31	26	-	57	31	27	-	58
	<u>107</u>	<u>88</u>	<u>-</u>	<u>103</u>	<u>68</u>	<u>36</u>	<u>-</u>	<u>104</u>

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

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

7 PAYABLE TO THE MANAGEMENT COMPANY

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Remuneration payable to the Management Company	1	1	-	2	-	-	-	-
Sindh Sales Tax payable on Management Company's remuneration	-	-	-	0	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6	12	-	18	10	9	15	34
Sales load payable	-	-	-	-	-	-	-	-
	<u>7</u>	<u>13</u>	<u>-</u>	<u>20</u>	<u>10</u>	<u>9</u>	<u>15</u>	<u>34</u>

8 PAYABLE TO THE TRUSTEE

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Trustee fee payable	3	5	0	8	4	4	7	15
Sindh Sales Tax payable on remuneration of the Trustee	-	1	-	1	1	1	1	3
	<u>3</u>	<u>6</u>	<u>-</u>	<u>9</u>	<u>5</u>	<u>5</u>	<u>8</u>	<u>18</u>

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
Annual fee payable	4	6	3	13	12	12	24	48

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
		----- Rupees in '000 -----				----- Rupees in '000 -----			
Provision for Sindh Workers' Welfare Fund	10.1	-	-	-	-	406	332	466	1,204
Withholding tax payable		-	-	-	-	62	485	376	923
Auditors' remuneration		66	59	48	173	68	62	167	297
Others		126	-	9	135	143	1,065	257	1,465
		<u>192</u>	<u>59</u>	<u>57</u>	<u>308</u>	<u>679</u>	<u>1,944</u>	<u>1,266</u>	<u>3,889</u>

10.1 Workers' Welfare Fund and Sindh Workers' Welfare Fund

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 0.41 mn, Rs. 0.33 mn and Rs. 0.47 mn in Active Allocation Plan, Conservative Allocation Plan and Special Income Plan million for the period from July 1, 2014 till August 12, 2021.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 (June 30, 2020: nil).

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains, whether realised or unrealized, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute at least 90% of the Fund's accounting income, as reduced by the capital gains, whether realised or unrealized, for the year ending June 30, 2021, to its unit holders.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, MCB Financial Services Limited (MCBFSL) 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.

Transactions and balances with parties who were connected persons due to 10% holding or more units and directors and executives of the Management Company 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 financial statements are as follows:

14.1 Transactions during the year / period

	For the period from July 1, 2021 to September 13, 2021				For the half year ended December 31, 2020			
	For the half year ended December 31, 2021		Special Income Plan	Total	For the half year ended December 31, 2020		Special Income Plan	Total
	Active Allocation Plan	Conservative Allocation Plan			Active Allocation Plan	Conservative Allocation Plan		
	Rupees in '000				Rupees in '000			
HBL Asset Management Limited - Management Company								
Remuneration of the Management Company	3	4	4	11	9	51	2	62
Sindh Sales Tax on remuneration of the Management Company	-	1	1	2	1	7	-	8
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	42	58	34	134	62	69	136	267
Issue of 174,164 (2020: Nil) units	-	20,000	-	20,000	-	-	-	-
MCB Financial Services Limited - Trustee								
Remuneration of the Trustee	19	26	15	60	28	31	61	120
Sindh Sales Tax on remuneration of the Trustee	2	3	2	7	4	4	8	16
Habib Bank Limited - Sponsor								
Bank charges	6	3	79	89	5	9	2	16
Mark-up on bank deposits	30	20	20	71	43	244	16	303
HBL Cash Fund - CIS managed by the Management Company								
Purchase of Nil (2020: 20,976) units	-	-	-	-	2,122	-	-	2,122
Purchase of 5 (2020: 3) units	-	-	-	-	-	-	-	-
Purchase of 13,422 (2020: 1,362,104) units	-	-	1,359	1,359	-	-	137,790	137,790
Redemption of 14,995 (2020: 156,391) units	1,522	-	-	1,522	15,851	-	-	15,851
Redemption of 884,451 (2020: 190,299) units	-	-	89,683	89,683	-	-	19,302	19,302
Dividend Income	-	-	1,359	1,359	571	-	927	1,498
HBL Income Fund - CIS managed by the Management Company								
Purchase of 132,074 (2020: Nil) units	-	15,200	-	15,200	-	-	-	-
Redemption of 34,429 (2020: Nil) units	3,946	-	-	3,946	-	-	-	-
Redemption of 18,617 (2020: Nil) units	-	2,161	-	2,161	-	-	-	-
HBL Money Market Fund - CIS managed by the Management Company								
Purchase of 12,137 (2020: 1,164,960) units	-	1,255	-	1,255	-	120,677	-	120,677
Redemption of 3,891 (2020: 1,160,045) units	-	400	-	400	-	120,279	-	120,279
HBL Equity Fund - CIS managed by the Management company								
Purchase of 22,606 (2020: Nil) units	2,383	-	-	2,383	-	-	-	-
Purchase of 63,948 (2020: Nil) units	-	32,659	-	32,659	-	-	-	-
Redemption of 96,586 (2020: Nil) units	12,479	-	-	12,479	-	-	-	-
Asif Nadeem Minhas - Connected person due to 10% holding								
Issue of 1,173 (2020: Nil) units	-	-	124	124	-	-	-	-
Redemption of 99,593 (2020: Nil) units	-	-	17,531	17,531	-	-	-	-
Redemption of Nil (2020: 10,550) units	-	-	-	-	1,071	-	-	1,071
Dividend income	-	-	124	124	-	-	-	-
Shazia Afshan Minhas - Connected person due to 10% holding								
Issue of 2,971 (2020: 263) units	-	-	314	314	-	-	28	28
Redemption of 206,900 (2020: Nil) units	-	-	21,870	21,870	-	-	-	-
Dividend Income	-	-	314	314	-	-	40	40
Anwar Ahmad Syed - Connected person due to 10% holding								
Issue of 2,971 (2020: 263) units	-	-	172	172	-	-	-	-
Redemption of 206,900 (2020: Nil) units	-	-	9,900	9,900	-	-	-	-
Dividend Income	-	-	172	172	-	-	-	-

14.2 Balances outstanding as at period / year end

	December 31, 2021 (Un-Audited)				June 30, 2021 (Audited)			
	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Special Income Plan	Total
	Rupees in '000				Rupees in '000			
HBL Asset Management Limited - Management Company								
Remuneration payable to the Management Company	1	1	-	2	-	-	-	-
Sindh Sales Tax payable on remuneration of the Management Company	0	-	-	0	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	6	12	-	18	10	9	15	34
Sales load payable	-	-	-	-	-	-	-	-
Units held: 174,614 (June 30, 2021: Nil)	-	19,922	-	19,922	-	-	-	-
Habib Bank Limited - Sponsor								
Bank balances	199	218	28	445	225	1,513	998	2,736
MCB Financial Services Limited - Trustee								
Trustee fee payable	3	5	-	8	4	4	7	15
Sindh Sales Tax payable on remuneration of the Trustee	-	1	-	1	1	1	1	3
HBL Cash Fund - CIS managed by the Management Company								
Units held: Nil (June 30, 2021: 14,995)	-	-	-	-	1,518	-	-	1,518
Units held: 128 (June 30, 2021: 124)	-	13	-	13	-	13	-	13
Units held: Nil (June 30, 2021: 871,029)	-	-	-	-	-	-	88,149	88,149
HBL Income Fund - CIS managed by the Management Company								
Units held: 55,959 (June 30, 2021: 90,388)	6,526	-	-	6,526	9,993	-	-	9,993
Units held: 113,457 (June 30, 2021: Nil)	-	13,231	-	13,231	-	-	-	-
HBL Money Market Fund - CIS managed by the Management Company								
Units held: 418,009 (June 30, 2021: 413,094)	-	13	-	13	-	40,663	-	40,663
HBL Equity Fund - CIS managed by the Management Company								
Units held: 256,957 (June 30, 2021: 330,937)	28,034	-	-	28,034	46,313	-	-	-
Units held: 138,317 (June 30, 2021: 74,370)	-	15,091	-	15,091	-	10,408	-	-
Patient Welfare Association - Connected Person due to 10% holding								
Units held: 400,000 (June 30, 2021: 400,000)	-	45,755	-	45,755	-	46,083	-	46,083
Asif Nadeem Minhas - Connected Person due to 10% holding								
Units held: 81,344 (June 30, 2021: 73,012)	8,668	-	-	8,668	8,452	-	-	8,452
Units held: Nil (2021: 98,420)	-	-	-	-	-	-	10,384	10,384
Shazia Afshan Minhas - Connected Person due to 10% holding								
Units held: Nil (June 30, 2021: 203,929)	-	-	-	-	-	-	21,516	21,516
Saleem Poput Tejani - Connected Person due to 10% holding								
Units held: 39,682 (June 30, 2021: Nil)	3,852	-	-	3,852	-	-	-	-
Ishtiaq Ahmed - Connected Person due to 10% holding								
Units held: 51,478 (June 30, 2021: 51,478)	4,997	-	-	4,997	5,959	-	-	5,959
Shabaz Khaliq - Connected Person due to 10% holding								
Units held: 50,353 (June 30, 2020: 50,353)	4,888	-	-	4,888	5,829	-	-	5,829

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 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.

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

- Fair value 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.

December 31, 2021 (Un-Audited)								
Active Allocation Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----								
Financial assets measured at fair value	15.1							
Investments		34,560	-	34,560	34,560	-	-	34,560
		<u>34,560</u>	<u>-</u>	<u>34,560</u>	<u>34,560</u>	<u>-</u>	<u>-</u>	<u>34,560</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	211	211				
		<u>-</u>	<u>211</u>	<u>211</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	7	7				
Payable to the Trustee		-	3	3				
Accrued expenses and other liabilities		-	66	66				
		<u>-</u>	<u>76</u>	<u>76</u>				

June 30, 2021 (Audited)								
Active Allocation Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		57,824	-	57,824	57,824	-	-	57,824
		<u>57,824</u>	<u>-</u>	<u>57,824</u>	<u>57,824</u>	<u>-</u>	<u>-</u>	<u>57,824</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	237	237				
		<u>-</u>	<u>237</u>	<u>237</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	10	10				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	71	71				
		<u>-</u>	<u>85</u>	<u>85</u>				

December 31, 2021 (Un-Audited)								
Conservative Allocation Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		71,677	-	71,677	71,677	-	-	71,677
		<u>71,677</u>	<u>-</u>	<u>71,677</u>	<u>71,677</u>	<u>-</u>	<u>-</u>	<u>71,677</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	305	305				
		<u>-</u>	<u>305</u>	<u>305</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	13	13				
Payable to the Trustee		-	6	6				
Accrued expenses and other liabilities		-	59	59				
		<u>-</u>	<u>78</u>	<u>78</u>				

June 30, 2021 (Audited)								
Conservative Allocation Plan								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000								
Financial assets measured at fair value	15.1							
Investments		51,084	-	51,084	51,084	-	-	51,084
		<u>51,084</u>	<u>-</u>	<u>51,084</u>	<u>51,084</u>	<u>-</u>	<u>-</u>	<u>51,084</u>
Financial assets not measured at fair value	15.2							
Bank balances		-	1,598	1,598				
		<u>-</u>	<u>1,598</u>	<u>1,598</u>				
Financial liabilities not measured at fair value	15.2							
Payable to the Management Company		-	9	9				
Payable to the Trustee		-	4	4				
Accrued expenses and other liabilities		-	1,122	1,122				
		<u>-</u>	<u>1,135</u>	<u>1,135</u>				

December 31, 2021 (Un-Audited)							
Special Income Plan							
Particulars	Note	Carrying amount			Fair value		
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Rupees in '000							
Financial assets measured at fair value	15.1						
Investments		-	-	-	-	-	-
Financial assets not measured at fair value	15.2						
Bank balances		-	60	60			
		-	60	60			
Financial liabilities not measured at fair value	15.2						
Payable to the Management Company		-	-	-			
Payable to the Trustee		-	-	-			
Accrued expenses and other liabilities		-	57	57			
		-	57	57			

June 30, 2021 (Audited)							
Special Income Plan							
Particulars	Note	Carrying amount			Fair value		
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Rupees in '000							
Financial assets measured at fair value	15.1						
Investments		88,149	-	88,149	88,149	-	-
		88,149	-	88,149	88,149	-	-
Financial assets not measured at fair value	15.2						
Bank balances		-	1,089	1,089			
		-	1,089	1,089			
Financial liabilities not measured at fair value	15.2						
Payable to the Management Company		-	34	34			
Payable to the Trustee		-	7	7			
Accrued expenses and other liabilities		-	402	402			
		-	443	443			

15.1 Valuation techniques

For level 1 investments at fair value through profit or loss in units of mutual funds, Fund uses daily NAVs which are taken from MUFAP at reporting date.

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

15.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

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 December 31, 2021 is 0.61%, 0.84% and 0.15% which includes 0.02%, 0.02% and 0.01% representing Government levy and SECP fee of the Active Allocation Plan, Conservative Allocation Plan and Special Income Plan respectively.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorized for issue on February 11, 2022 by the Board of Directors of the Management Company.

18 GENERAL

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

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

18.3 In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Growth Fund

FUND INFORMATION

Name of Fund	HBL Growth Fund
Name of Auditor	A.F.Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Khushhali Bank Limited The First Micro Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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S.M.C.H.S., Main Shakra-e-Faisal
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URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GROWTH FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Growth Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Growth Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.

A.F. Ferguson & Co

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 24, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

HBL Growth Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----							
ASSETS							
Bank balances	4	497,136	273,392	770,528	236,374	381,491	617,865
Investments	5	5,308,933	1,514,166	6,823,099	6,618,068	1,792,927	8,410,995
Dividend receivable and accrued mark-up		9,172	1,223	10,395	6,596	1,576	8,172
Deposits and other receivables		652	3,711	4,363	204	12,984	13,188
Receivable against sale of investments		-	-	-	-	45,633	45,633
Total assets		5,815,893	1,792,492	7,608,385	6,861,242	2,234,611	9,095,853
LIABILITIES							
Payable to the HBL Asset Management Limited - Management Company	6	10,935	7,683	18,618	13,027	9,038	22,065
Payable to the Central Depository Company of Pakistan Limited - Trustee	7	646	239	885	749	267	1,016
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	635	168	803	1,310	350	1,660
Payable against purchase of investments		-	3,365	3,365	-	52,114	52,114
Accrued expenses and other liabilities	9	310	126,827	127,137	2,434	178,844	181,278
Unclaimed dividend		-	132,281	132,281	-	133,120	133,120
Total liabilities		12,526	270,563	283,089	17,520	373,733	391,253
NET ASSETS		5,803,367	1,521,929	7,325,296	6,843,722	1,860,878	8,704,600
Capital and reserves							
Unit holders' fund (as per statement attached)		<u>5,803,367</u>	<u>1,521,929</u>	<u>7,325,296</u>	<u>6,843,722</u>	<u>1,860,878</u>	<u>8,704,600</u>
Contingencies and commitments							
	10	----- Number of units -----			----- Number of units -----		
NUMBER OF UNITS IN ISSUE		<u>283,500,000</u>	<u>88,952,659</u>		<u>283,500,000</u>	<u>93,483,779</u>	
		----- (Rupees) -----			----- (Rupees) -----		
NET ASSET VALUE PER UNIT		<u>20.4704</u>	<u>17.1094</u>		<u>24.1401</u>	<u>19.9059</u>	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Condensed Interim Income Statement (Un-Audited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020			Quarter ended December 31, 2021			Quarter ended December 31, 2020			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----													
INCOME													
(Loss) / gain on sale of investments - net	(34)	(88,475)	(88,509)	-	103,020	103,020	(34)	(89,613)	(89,647)	-	41,521	41,521	
Dividend income	333,117	54,210	387,327	19,822	29,895	49,717	293,472	41,422	334,894	-	25,413	25,413	
Mark-up on deposits with banks	6,692	8,792	15,484	7,582	8,895	16,477	3,256	4,217	7,473	3,831	4,535	8,366	
Income on Government securities	4,871	406	5,277	-	-	-	4,871	406	5,277	-	-	-	
	344,646	(25,067)	319,579	27,404	141,810	169,214	301,565	(43,568)	257,997	3,831	71,469	75,300	
Unrealised (diminution) / appreciation on of investments classified as ' financial asset at fair value through profit or loss ' - net	-	(244,893)	(244,893)	-	201,298	201,298	-	10,843	10,843	-	40,203	40,203	
Total income / (loss)	344,646	(269,960)	74,686	27,404	343,108	370,512	301,565	(32,725)	268,840	3,831	111,672	115,503	
EXPENSES													
Remuneration of HBL Asset Management Limited - Management Company	6	53,791	19,013	72,804	69,494	19,289	88,783	25,221	8,862	34,083	35,583	9,632	45,215
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	7	4,037	1,073	5,110	3,920	1,257	5,177	1,908	505	2,413	2,005	545	2,550
Annual fee to the Securities and Exchange Commission of Pakistan	8	635	168	803	615	171	786	298	78	376	315	86	401
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	17,454	4,627	22,081	16,912	4,694	21,606	8,183	2,157	10,340	8,659	2,344	11,003
Selling and marketing expense	6.4	-	8,834	8,834	21,434	8,962	30,396	-	4,118	4,118	5,679	4,475	10,154
Settlement and bank charges		-	185	185	3	4	7	-	4	4	3	1	4
Auditors' remuneration		292	77	369	244	68	312	166	63	229	122	32	154
Fees and subscription		1,688	429	2,117	496	266	762	1,688	325	2,013	482	83	565
Printing and postage		36	-	36	14	-	14	36	-	36	14	-	14
Securities transaction charges		-	3,398	3,398	-	3,320	3,320	-	1,631	1,631	-	1,591	1,591
Total operating expenses		77,933	37,804	115,737	113,132	38,031	151,163	37,500	17,743	55,243	52,862	18,789	71,651
Net income / (loss) operating activities		266,713	(307,764)	(41,051)	(85,728)	305,077	219,349	264,065	(50,468)	213,597	(49,031)	92,883	43,852
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-	-	-	-	-	-	-	-	-	-	
Reversal of provision for / (provision for) Sindh Workers' Welfare fund	8.1	2,065	50,977	53,042	-	(6,102)	(6,102)	-	-	-	-	(1,858)	(1,858)
Net income / (loss) for the period before taxation		268,778	(256,787)	11,991	(85,728)	298,975	213,247	264,065	(50,468)	213,597	(49,031)	91,025	41,994
Taxation	10	-	-	-	-	-	-	-	-	-	-	-	
Net income / (loss) for the period after taxation		268,778	(256,787)	11,991	(85,728)	298,975	213,247	264,065	(50,468)	213,597	(49,031)	91,025	41,994
Allocation of net income for the period:													
Income already paid on redemption of units		-	-	-	-	6,188	6,188	-	-	-	-	2,473	2,473
Accounting income available for distribution:													
- Relating to capital gains		-	-	-	-	292,787	292,787	-	-	-	-	88,552	39,521
- Excluding capital gains		268,778	-	11,991	-	-	-	264,065	-	213,597	-	-	-
		268,778	-	11,991	-	292,787	207,059	264,065	-	213,597	-	88,552	39,521
		268,778	(256,787)	11,991	(85,728)	298,975	213,247	264,065	(50,468)	213,597	(49,031)	91,025	41,994

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020			Quarter ended December 31, 2021			Quarter ended December 31, 2020		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----											
Net income / (loss) for the period after taxation	268,778	(256,787)	11,991	(85,728)	298,975	213,247	264,065	(50,468)	213,597	(49,032)	91,026	41,994
Items that will not be reclassified to income statement												
Unrealised (diminution) / appreciation on re-measurement of investments classified as at fair value through other comprehensive incor	(1,309,135)	-	(1,309,135)	1,462,735	-	1,462,735	(641,902)	-	(641,902)	240,854	-	240,854
Total comprehensive (loss) / income for the period	(1,040,357)	(256,787)	(1,297,144)	1,377,007	298,975	1,675,982	(377,837)	(50,468)	(428,305)	191,822	91,026	282,848

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Statement Of Movement In Unitholders' Fund
For the half year ended December 31, 2021

	Half year ended December 31, 2020							
	Class A				Class B			
	Capital value	Undistributed Income	Unrealised income / (loss) on investment	Premium on issue of certificates	Total	Capital value	Undistributed Income	Total
	----- (Rupees in '000) -----							
Net assets at beginning of the period (audited)	2,835,000	(3,165,172)	3,448,810	2,007,812	5,126,450	(238,252)	1,743,119	1,504,867
Issuance of 2,769,880 units (2020: 354,492 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	5,393	-	5,393
- Element of income / (loss)	-	-	-	-	-	685	-	685
Total proceeds on issuance of units	-	-	-	-	-	6,078	-	6,078
Redemption of 7,301,000 units (2020 2,980,876 units)								
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	(45,344)	-	(45,344)
- Element of loss	-	-	-	-	-	(242)	-	(242)
- Income already paid on redemption	-	-	-	-	-	-	(6,188)	(6,188)
Total payment on redemption of units	-	-	-	-	-	(45,586)	(6,188)	(51,774)
Income available for distribution	-	(85,728)	1,462,735	-	1,377,007	-	298,975	298,975
Net (loss) / income for the period	-	(85,728)	1,462,735	-	1,377,007	-	298,975	298,975
Net assets at end of the period (Un-audited)	<u>2,835,000</u>	<u>(3,250,900)</u>	<u>4,911,545</u>	<u>2,007,812</u>	<u>6,503,457</u>	<u>(277,760)</u>	<u>2,035,906</u>	<u>1,758,146</u>
(Accumulated loss) / undistributed income brought forward:								
- Realised		(3,165,172)					1,843,245	
- Unrealised		-					(100,126)	
		<u>(3,165,172)</u>					<u>1,743,119</u>	
Accounting income available for distribution:								
- Relating to capital gains		-					292,787	
- Excluding capital gains		-					-	
Net (loss) / income available for distribution		<u>(85,728)</u>					<u>292,787</u>	
		<u><u>(3,250,900)</u></u>					<u><u>2,035,906</u></u>	
(Accumulated loss) / undistributed income carried forward:								
- Realised		(3,250,900)					1,834,608	
- Unrealised		-					201,298	
		<u>(3,250,900)</u>					<u>2,035,906</u>	
		(Rupees)					(Rupees)	
Net assets value per unit at beginning of the period		<u>18.0827</u>					<u>15.2116</u>	
Net assets value per unit at end of the period		<u><u>22.9399</u></u>					<u><u>18.2564</u></u>	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Class A	Class B	Total	Class A	Class B	Total
CASH FLOWS FROM OPERATING ACTIVITIES	(Rupees in '000)					
Net income / (loss) for the period before taxation	268,778	(256,787)	11,991	(85,728)	298,975	213,247
Adjustments						
Loss / (gain) on sale of investments - net	34	88,475	88,509	-	(103,020)	(103,020)
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	244,893	244,893	-	(201,298)	(201,298)
Dividend income	(333,117)	(54,210)	(387,327)	(19,822)	(29,895)	(49,717)
Discount income on treasury bills	(4,871)	(406)	(5,277)	-	-	-
Mark-up on deposits with banks	(6,692)	(8,792)	(15,484)	(7,582)	(8,895)	(16,477)
(Reversal of provision for) / provision for Sindh Workers' Welfare Fund	(2,065)	(50,977)	(53,042)	-	6,102	6,102
	(77,933)	(37,804)	(115,737)	(113,132)	(38,031)	(151,163)
(Increase) / decrease in assets						
Investments - net	(34)	(54,607)	(54,641)	-	62,360	62,360
Deposits and other receivables	(448)	9,273	8,825	-	(74)	(74)
Receivable against sale of investments	-	45,633	45,633	(1,161)	(31,251)	(32,412)
	(482)	299	(183)	(1,161)	31,035	29,874
(Decrease) / increase in liabilities						
Payable to Management Company	(2,092)	(1,355)	(3,447)	12,687	1,296	13,983
Payable to Central Depository Company of Pakistan Limited - Trustee	(103)	(28)	(131)	147	29	176
Annual fee payable to the Securities and Exchange Commission of Pakistan	(675)	(182)	(857)	(423)	(323)	(746)
Payable against purchase of investment	-	(48,749)	(48,749)	-	27,292	27,292
Accrued expenses and other liabilities	(59)	(1,040)	(1,099)	(91)	(6,749)	(6,840)
Unclaimed dividend	-	(839)	(839)	-	(9,656)	(9,656)
	(2,929)	(52,193)	(55,122)	12,320	11,889	24,209
Dividend received	330,837	54,196	385,033	19,822	25,728	45,550
Mark-up / return received on bank deposit and T-bills	11,269	9,565	20,834	8,121	9,314	17,435
	342,106	63,761	405,867	27,943	35,042	62,985
Net cash generated / (used in) from operating activities	260,762	(25,937)	234,825	(74,030)	39,935	(34,095)
CASH FLOWS FROM FINANCING ACTIVITIES						
Amount received on issue of units	-	47,700	47,700	-	6,078	6,078
Amount paid on redemption of units	-	(129,862)	(129,862)	-	(51,774)	(51,774)
Net cash used in financing activities	-	(82,162)	(82,162)	-	(45,696)	(45,696)
Net increase / (decrease) in cash and cash equivalents	260,762	(108,099)	152,663	(74,030)	(5,761)	(79,791)
Cash and cash equivalents at beginning of the period	236,374	381,491	617,865	278,910	314,221	593,131
Cash and cash equivalents at end of the period	497,136	273,392	770,528	204,880	308,460	513,340

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Growth Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended December 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Growth Fund was established under a Trust Deed, HBL Asset Management Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee.

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

1.3 The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an Open End Scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The plan was also approved by SECP on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to following for each certificate held:

- one Class-A unit of the Fund was issued to every certificate holders of the Fund for each certificate held representing frozen portfolio and related assets and liabilities.
- one Class-B unit of the Fund was issued to the every certificate holder of the Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.

The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B units can be redeemed at the redemption price.

During the current period the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.5 VIS Credit Rating Company has assigned a management quality rating of AM2++' (Stable outlook) on December 31, 2021 to the Management Company.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have 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 VIIIA of the repealed Companies Ordinance, 1984; and
 - the 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

2.2 Basis of measurement

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

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

4 BANK BALANCES

Balances with banks in:
savings accounts

4.1	<u>497,136</u>	<u>273,392</u>	<u>770,528</u>	<u>236,374</u>	<u>381,491</u>	<u>617,865</u>
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4.1 These include a balance of Rs. 1.624 million (June 30, 2021: Rs. 1.578 million) maintained with Habib Bank Limited (a related party) that carries profit at the rate of 5.00% per annum (June 30, 2021: 5.00%). Other saving accounts of the Fund carry profit rate ranging from 5.00% to 11.04% per annum (June 30, 2021: 5.00% to 7.40% per annum).

December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

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

5 INVESTMENTS

At fair value through profit or loss

- Listed equity securities 5.1.1 - 1,514,166 1,514,166 - 1,792,927 1,792,927

At fair value through other comprehensive income

- Listed equity securities 5.1.2 5,308,933 - 5,308,933 6,618,068 - 6,618,068

At fair value through profit or loss

- Market treasury bills 5.2 - - - - - -

	<u>5,308,933</u>	<u>1,514,166</u>	<u>6,823,099</u>	<u>6,618,068</u>	<u>1,792,927</u>	<u>8,410,995</u>
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5.1 Listed equity securities

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

5.1.1 Listed equity securities Class B - At fair value through profit or loss

Name of the Investee Company	As at July 1, 2021	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)	Total Investments	Net Assets	
	(Number of shares)					(Rupees in '000)			(%)		
CLASS B											
INSURANCE											
IGI Holdings Limited	412,200	70,300	-	53,200	429,300	81,788	65,953	(15,835)	4.33%	4.36%	0.46%
IGI Life Insurance Limited	393,500	18,500	-	-	412,000	19,319	15,697	(3,622)	1.03%	1.04%	0.09%
TPL Insurance Limited	751,695	5,000	-	-	756,695	29,582	22,474	(7,108)	1.48%	1.48%	0.19%
	1,557,395	93,800	-	53,200	1,597,995	130,689	104,124	(26,565)			
TEXTILE COMPOSITE											
Azgard Nine Limited	1,773,000	1,075,000	-	766,000	2,082,000	62,876	27,253	(35,623)	1.79%	1.80%	0.06%
Gul Ahmed Textile Mills Limited	540,600	135,000	-	355,500	320,100	16,487	15,064	(1,423)	0.99%	0.99%	0.03%
Interloop Limited	271,915	-	7,257	65,000	214,172	14,562	15,568	1,006	1.02%	1.03%	0.02%
Nishat (Chunian) Limited	363,500	-	-	363,500	-	-	-	-	-	-	-
	2,949,015	1,210,000	7,257	1,550,000	2,616,272	93,925	57,885	(36,040)			
CEMENT											
Cherat Cement Company Limited	76,000	-	-	76,000	-	-	-	-	-	-	-
D G Khan Cement Company Limited	195,500	-	-	195,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	400,000	-	400,000	-	-	-	-	-	-	-
Kohat Cement Limited	80,300	-	-	14,500	65,800	13,587	74,238	60,651	4.88%	4.90%	0.37%
Attock Cement Pakistan Limited	407,500	251,800	-	-	659,300	115,747	37,665	(78,082)	2.47%	2.49%	0.27%
Lucky Cement Limited	128,338	16,530	-	35,579	109,289	92,127	1,243	(90,884)	0.08%	0.08%	0.00%
Maple Leaf Cement Factory Limited	403,500	1,297,196	-	653,000	1,047,696	41,722	12,410	(29,312)	0.82%	0.82%	0.01%
Pioneer Cement Limited	116,000	14,000	-	116,000	14,000	1,274	91,616	90,342	6.02%	6.05%	0.40%
	1,407,138	1,979,526	-	1,490,579	1,896,085	264,457	217,172	(47,285)			
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	814,856	-	-	367,500	447,356	35,641	31,914	(3,727)	2.10%	2.11%	0.02%
	814,856	-	-	367,500	447,356	35,641	31,914	(3,727)			
ENGINEERING											
Aisha Steel Mills Limited	1,105,494	2,445,142	-	3,550,636	-	-	-	-	-	-	-
Amreli Steels Limited	185,000	372,500	-	60,000	497,500	21,364	22,268	904	1.46%	1.47%	0.03%
International Industries Limited	84,000	-	-	84,000	-	-	-	-	-	-	-
Agha Steel Industries Limited	529,000	130,000	27,250	437,000	249,250	7,909	6,523	(1,386)	0.43%	0.43%	0.01%
International Steels Limited	290,500	-	-	290,500	-	-	-	-	-	-	-
Mughal Iron & Steel Inds Limited	172,300	337,300	42,990	69,100	483,490	45,923	50,336	4,413	3.31%	3.32%	0.15%
	2,366,294	3,284,942	70,240	4,491,236	1,230,240	75,196	79,127	3,931			
PHARMACEUTICALS											
Ferozsons Laboratories Limited	-	67,000	-	2,000	65,000	26,334	21,179	(5,155)	1.39%	1.40%	0.58%
Highnoon Laboratories Limited	-	25,500	-	-	25,500	15,871	16,010	139	1.05%	1.06%	0.42%
The Searle Company Limited	3,020	-	906	-	3,926	733	564	(169)	0.04%	0.04%	0.00%
	3,020	92,500	906	2,000	94,426	42,938	37,753	(5,185)			
PAPER AND BOARD											
Pak Agro Packaging Limited	-	179,117	-	-	179,117	4,433	3,221	(1,212)	0.21%	0.21%	0.16%
	-	179,117	-	-	179,117	4,433	3,221	(1,212)			
FOOD & PERSONAL CARE PRODUCT											
Al Shaheer Corporation Limited	-	1,025,000	-	1,025,000	-	-	-	-	-	-	-
Fauji Foods Limited	23,500	1,849,856	-	174,000	1,699,356	21,857	15,617	(6,240)	1.03%	1.03%	0.05%
Unity Foods Limited	1,271,007	704,000	-	315,000	1,660,007	71,630	43,941	(27,689)	2.89%	2.90%	0.04%
The Organic Meat Company Limited	965,894	1,676,000	168,889	1,297,500	1,513,283	51,481	48,016	(3,465)	3.15%	3.17%	0.39%
Fauji Foods Limited - LOR	-	1,234,856	-	1,234,856	-	-	-	-	-	-	-
Unity Foods Limited - LOR 3	-	333,988	-	83,000	250,988	-	266	266	0.02%	0.02%	0.00%
Clover Pakistan Limited	142,000	-	-	142,000	-	-	-	-	-	-	-
	2,402,401	6,823,700	168,889	4,271,356	5,123,634	144,968	107,840	(37,128)			
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Ltd	33,453	1,000	-	7,300	27,153	41,577	44,917	3,340	2.95%	2.97%	0.34%
Oil & Gas Development Company Limited	698,600	185,500	-	614,600	269,500	23,719	23,231	(488)	1.53%	1.53%	0.01%
Pakistan Oilfields Limited	35,600	-	-	35,600	14,021	12,731	(1,290)	0.84%	0.84%	0.04%	
Pakistan Petroleum Limited	785,536	284,600	-	788,536	281,600	22,186	22,258	72	1.46%	1.47%	0.01%
	1,553,189	471,100	-	1,410,436	613,853	101,503	103,137	1,634			
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	292,456	22,300	-	47,512	267,244	59,321	48,609	(10,712)	3.19%	3.21%	0.34%
	292,456	22,300	-	47,512	267,244	59,321	48,609	(10,712)			
REFINERY											
Attock Refinery Limited	69,600	24,000	-	69,600	24,000	3,876	3,457	(419)	0.23%	0.23%	0.03%
National Refinery Limited	113,500	59,200	-	46,100	126,600	58,666	36,029	(22,637)	2.37%	2.38%	0.45%
Cynergico PK Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
	183,100	583,200	-	615,700	150,600	62,542	39,486	(23,056)			

Name of the Investee Company	As at July 1, 2021	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)	Total Investments	Net Assets	
						(Rupees in '000)			(%)		
COMMERCIAL BANKS											
Bank Al-Falah Limited	-	762,000	-	-	762,000	26,754	26,365	(389)	1.73%	1.74%	0.01%
Bank Al-Habib Limited	-	407,317	-	-	407,317	28,748	28,109	(639)	1.85%	1.86%	0.03%
Faysal Bank Limited	17,250	911,000	-	-	928,250	24,072	21,350	(2,722)	1.40%	1.41%	0.01%
Habib Bank Limited	224,000	793,706	-	37,000	980,706	117,502	114,370	(3,132)	7.51%	7.55%	0.08%
MCB Bank Limited	228,004	35,000	-	15,000	248,004	39,749	38,031	(1,718)	2.50%	2.51%	0.03%
Standard Chartered Bank (Pakistan) Limited	2,245,000	102,500	-	-	2,347,500	79,540	85,637	6,097	5.63%	5.66%	0.02%
United Bank Limited	752,205	180,000	-	182,000	750,205	93,260	102,463	9,203	6.73%	6.77%	0.08%
	3,466,459	3,191,523	-	234,000	6,423,982	409,625	416,325	6,700			
FERTILIZER											
Engro Corporation Limited	186,253	-	-	186,253	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	422,000	819,500	-	1,241,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Ltd	260,500	-	-	260,500	-	-	-	-	-	-	-
	868,753	819,500	-	1,688,253	-	-	-	-	-	-	-
CHEMICAL											
Descon Oxychem Limited	-	28,500	-	-	28,500	696	656	(40)	0.04%	0.04%	0.00%
Nimir Resins Limited (5)	1,392,000	555,500	-	1,947,500	-	-	-	-	-	-	-
Nimir Resins Limited	-	1,162,750	-	67,000	1,095,750	41,225	20,666	(20,559)	1.36%	1.36%	0.15%
	1,392,000	1,746,750	-	2,014,500	1,124,250	41,921	21,322	(20,599)			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	649,000	397,000	-	530,000	516,000	16,697	11,620	(5,077)	0.76%	0.77%	0.02%
Waves Singer Pakistan Limited	692,000	360,000	-	1,052,000	-	-	-	-	-	-	-
	1,341,000	757,000	-	1,582,000	516,000	16,697	11,620	(5,077)			
AUTOMOBILE ASSEMBLER											
Gandhara Industries Limited	-	41,500	-	-	41,500	11,698	7,335	(4,363)	0.48%	0.48%	0.17%
Pak Suzuki Motor Company Limited	26,700	-	-	26,700	-	-	-	-	-	-	-
	26,700	41,500	-	26,700	41,500	11,698	7,335	(4,363)			
AUTOMOBILE PARTS & ACCESSOR											
General Tyre & Rubber Company of Pakistan Limited	555,500	89,000	-	78,500	566,000	47,929	26,240	(21,689)	1.72%	1.73%	0.22%
Panther Tyres Limited	329,363	-	-	329,363	-	-	-	-	-	-	-
	884,863	89,000	-	407,863	566,000	47,929	26,240	(21,689)			
MISCELLANEOUS											
Pace (Pakistan) Limited	-	1,245,000	-	1,245,000	-	-	-	-	-	-	-
TPL Properties Limited	900,000	-	-	900,000	-	-	-	-	-	-	-
Pakistan Aluminum Beverage Can Limited	-	211,584	-	211,584	-	-	-	-	-	-	-
	900,000	1,456,584	-	2,356,584	-	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION											
Avanceon Limited	99,000	220,500	-	124,000	195,500	22,960	17,814	(5,146)	1.17%	1.18%	0.07%
Netsol Technologies	145,500	135,500	-	123,000	158,000	24,720	14,830	(9,890)	0.97%	0.98%	0.17%
Systems Limited	42,000	14,000	-	14,700	41,300	23,848	31,381	7,533	2.06%	2.07%	0.23%
TPL Corporation Limited	-	700,000	-	700,000	-	-	-	-	-	-	-
TPL Trakker Limited	3,417,000	4,914,500	-	131,000	8,200,500	144,048	137,031	(7,017)	9.00%	9.05%	0.73%
TRG Pakistan Limited	101,000	224,000	-	325,000	-	-	-	-	-	-	-
Air Link Communication Limited	-	216,925	12,931	229,856	-	-	-	-	-	-	-
Octopus Digital Limited	-	40,609	-	40,609	-	-	-	-	-	-	-
WorldCall Telecom Limited	1,350,000	-	-	1,350,000	-	-	-	-	-	-	-
	5,154,500	6,466,034	12,931	3,038,165	8,595,300	215,576	201,056	(14,520)			
Total as at December 31, 2021 (Unaudited)						<u>1,759,059</u>	<u>1,514,166</u>	<u>(244,893)</u>			
Total as at June 30, 2021 (Audited)						<u>1,627,017</u>	<u>1,792,927</u>	<u>165,910</u>			

5.1.2 Listed equity securities Class A - At fair value through other comprehensive income

Name of the Investee Company	As at July 1, 2021	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company	
						Carrying value	Market value	Unrealised gain / (loss)	Total Investments	Net Assets		
						(Rupees in '000)			(%)			
CLASS A												
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	27,364,904	-	-	-	27,364,904	1,307,980	4,977,402	3,669,422	85.58%	93.76%	5.83%	
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	331,531	219,136	5.70%	6.24%	1.56%	
Total December 31, 2021 (Unaudited)						<u>37,276,150</u>	<u>-</u>	<u>-</u>	<u>37,276,150</u>	<u>1,420,375</u>	<u>5,308,933</u>	<u>3,888,558</u>
Total June 30, 2021 (Audited)						<u>37,276,150</u>	<u>-</u>	<u>-</u>	<u>37,276,150</u>	<u>1,420,375</u>	<u>6,618,068</u>	<u>5,197,693</u>
Cost as at December 31, 2021										<u>1,309,135</u>		

5.1.2.1 The above mentioned Class A shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, does not apply to the above frozen shares.

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2020	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Habib Bank Limited	50,000	5,831	50,000	6,119
The Hub Power Company Limited	250,000	17,835	250,000	19,918
Oil and Gas Development Company Limited	50,000	4,310	200,000	19,006
Pakistan State Oil Company Limited	165,000	30,012	105,000	23,546
United Bank Limited	659,000	90,006	699,000	85,418
Pakistan Petroleum Limited	-	-	100,000	8,683
Cherat Cement Company Limited	-	-	50,000	8,869
	1,174,000	147,994	1,454,000	171,559

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2021, the following bonus shares of sub fund A and sub fund B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Company	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2021	
	Bonus shares			
	Number of shares withheld	Rupees in '000	Number of shares withheld	Rupees in '000

Class A

Pakistan State Oil Company Limited	228,041	41,478	228,041	51,139
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Class B

The Searle Company Limited	3,926	564	3,020	733
TPL Insurance Limited	1,212	36	1,212	47
Faysal Bank Limited	17,250	397	17,250	293
	22,388	997	21,482	1,073

5.2 Market treasury bills - 'at fair value through profit or loss'

Particulars	Issue date	Face value				Balance as at December 31, 2021			Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
					(Rupees in '000)			(%)		
Market treasury bills- 3-months										
Market treasury bills	7-Oct-21	-	45,000	45,000	-	-	-	-	-	-
Market treasury bills	12-Aug-20	-	5,000	5,000	-	-	-	-	-	-
Market treasury bills	12-Aug-20	-	10,000	10,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	45,000	45,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	15,000	15,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	10,000	10,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	10,000	10,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	185,000	185,000	-	-	-	-	-	-
Market treasury bills	12-Aug-21	-	5,000	5,000	-	-	-	-	-	-
Market treasury bills- 6-months										
Market treasury bills	6-May-21	-	60,000	60,000	-	-	-	-	-	-
Market treasury bills	22-Apr-21	-	55,000	55,000	-	-	-	-	-	-
Market treasury bills	6-May-21	-	205,000	205,000	-	-	-	-	-	-
Market treasury bills	6-May-21	-	210,000	210,000	-	-	-	-	-	-
Market treasury bills	17-Jun-21	-	150,000	150,000	-	-	-	-	-	-
Market treasury bills	17-Jun-21	-	125,000	125,000	-	-	-	-	-	-
Total as at December 31, 2021						-	-	-	-	-
Total as at June 30, 2021						-	-	-	-	-

6 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Management fee payable	6.1	7,306	2,538	9,844	8,704	3,079	11,783
Sindh Sales Tax payable on remuneration of the Management company	6.2	950	330	1,280	1,131	400	1,531
Allocated expenses payable	6.3	2,679	698	3,377	3,192	847	4,039
Selling and marketing expenses payable	6.4	-	4,117	4,117	-	4,712	4,712
		10,935	7,683	18,618	13,027	9,038	22,065

6.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at their Board level for lowering the rate of management fee keeping in view the passive nature of investments in Class A units of HBL Growth Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in its 83rd Board meeting held on February 10, 2021 has approved the reduction in rate of 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% and 2% (June 30, 2021: 1.5% and 2%) of average annual net assets of the Fund for Class A and Class B, respectively.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended December 31, 2021 (June 30, 2021: 0.55%) for both Class A and Class B.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined a capping of 1.05% (June 30, 2021, 1.05%) of the average annual net assets of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company. However, as per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, Management Company ceased to charge selling and marketing expenses to the certificate holders of Class A with effect from November 1, 2020.

7 ANNUAL FEE PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

		December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
	Note	----- (Rupees in '000) -----					
Remuneration payable to the Trustee	7.1	572	212	783	663	236	899
Sindh sales tax payable on remuneration of the Trustee	7.2	74	27	102	86	31	117
		<u>646</u>	<u>239</u>	<u>885</u>	<u>749</u>	<u>267</u>	<u>1,016</u>

7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff structure is as follows:

Net assets (Rs.)	Tariff structure
	Fee
- Up to Rs 1,000 million	0.02% of the net assets or Rs. 700,000 per annum whichever is higher
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

Accordingly the Fund has charged trustee fee at the above rates during the period.

- 7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

8 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Note ----- (Rupees in '000) -----							
Annual fee	8.1	635	168	803	1,310	350	1,660

- 8.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, the Fund has recognised SECP fee at the rate of 0.02% (June 30, 2021: 0.02%)

9 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Note ----- (Rupees in '000) -----							
Provision for Sindh Workers' Welfare Fund	9.1	-	-	-	2,065	50,977	53,042
Provision for Federal Excise Duty	9.2	-	125,303	125,303	-	125,303	125,303
Brokerage		-	372	372	-	1,392	1,392
Auditors' remuneration		290	77	367	352	94	446
National Clearing Company							
Pakistan Limited Charges		-	31	31	-	30	30
Withholding tax		20	29	49	17	37	54
Others		-	1,015	1,015	-	1,011	1,011
		310	126,827	127,137	2,434	178,844	181,278

9.1 Provision For Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). However, the Fund had recorded provision in respect of SWWF with effect from July 1, 2014.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from July 1, 2014 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

9.2 Federal Excise Duty

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 125.303 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 1.409 (June 30, 2021: Re. 1.340)

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at December 31, 2021 and as at June 30, 2021.

11 TOTAL EXPENSES RATIO

The total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 1.24% and 2.27% (2020: 1.85% and 2.61%) which includes 0.12% & 0.18% (2020: 0.14% and 0.54%) representing government levies on the Fund and annual fee to SECP for Class A and B respectively. This ratio is within maximum limit of 4.5% prescribed under NBFC Regulation for a collective investment scheme categorised as an Equity scheme.

12 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

		December 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
13 CASH AND CASH EQUIVALENTS	Note	----- (Rupees in '000) -----					
Balances with banks in:							
- saving account	4	497,136	273,392	770,528	204,880	308,460	513,340

14 TRANSACTION AND BALANCES 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.

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

		December 31, 2021 (Un-audited)			December 31, 2020 (Un-audited)		
		Class A	Class B	Total	Class A	Class B	Total
14.1 Transactions during the period		----- (Rupees in '000) -----					
HBL Asset Management Limited - Management Company							
Remuneration of the Management Company		47,603	16,826	64,429	61,499	17,070	78,569
Sales tax on remuneration of the Management Company		6,188	2,187	8,375	7,995	2,219	10,214
Allocation of expenses related to registrar services, accounting, operation and valuation services		17,454	4,627	22,081	16,912	4,694	21,606
Selling and marketing expense		-	8,834	8,834	21,434	8,962	30,396
Habib Bank Limited - Sponsor							
Mark-up on deposits with banks		-	45	45	-	43	43
Dividend income		-	1,391	1,391	-	-	-
MCB Bank Limited- Connected person - due to holding more than 10% units							
Mark-up on deposits with banks		-	-	-	5	-	5
Bank charges		-	-	-	1	-	1
Central Depository Company of Pakistan Limited-Trustee							
Trustee fee		3,573	950	4,523	3,469	1,112	4,581
Sindh Sales tax payable on Trustee fee		464	124	588	451	145	596
Annual listing fee		885	76	961	269	19	288
CDS charges		-	181	181	-	132	132
Directors and Executives of the Management Company							
Redemption of 123,052 units (December 31, 2020: Nil units)		-	2,363	2,363	-	-	-

14.2	Balances at period / year end	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----							
	HBL Asset Management Company Limited - Management Company						
	Payable to Management Company	7,306	2,538	9,844	8,704	3,079	11,783
	Sindh sales tax on remuneration of Management Company	950	330	1,280	1,131	400	1,531
	Allocation of expenses relating to registrar services, accounting, operation and valuation services	2,679	698	3,377	3,192	847	4,039
	Selling and marketing expense payable	-	4,117	4,117	-	4,712	4,712
	Habib Bank Limited - Sponsor						
	Banks Balances- savings accounts	-	1,624	1,624	-	1,578	1,578
	Central Depository Company of Pakistan Limited - Trustee						
	Trustee remuneration payable	572	212	783	663	209	872
	Sindh Sales tax payable on Trustee fee	74	27	101	86	27	113
	Security deposit with trustee	100	175	275	100	175	275
	CDS charges payable	-	31	31	-	30	30
	State Life Insurance Corporation of Pakistan- Connected person - due to holding more than 10% units						
	Units held :12,024,904 units (June 30, 2021: 12,024,904 units)	120,249	-	120,249	120,249	-	120,249
	Units held: 12,384,663 units (June 30, 2021: 12,384,663 units)	-	211,894	211,894	-	246,528	246,528
	Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% certificate						
	Units held: 30,406,721 units (June 30, 2021: 30,406,721 units)	304,067	-	304,067	304,067	-	304,067
	Units held: 15,000,000 units (June 30, 2021: 15,000,000 units)	-	256,641	256,641	-	298,589	298,589
	Jubilee General Insurance Company Limited - associate						
	Units held: 142,500 units (June 30, 2021: 142,500 units)	1,425	-	1,425	1,425	-	1,425
	Units held: 146,124 units (June 30, 2021: 146,124 units)	-	2,500	2,500	-	2,909	2,909
	Directors and Executives of the Management Company						
	Units held: 18,000 units (June 30, 2021: 18,000 units)	180	-	180	180	-	180
	Units held: 18,000 units (June 30, 2021: 141,052 units)	-	308	308	-	2,808	2,808

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

----- (Un-audited) -----				
----- As at December 31, 2021 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets ' at fair value through profit or loss'				
- Quoted equity securities	1,514,166	-	-	1,514,166
Financial assets ' at fair value through other comprehensive expense'				
- Quoted equity securities	5,308,933	-	-	5,308,933
----- (Audited) -----				
----- As at June 30, 2021 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets ' at fair value through profit or loss'				
- Quoted equity securities	1,792,927	-	-	1,792,927
Financial assets ' at fair value through other comprehensive expense'				
- Quoted equity securities	6,618,068	-	-	6,618,068

16 GENERAL

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

16.2 In March 2020, the World Health Organisation ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 11, 2022.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Investment Fund

FUND INFORMATION

Name of Fund	HBL Investment Fund
Name of Auditor	A.F.Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	MCB Bank Limited JS Bank Limited Habib Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited Zarai Taraqati Bank Limited Khushhali Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INVESTMENT FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Investment Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2022





A.F. FERGUSON & CO.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Investment Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (HBL Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 were reviewed and the financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 22, 2021 and September 27, 2021 respectively.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 24, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

HBL Investment Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT DECEMBER 31, 2021

	Note	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
(Rupees in '000)							
ASSETS							
Bank balances	4	170,046	147,481	317,527	80,798	216,276	297,074
Investments	5	1,944,590	1,155,632	3,100,222	2,415,724	1,341,920	3,757,644
Dividend receivable and accrued mark-up		3,562	706	4,268	2,425	643	3,068
Receivable against sale of investments		-	-	-	-	33,792	33,792
Advances, deposits and prepayments		912	3,901	4,813	160	10,758	10,918
Total assets		2,119,110	1,307,720	3,426,830	2,499,107	1,603,389	4,102,496
LIABILITIES							
Payable to the HBL Asset Management Limited - Management Company	6	3,976	5,813	9,789	4,749	6,744	11,493
Payable to the Central Depository Company of Pakistan Limited - Trustee	7	296	205	501	332	259	591
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	231	126	357	476	266	742
Payable against purchase of investment		-	2,501	2,501	-	36,111	36,111
Accrued expenses and other liabilities	9	602	58,072	58,674	1,342	87,989	89,331
Unclaimed dividend		-	85,372	85,372	-	85,420	85,420
Total liabilities		5,105	152,089	157,194	6,899	216,789	223,688
NET ASSETS		2,114,005	1,155,631	3,269,636	2,492,208	1,386,600	3,878,808
Unit holders' fund (as per statement attached)		2,114,005	1,155,631	3,269,636	2,492,208	1,386,600	3,878,808
Contingencies and commitments	10	----- Number of units -----			----- Number of units -----		
NUMBER OF UNITS IN ISSUE		284,125,000	132,193,954		284,125,000	135,592,594	
		----- (Rupees) -----			----- (Rupees) -----		
NET ASSET VALUE PER UNIT		7.4404	8.7419		8.7715	10.2262	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund

Condensed Interim Income Statement (Un-Audited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020			Quarter ended December 31, 2021			Quarter ended December 31, 2020			
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	
Note ----- (Rupees in '000) -----													
INCOME													
(Loss) / gain on sale of investments - net	(7)	(59,601)	(59,608)	-	77,179	77,179	(7)	(56,169)	(56,176)	-	31,471	31,471	
Dividend income	117,263	38,300	155,563	4,976	23,104	28,080	107,311	28,809	136,120	-	19,621	19,621	
Mark-up on deposits with banks	2,499	5,113	7,612	2,553	5,170	7,723	1,423	2,338	3,761	1,305	2,678	3,983	
Income on Government securities	1,331	28	1,359	-	-	-	1,331	28	1,359	-	-	-	
	121,086	(16,160)	104,926	7,529	105,453	112,982	110,058	(24,994)	85,064	1,305	53,770	55,075	
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss' - net	5.1.1	-	(184,516)	(184,516)	-	154,836	154,836	-	3,379	3,379	-	31,417	31,417
Total income / (loss)	121,086	(200,676)	(79,590)	7,529	260,289	267,818	110,058	(21,615)	88,443	1,305	85,187	86,492	
EXPENSES													
Remuneration of HBL Asset Management Limited - Management Company	6	19,542	14,266	33,808	25,134	14,913	40,047	9,161	6,692	15,853	12,913	7,469	20,382
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7	1,672	917	2,589	1,613	963	2,576	796	438	1,234	828	480	1,308
Annual fee to the Securities and Exchange Commission of Pakistan	8	231	126	357	222	132	354	108	59	167	114	66	180
Selling & marketing expense	6.4	-	6,628	6,628	7,731	6,929	14,660	-	3,109	3,109	2,053	3,470	5,523
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	6,341	3,472	9,813	6,117	3,629	9,746	2,972	1,629	4,601	3,143	1,817	4,960
Securities transaction costs		-	2,633	2,633	-	2,837	2,837	-	1,011	1,011	-	1,330	1,330
Auditors' remuneration		230	126	356	193	123	316	134	64	198	96	62	158
Printing charges		28	-	28	20	-	20	29	-	29	15	-	15
Fee and subscription charges		746	43	789	688	14	702	383	36	419	371	7	378
Settlement & bank charges		-	435	435	-	4	4	-	417	417	-	2	2
Total operating expenses		28,790	28,646	57,436	41,718	29,544	71,262	13,583	13,455	27,038	19,533	14,703	34,236
Net income / (loss) from operating activities		92,296	(229,322)	(137,026)	(34,189)	230,745	196,556	96,475	(35,070)	61,405	(18,228)	70,484	52,256
Reversal of provision for / (provision for) Sindh Workers' Welfare Fund	9.1	634	29,166	29,800	-	(4,615)	(4,615)	-	-	-	-	(1,410)	(1,410)
Net income / (loss) for the period before taxation		92,930	(200,156)	(107,226)	(34,189)	226,130	191,941	96,475	(35,070)	61,405	(18,228)	69,074	50,846
Taxation	12	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation		92,930	(200,156)	(107,226)	(34,189)	226,130	191,941	96,475	(35,070)	61,405	(18,228)	69,074	50,846
Allocation of net (loss) / income for the period:													
Income already paid on redemption of units		-	-	-	-	2,744	2,744	-	-	-	-	1,713	1,713
Accounting income available for distribution:													
- Relating to capital gains		-	-	-	-	223,386	223,386	-	-	-	-	62,888	49,133
- Excluding capital gains		92,930	-	92,930	-	-	-	96,475	-	-	-	4,473	4,473
		92,930	-	92,930	-	223,386	189,197	96,475	-	-	-	67,361	49,133
		92,930	(200,156)	(107,226)	(34,189)	226,130	191,941	96,475	(35,070)	61,405	(18,228)	69,074	50,846

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement Of Comprehensive Income (Un-Audited)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020			Quarter ended December 31, 2021			Quarter ended December 31, 2020		
	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total	Class A	Class B	Total
	(Rupees in '000)											
Net income / (loss) for the period after taxation	92,930	(200,156)	(107,226)	(34,189)	226,130	191,941	108,893	(357,211)	(248,318)	(18,228)	69,074	50,846
Items that will not be reclassified to income statement												
Unrealised (loss) / gain on re-measurement of investments classified as fair value through other comprehensive income	(471,134)	-	(471,134)	559,412	-	559,412	(919,288)	-	(919,288)	111,258	-	111,258
Total comprehensive (loss) / income for the period	(378,204)	(200,156)	(578,360)	525,223	226,130	751,353	(810,395)	(357,211)	(1,167,606)	93,030	69,074	162,104

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement Of Movement In Unitholders' Fund (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2021						
	Class A				Class B		
	Capital value	Accumulated loss	Unrealised income on investment	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)						
Net assets at the beginning of the period (audited)	2,841,250	(2,247,274)	1,898,233	2,492,209	1,495,225	(108,625)	1,386,600
Issuance of 4,111,920 units (2020: 277,852 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	42,049	-	42,049
- Element of loss	-	-	-	-	(6,017)	-	(6,017)
Total proceeds on issuance of units	-	-	-	-	36,032	-	36,032
Redemption of 7,510,560 units (2020: 2,447,338 units)							
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	(76,805)	-	(76,805)
- Element of income	-	-	-	-	9,960	-	9,960
Total payment on redemption of units	-	-	-	-	(66,845)	-	(66,845)
Total comprehensive income / (loss) for the period	-	92,930	(471,134)	(378,204)	-	(200,156)	(200,156)
Net assets at the end of the period (un-audited)	<u>2,841,250</u>	<u>(2,154,344)</u>	<u>1,427,099</u>	<u>2,114,005</u>	<u>1,598,102</u>	<u>(308,781)</u>	<u>1,155,631</u>
Accumulated loss brought forward comprising of:							
- Realised loss		(2,247,274)				(228,362)	
- Unrealised income		-				119,737	
		<u>(2,247,274)</u>				<u>(108,625)</u>	
Accounting income available for distribution							
- Relating to capital gains		-				-	
- Excluding capital gains		92,930				-	
Net income / (loss) for the period after taxation		92,930				(200,156)	
Accumulated loss carried forward		<u>(2,154,344)</u>				<u>(308,781)</u>	
Accumulated loss carried forward comprising of:							
- Realised loss		(2,154,344)				(124,265)	
- Unrealised loss		-				(184,516)	
		<u>(2,154,344)</u>				<u>(308,781)</u>	
Net assets value per unit at the beginning of the period		<u>8.7715</u>				<u>7.8872</u>	
Net assets value per unit at the end of the period		<u>7.4404</u>				<u>8.7419</u>	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Condensed Interim Statement of Cash Flow (Un- Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Class A	Class B	Total	Class A	Class B	Total
Note	----- (Rupees in '000) -----					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income / (loss) for the period before taxation	92,930	(200,156)	(107,226)	(34,189)	226,130	191,941
Adjustments of non-cash items						
Capital gain on sale of investment	7	59,601	59,608	-	(77,179)	(77,179)
Unrealised loss / (gain) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	-	184,516	184,516	-	(154,836)	(154,836)
Dividend income	(117,263)	(38,300)	(155,563)	(4,976)	(23,104)	(28,080)
Mark-up on deposits with banks	(2,499)	(5,113)	(7,612)	(2,553)	(5,170)	(7,723)
(Reversal of provision for) / provision for Sindh Workers' Welfare Fund	(634)	(29,166)	(29,800)	-	4,615	4,615
	(27,459)	(28,618)	(56,077)	(41,718)	(29,544)	(71,262)
(Increase) / decrease in assets						
Investments	(7)	(57,829)	(57,836)	-	25,239	25,239
Receivable against sale of investments	-	33,792	33,792	-	(13,642)	(13,642)
Advances, deposits and prepayments	(752)	6,857	6,105	(678)	(52)	(730)
	(759)	(17,180)	(17,939)	(678)	11,545	10,867
(Decreases) / increase in liabilities						
Payable to the HBL Asset Management Limited - Management Company	(773)	(931)	(1,704)	4,656	1,040	5,696
Payable to Central Depository Company of Pakistan Limited - Trustee	(36)	(54)	(90)	58	24	82
Annual fee payable to the Securities and Exchange Commission of Pakistan	(245)	(140)	(385)	(149)	(197)	(346)
Payable against purchase of investment	-	(33,610)	(33,610)	-	20,045	20,045
Unclaimed dividend	-	(48)	(48)	-	(15,578)	(15,578)
Accrued expenses and other liabilities	(105)	(751)	(856)	(90)	(3,725)	(3,815)
	(1,159)	(35,534)	(36,693)	4,475	1,609	6,084
	(29,377)	(81,332)	(110,709)	(37,921)	(16,390)	(54,311)
Dividend received	116,410	38,281	154,691	4,975	19,868	24,843
Mark-up received on bank deposit	2,215	5,069	7,284	2,766	5,372	8,138
	118,625	43,350	161,975	7,741	25,240	32,981
Net cash generated from / (used in) operating activities	89,248	(37,982)	51,266	(30,180)	8,850	(21,330)
CASH FLOWS FROM FINANCING ACTIVITIES						
Amount received on issue of units	-	36,032	36,032	-	2,578	2,578
Amount paid on redemption of units	-	(66,845)	(66,845)	-	(22,281)	(22,281)
Net cash used in financing activities	-	(30,813)	(30,813)	-	(19,703)	(19,703)
Net increase / (decrease) in cash and cash equivalents	89,248	(68,795)	20,453	(30,180)	(10,853)	(41,033)
Cash and cash equivalents at beginning of the period	80,798	216,276	297,074	98,673	183,558	282,231
Cash and cash equivalents at end of the period	170,046	147,481	317,527	68,493	172,705	241,198

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Investment Fund
Notes to the Condensed Interim Financial Information (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. STATUS AND NATURE OF BUSINESS

- 1.1** HBL Investment Fund was established under a Trust Deed, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However Closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

The Board of the Management Company (HBL Asset Management Limited) of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an open end scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The Plan was also approved by Securities and Exchange Commission of Pakistan (SECP) on February 16, 2018.

The Replacement Trust Deed and Replacement Offering Document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to following for each certificate held:

- One Class-A unit of the Fund was issued to every certificate holders of Fund for each certificate held representing Frozen Portfolio and related assets and liabilities.
- One Class-B unit of the Fund was issued to the every certificate holder of Fund for each certificate held representing unfrozen Portfolio and related assets and liabilities.

The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B units can be redeemed at the redemption price.

During the current period the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 17, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.5** VIS Credit Rating Company has assigned a management quality rating of AM2++' (Stable outlook) on December 31, 2021 to the Management Company.
- 1.6** The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPERATION

2.1 Statement of compliance

These condensed interim financial statements have 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 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 requirement 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking finance Companies (NBFC) and Notified Entities Regulations, 2008 the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

2.2 Basis of measurement

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- ### **3.1**
- The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 BANK BALANCES

December 31, 2021 (Unaudited)			June 30, 2021 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

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

Balances with banks in:

- saving accounts	4.1	170,046	147,481	317,527	80,798	216,276	297,074
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4.1 These include a balance of Rs 0.494 and Rs 0.146 million (June 30, 2021: Rs 0.479 and Rs 0.142 million) maintained with Habib Bank Limited and Muslim Commercial Bank Limited (related parties) that carries profit at the rate of 5.00% and 5.50% per annum (June 30, 2021: 5.00% and 5.50%) respectively. Other saving accounts of the Fund carry profit rates ranging from 5.00% to 11.04% per annum (June 30, 2021: 5.00% to 7.40% per annum).

5 INVESTMENTS

December 31, 2021 (Unaudited)			June 30, 2021 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

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

At fair value through profit or loss

- Listed equity securities	5.1.1	-	1,155,632	1,155,632	-	1,341,920	1,341,920
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At fair value through other comprehensive income

- Listed equity securities	5.1.2	1,944,590	-	1,944,590	2,415,724	-	2,415,724
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At fair value through profit or loss

- Market treasury bills	5.2	-	-	-	-	-	-
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1,944,590	1,155,632	3,100,222	2,415,724	1,341,920	3,757,644
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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 otherwise stated.

5.1.1 Listed equity securities Class B - At fair value through profit or loss

Name of the Investee Company	As at July 01, 2021	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain/ (loss)	Total Investments	Net Assets	
						(Number of shares)			(Rupees in '000)		(%)
Insurance											
IGI Holdings Limited	305,900	62,000	-	15,000	352,900	67,002	54,216	(12,786)	4.69%	4.69%	-
IGI Life Insurance Limited	290,500	9,000	-	-	299,500	14,088	11,411	(2,677)	0.99%	0.99%	0.18%
TPL Insurance Limited	536,189	2,000	-	-	538,189	21,057	15,984	(5,073)	1.38%	1.38%	0.46%
	1,132,589	73,000	-	15,000	1,190,589	102,147	81,611	(20,536)			
Textile composite											
Nishat Chunian Limited	271,000	-	-	271,000	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	403,900	118,000	-	280,000	241,900	12,479	11,384	(1,095)	0.99%	0.99%	0.05%
Azgard Nine Limited	1,322,000	771,500	-	517,000	1,576,500	47,979	20,636	(27,343)	1.79%	1.79%	0.32%
Interloop Limited	203,142	-	5,434	49,000	159,576	10,850	11,600	750	1.00%	1.00%	0.02%
	2,200,042	889,500	5,434	1,117,000	1,977,976	71,308	43,620	(27,688)			
Textile Spinning											
Sunshine Cotton Mills Limited	50,000	-	-	-	50,000	17	-	(17)	-	-	-
	50,000	-	-	-	50,000	17	-	(17)			
Textile Weaving											
Mohib Textile	40,820	-	-	-	40,820	-	-	-	-	-	-
	40,820	-	-	-	40,820	-	-	-			
Cement & material											
Attock Cement Pakistan Limited	302,000	398,600	-	-	700,600	115,084	97,355	(17,729)	8.42%	8.42%	0.51%
Cherat Cement Company Limited	57,000	-	-	17,500	39,500	7,007	5,858	(1,149)	0.51%	0.51%	0.02%
D.G. Khan Cement Company Limited	145,500	-	-	133,500	12,000	1,415	995	(420)	0.09%	0.09%	0.00%
Kohat Cement Limited	59,600	11,000	-	21,000	49,600	9,944	9,355	(589)	0.81%	0.81%	0.02%
Lucky Cement Limited	95,700	19,200	-	21,000	93,900	78,466	63,784	(14,682)	5.52%	5.52%	0.03%
Fauji Cement Company Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	300,500	1,183,000	-	594,000	889,500	34,191	31,978	(2,213)	2.77%	2.77%	0.08%
Pioneer Cement Limited	86,000	10,000	-	10,500	85,500	10,806	7,588	(3,218)	0.66%	0.66%	0.04%
	1,046,300	1,921,800	-	1,097,500	1,870,600	256,913	216,913	(40,000)			
Power generation & distribution											
Hub Power Company Ltd	605,909	-	-	233,602	372,307	29,662	26,560	(3,102)	2.30%	2.30%	0.03%
	605,909	-	-	233,602	372,307	29,662	26,560	(3,102)			
Engineering											
Agha Steel Industry Limited	395,000	210,000	26,000	316,000	315,000	9,736	8,244	(1,492)	0.71%	0.71%	0.05%
Aisha Steel Mills Limited	824,525	1,598,904	-	2,423,429	-	-	-	-	-	-	-
Amreli Steels Limited	143,500	310,000	-	174,000	279,500	12,084	12,510	426	1.08%	1.08%	0.09%
International Industries Limited	64,000	-	-	64,000	-	-	-	-	-	-	-
International Steels Limited	216,500	-	-	216,500	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	127,140	337,000	41,796	5,100	500,836	47,758	52,142	4,384	4.51%	4.51%	0.15%
	1,770,665	2,455,904	67,796	3,199,029	1,095,336	69,578	72,896	3,318			
Automobile assembler											
Pak Suzuki Motor Company Limited	19,900	-	-	19,900	-	-	-	-	-	-	-
Gandhara Industries Limited	-	30,500	-	-	30,500	8,628	5,391	(3,237)	0.47%	0.47%	0.07%
	19,900	30,500	-	19,900	30,500	8,628	5,391	(3,237)			
Pharmaceuticals											
The Searle Company Limited	1,463	-	438	-	1,901	355	273	(82)	0.02%	0.02%	0.00%
Ferozsons Laboratories Limited	-	45,600	-	3,300	42,300	17,303	13,783	(3,520)	1.19%	1.19%	0.12%
Highnoon Laboratories Limited	-	19,500	-	-	19,500	12,139	12,243	104	1.06%	1.06%	0.05%
	1,463	65,100	438	3,300	63,701	29,797	26,299	(3,498)			
Cable & electrical goods											
Pak Elektron Ltd	501,500	320,000	-	370,000	451,500	14,390	10,168	(4,222)	0.88%	0.88%	1.00%
Waves Singer Pakistan Limited	520,000	272,000	-	792,000	-	-	-	-	-	-	-
	1,021,500	592,000	-	1,162,000	451,500	14,390	10,168	(4,222)			
Miscellaneous											
TPL Properties Limited	700,000	-	-	700,000	-	-	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited	-	158,570	-	158,570	-	-	-	-	-	-	-
Pace (Pakistan) Limited	-	895,000	-	895,000	-	-	-	-	-	-	-
	700,000	1,053,570	-	1,753,570	-	-	-	-			

Name of the Investee Company	As at July 01, 2021	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain/ (loss)	Total Investments	Net Assets	
						(Rupees in '000)			(%)		
Refinery											
Attock Refinery Limited	52,500	20,000	-	72,500	-	-	-	-	-	-	-
National Refinery Limited	82,000	40,700	-	31,500	91,200	42,988	25,955	(17,033)	2.25%	2.25%	0.11%
	134,500	60,700	-	104,000	91,200	42,988	25,955	(17,033)			
Oil & gas exploration companies											
Mari Petroleum Company Limited	24,666	-	-	3,000	21,666	33,027	35,841	2,814	3.10%	3.10%	0.02%
Oil & Gas Development Company Limited	532,595	135,000	-	534,595	133,000	11,237	11,465	228	0.99%	0.99%	0.00%
Pakistan Oilfields Limited	28,000	-	-	28,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	609,546	178,200	-	611,546	176,200	13,773	13,927	154	1.21%	1.21%	0.01%
	1,194,807	313,200	-	1,177,141	330,866	58,037	61,233	3,196			
Oil & gas marketing companies											
Pakistan State Oil Company Limited	217,692	6,700	-	55,400	168,992	37,566	30,738	(6,828)	2.66%	2.66%	0.04%
	217,692	6,700	-	55,400	168,992	37,566	30,738	(6,828)			
Commercial banks											
Faysal Bank Limited	9,000	341,500	-	-	350,500	9,001	8,062	(939)	0.70%	0.70%	0.02%
Habib Bank Limited	167,100	555,295	-	30,000	692,395	84,312	80,747	(3,565)	6.99%	6.99%	0.05%
MCB Bank Limited	177,253	21,500	-	15,000	183,753	29,437	28,179	(1,258)	2.44%	2.44%	0.02%
Standard Chartered Bank (Pak) Ltd	1,675,000	66,000	-	-	1,741,000	58,865	63,512	4,647	5.50%	5.50%	0.04%
United Bank Limited	560,200	129,125	-	144,010	545,315	67,834	74,479	6,645	6.44%	6.44%	0.04%
Bank Alfalah Limited	-	345,000	-	-	345,000	12,099	11,937	(162)	1.03%	1.03%	0.02%
Bank AL Habib Limited	-	307,000	-	-	307,000	21,679	21,186	(493)	1.83%	1.83%	0.03%
	2,588,553	1,765,420	-	189,010	4,164,963	283,227	288,102	4,875			
Fertilizer											
Engro Corporation Limited	139,000	-	-	139,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	340,000	934,000	-	1,274,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	194,100	-	-	194,100	-	-	-	-	-	-	-
	673,100	934,000	-	1,607,100	-	-	-	-	-	-	-
Chemical											
Nimir Resins Limited	-	884,500	-	129,000	755,500	28,495	14,249	(14,246)	1.23%	1.23%	0.53%
Nimir Resins Limited (5)	1,026,000	325,000	-	1,351,000	-	-	-	-	-	-	-
	1,026,000	1,209,500	-	1,480,000	755,500	28,495	14,249	(14,246)			
Automobile parts & accessories											
The General Tyre & Rubber Panther Tyres Limited	411,500	98,000	-	80,000	429,500	36,193	19,912	(16,281)	1.72%	0.0172	0.35%
	260,213	-	-	260,213	-	-	-	-	-	-	-
	671,713	98,000	-	340,213	429,500	36,193	19,912	(16,281)			
Technology & communication											
Avanceon Limited	74,000	175,500	-	102,500	147,000	17,524	13,395	(4,129)	1.16%	1.16%	0.06%
Netsol Technologies Limited	111,000	97,000	-	89,000	119,000	18,717	11,169	(7,548)	0.97%	0.97%	0.13%
Systems Limited	31,300	10,500	-	10,500	31,300	18,030	23,783	5,753	2.06%	2.06%	0.02%
TPL Trakker Limited	2,520,500	3,653,000	-	131,500	6,042,000	106,254	100,965	(5,289)	8.74%	8.74%	3.23%
TRG Pakistan Limited	74,500	171,000	-	245,500	-	-	-	-	-	-	-
Octopus Digital Limited	-	75,299	-	75,299	-	-	-	-	-	-	-
Air Link Communication Limited	-	169,375	9,590	178,965	-	-	-	-	-	-	-
WorldCall Telecom Limited	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-
TPL Corporation Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
	3,811,300	4,851,674	9,590	2,333,264	6,339,300	160,525	149,312	(11,213)			
Foods & personal care products											
Clover Pakistan Limited	122,000	-	-	122,000	-	-	-	-	-	-	-
Fauji Foods Limited	17,000	1,581,545	-	148,500	1,450,045	18,101	13,326	(4,775)	1.15%	1.15%	0.18%
Al Shaheer Corporation Limited	-	800,000	-	800,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	725,572	1,287,000	125,157	1,004,500	1,133,229	38,661	35,957	(2,704)	3.11%	3.11%	0.92%
Fauji Foods Limited-LOR	-	949,045	-	949,045	-	-	-	-	-	-	-
Unity Foods Limited	942,816	558,000	-	247,000	1,253,816	53,915	33,189	(20,726)	2.87%	2.87%	0.13%
Unity Foods Limited-LOR3	-	252,264	-	63,000	189,264	-	201	201	0.02%	0.02%	0.00%
	1,807,388	5,427,854	125,157	3,334,045	4,026,354	110,677	82,673	(28,004)			
Total as at December 31, 2021						1,340,148	1,155,632	(184,516)			
Total as at June 30, 2021						1,222,183	1,341,920	119,738			

5.1.2 Listed equity securities Class A - At fair value through other comprehensive income

Name of the Investee Company	As at July 01, 2021	Purchased during the period	Bonus / rights issue	Sold during the period	As at December 31, 2021	Balance as at December 31, 2021			Market value as a percentage of		Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain/ (loss)	Total Investments	Net Assets	
						(Rupees in '000)			(%)		
Class A											
Oil and Gas Marketing Companies											
Sui Northern Gas Pipeline Limited	2,488,024	-	-	2,488,024	33,052	83,224	50,172		4.28%	3.94%	0.39%
Pakistan State Oil Company Limited	10,233,471	-	-	10,233,471	484,439	1,861,366	1,376,927		95.7%	88.0%	2.18%
Total as at December 31, 2021					12,721,495	517,491	1,944,590	1,427,099			
Total as at June 30, 2021					12,721,495	517,491	2,415,724	1,898,233			

5.1.2.1 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen / blocked by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2021	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Attock Cement Pakistan Limited	100,000	13,896	-	-
Bank Alfalah Limited	100,000	3,460	-	-
Bank Al Habib Limited	100,000	6,901	-	-
D.G. Khan Cement Company Limited	10,000	829	-	-
Habib Bank Limited	90,000	10,496	-	-
The Hub Power Company Limited	300,000	21,402	300,000	23,901
Pakistan State Oil Company Limited	135,000	24,555	105,000	23,546
United Bank Limited	490,000	66,924	490,000	59,878
Oil & Gas Development Company Limited	-	-	300,000	28,509
Pakistan Petroleum Limited	-	-	50,000	4,342
	1,325,000	148,464	1,245,000	140,176

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2021, the following bonus shares of Class A and Class B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Company	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2021	
	Bonus shares			
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Class A				
Pakistan State Oil Company Limited	215,566	39,209	215,566	48,341
Class B				
TPL Insurance Limited	569	17	569	22
The Searle Company Limited	1,901	273	1,463	355
Faysal Bank Limited	8,764	202	8,764	149
	11,234	492	10,796	526

5.2 Market treasury bills - 'at fair value through profit or loss'

Particulars	Issue date	Face value				Balance as at December 31, 2021			Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
						(Rupees)			(%)	
Market treasury bills- 3-months										
Market treasury bills	7-Oct-21	-	20,000,000	20,000,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	55,000,000	55,000,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	70,000,000	70,000,000	-	-	-	-	-	-
Market treasury bills	7-Oct-21	-	10,000,000	10,000,000	-	-	-	-	-	-
Market treasury bills	12-Aug-21	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills- 6-months										
Market treasury bills	6-May-21	-	60,000,000	60,000,000	-	-	-	-	-	-
Market treasury bills	22-Apr-21	-	55,000,000	55,000,000	-	-	-	-	-	-
Market treasury bills	6-May-21	-	25,000,000	25,000,000	-	-	-	-	-	-
Market treasury bills	22-Apr-21	-	20,000,000	20,000,000	-	-	-	-	-	-
Total as at December 31, 2021						-	-	-		
Total as at June 30, 2021						-	-	-		

6 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
(Rupees in '000)							
Management fee payable	6.1	2,657	1,925	4,582	3,173	2,297	5,470
Sindh Sales Tax on remuneration of the Management Company	6.2	345	250	595	412	298	710
Allocated expenses	6.3	974	529	1,503	1,164	632	1,796
Selling & marketing expense payable	6.4	-	3,109	3,109	-	3,517	3,517
		3,976	5,813	9,789	4,749	6,744	11,493

6.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, it was advised to HBL AMC to take up the matter at their Board level for lowering the rate of management fee keeping in view the passive nature of investments in Class A units of HBL Investment Fund and in the best interest of the certificate holders. Subsequently, management of HBL AMC in its 83rd Board meeting held on February 10, 2021 has approved the reduction in rate of 2% to 1.5% effective from February 10, 2021. Currently, the management fee is charged at the rate of 1.5% and 2% (June 30, 2021: 1.5% and 2%) of average annual net assets of the fund for Class A and Class B, respectively.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged 0.55% of the average annual net assets of the Fund during the period ended December 31, 2021 (June 30, 2021: 0.55%) for both Class A and Class B.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its discretion has currently determined a capping of 1.05% (June 30, 2021, 1.05% of the average annual net assets) of the Fund for charging of selling and marketing expenses which has also been approved by the Board of Directors of the Management Company. However, as per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, Management Company ceased to charge selling and marketing expenses to the certificate holders of Class A with effect from November 01, 2020.

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

	Note	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
		Class A	Class B	Total	Class A	Class B	Total
Remuneration payable to the Trustee	7.1	262	181	443	294	229	523
Sindh Sales Tax payable on remuneration of the Trustee	7.2	34	24	58	38	30	68
		<u>296</u>	<u>205</u>	<u>501</u>	<u>332</u>	<u>259</u>	<u>591</u>

7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, the tariff structure is as follows:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.02% of the net assets or Rs. 700,000 per annum whichever is higher
- From Rs 1,000 million to Rs 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

Accordingly the Fund has charged trustee fee at the above rates during the period.

7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

8 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note	----- (Rupees in '000) -----						
Annual fee	8.1	231	126	357	476	266	742

- 8.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by SECP vide its SRO no. 685(1)/2019 dated June 28, 2019, The Fund has recognised SECP Fee at the rate of 0.02% (June 30, 2021: 0.02%)

9 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)			
	Class A	Class B	Total	Class A	Class B	Total	
Note	----- (Rupees in '000) -----						
Provision for Sindh Workers' Welfare Fund	9.1	-	-	-	634	29,166	29,800
Provision for Federal Excise Duty	9.2	-	55,961	55,961	-	55,961	55,961
Auditors remuneration		237	130	367	569	370	939
Security transaction charges		-	802	802	-	1,079	1,079
Withholding tax payable		365	58	423	139	276	415
Other payable		-	1,121	1,121	-	1,137	1,137
		602	58,072	58,674	1,342	87,989	89,331

9.1 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). However, the Fund had recorded provision in respect of SWWF with effect from July 1, 2014.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from July 1, 2014 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

9.2 Federal excise duty

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 55.961 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.423 (June 30, 2021: Re. 0.412)

10 CONTINGENCIES & COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

11 TOTAL EXPENSES RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2021 based on current period results is 1.26% and 2.29% (2020: 1.89% and 2.61%) which includes 0.12% and 0.18% (2020: 0.15% and 0.52%) representing government levies on the Fund and annual fee to SECP of Class A and Class B respectively. This ratio is within maximum limit of 4.5% prescribed under NBFC Regulation for a collective Investment Scheme categorised as an Equity scheme.

12 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred net loss during the current period, therefore no provision for taxation has been made in these condensed interim financial statements.

13 CASH AND CASH EQUIVALENTS

December 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
Class A	Class B	Total	Class A	Class B	Total

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

Balances with banks in:

- saving account

4	170,046	147,481	317,527	68,493	172,705	241,198
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14 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

December 31, 2021 (Un-audited)			December 31, 2020 (Un-audited)		
Class A	Class B	Total	Class A	Class B	Total

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

14.1 Transactions during the period

HBL Asset Management Limited

Remuneration of Management Company	17,294	12,625	29,919	22,242	13,197	35,439
Sindh Sales Tax on remuneration of Management Company	2,248	1,641	3,889	2,892	1,716	4,608
Reimbursement of fund operations, accounting and related costs	6,341	3,472	9,813	6,117	3,629	9,746
Selling and marketing	-	6,628	6,628	7,731	6,929	14,660

Habib Bank Limited - Sponsor

Dividend income	-	921	921	-	-	-
Mark-up on deposits with banks	-	16	16	-	13	13

HBL Islamic Equity Fund

Purchase of equity securities	-	13,676	13,676	-	-	-
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MCB Bank Limited

Dividend Income	-	1,638	1,638	-	-	-
Mark-up on deposits with banks	4	4,253	4,257	4	4,256	4,260

Central Depository Company of Pakistan Limited - Trustee

Trustee fee	1,480	812	2,292	1,427	852	2,279
Sindh sales tax payable on Trustee fee	192	105	297	186	111	297
CDC connection charges	439	171	610	439	140	579

Executives and their relatives

Redemption of 205,885 units (December 31, 2020: Nil units)	-	2,030	2,030	-	-	-
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14.2 Balances outstanding at the year end**HBL Asset Management Limited**

Payable to the Management Company	2,657	1,925	4,582	3,173	2,297	5,470
Sindh Sales tax payable on remuneration to management company	345	250	595	412	298	710
Allocation of expenses related to registrar services, accounting, operation and valuation services	974	529	1,503	1,164	632	1,796
Selling and marketing expense	-	3,109	3,109	-	3,517	3,517

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	262	181	443	294	229	523
Sindh Sales tax payable on Trustee fee	34	24	58	38	30	68
Security deposit held	100	200	300	100	200	300
CDC charges payable	-	37	37	-	36	36

MCB Bank Limited**Connected Person (Due to holding more than 10% certificates)**

Bank balance	146	-	146	142	179,286	179,428
Mark-up on bank deposit receivable	-	-	-	-	-	-
Certificates held :66,090,021 (2021: 66,090,021 certificates)	660,900	-	660,900	660,900	-	660,900

Habib Bank Limited - Sponsor

Certificates held :48,662,161 (2021: 48,662,161 certificates)	486,622	-	486,622	486,622	-	486,622
Outstanding units :48,662,173 (2021: 48,662,173) units	-	425,400	425,400	-	497,629	497,629
Bank Balance	-	494	494	-	479	479

Jubilee General Insurance Company Limited

Certificates held:100,379 (2021: 100,379) certificates	1,004	-	1,004	1,004	-	1,004
Outstanding units:103,333 (2021: 103,333) units	-	903	903	-	1,057	1,057

Jubilee General Insurance Company Limited**Staff Provident Fund Trust**

Certificates held:118,454 (2021: 118,454) certificates	1,184	-	1,184	1,247	-	1,247
Outstanding units:121,940 (2021: 121,940) units	-	1,066	1,066	-	962	962

Jubilee General Insurance Company Limited**Gratuity Fund Trust**

Certificates held: 224,000 (2021: 224,000 certificates)	2,240	-	2,240	2,358	-	2,358
Outstanding units: 230,592 (2021: 230,592) units	-	2,016	2,016	-	1,819	1,819

Aga Khan University Employees Provident Fund Trust

Certificates held: 588,000 (2021: 588,000 certificates)	5,880	-	5,880	5,880	-	5,880
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	December 31, 2021 (Un-audited)			June 30, 2021 (Audited)		
	Class A	Class B	Total	Class A	Class B	Total
	----- (Rupees in '000) -----					
Aga Khan University Employees Gratuity Fund Trust						
Certificates held:138,000 (2021: 138,000 certificates)	1,380	-	1,380	1,380	-	1,380
Directors and Executives of the Management Company						
Certificates held:26,195 (2021: 26,195 certificates)	262	-	262	262	-	262
Outstanding units: 26,813 (2021: 232,698) units	-	234	234	-	2,380	2,380

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	----- (Un-audited) -----			
	----- As at December 31, 2021 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets ' at fair value through profit or loss'				
- Listed equity securities	1,155,632	-	-	1,155,632
Financial assets ' at fair value through other comprehensive income'				
- Listed equity securities	1,944,590	-	-	1,944,590
	----- (Un-audited) -----			
	----- As at June 30, 2020 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets ' at fair value through profit or loss'				
- Listed equity securities	1,341,920	-	-	1,341,920
Financial assets ' at fair value through other comprehensive income'				
- Listed equity securities	2,415,724	-	-	2,415,724

16 GENERAL

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

16.2 In March 2020, the World Health Organisation ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2021 due to 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 and continuity of business operations.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 11, 2022 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



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