

HBL

ASSET MANAGEMENT LTD.

ايسيت ميجمنٹ لميٹڈ

AMC Rating : AM1 by VIS

**NINE MONTHS
REPORT 2024**

For the period ended MARCH 31, 2024

**MOVING TOWARDS
EXCELLENCE**

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of April 26, 2024)

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

Audit Committee

Chairman	Mr. Khalid Malik	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee Mr. Rayomond H. Kotwal	(Independent Director) (Non-Executive Director)

Human Resource & Remuneration Committee

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

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud Mr. Abid Sattar	(Non-Executive Director) (Independent Director)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Abid Sattar Ms. Ava Ardeshir Cowasjee	(Independent Director) (Independent Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating AM1 (Stable Outlook)

Legal Advisor Bawany & Partners,
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Defense Housing Authority, Karachi.

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REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED MARCH 31, 2024

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL LiveStock Fund, HBL Islamic Savings Fund and HBL Islamic Fixed Term Fund (the Funds) for the period ended March 31, 2024.

ECONOMIC REVIEW

The fiscal year started on a positive note as Government entered into an SBA of USD 3B with IMF. The agreement with IMF opened up the flows from multilateral and bilateral which helped shored up reserves. SBP reserves increased from USD 4.4B in June 2023 to USD 8B in March 2024.

Pakistan successfully completed the first review of its IMF SBA agreement in January 2024, securing USD 700M. The IMF released a review report, outlining several important points: (i) GDP growth is forecasted at 2% for FY24 with a targeted primary surplus of 0.4%, (ii) Inflation is expected to decrease in the second half of FY24, (iii) There's a necessity for tight and proactive monetary policy, (iv) The Current Account Deficit is projected to be USD 5.6 billion in FY24, and (v) The report emphasizes the continuation of energy sector reforms, including the elimination of cross subsidies and the regular implementation of semiannual gas tariff plans. Pakistan has also successfully completed the last review whose approval is pending from the Executive Board. Pakistan will receive last tranche of USD 1.1B after IMF Executive Board approval.

During the initial half of FY24, the exchange rate experienced significant fluctuations. The removal of import constraints in July 2024 resulted in increased demand for USD, causing the PKR to weaken to 307/USD by August. To stabilize the currency's decline, the State Bank of Pakistan (SBP) intensified supervision of Exchange Companies, raised their capital requirements, while Law Enforcement Agencies cracked down on smuggling, hoarding, and illicit market activities. These actions contributed to a decrease in the exchange rate to 277/USD by October, restoring stability to the PKR. By March 2024, the exchange rate settled at 278/USD compared to 286/USD in June 2023. Additionally, alongside administrative measures, a current account surplus of USD 233M from August 2023 to March 2024 (9MFY24 deficit of USD 508M) provided further support to the exchange rate.

On fiscal side, GDP growth in 1QFY24 and 2QFY24 recorded at 2.5% and 1% vs 1% and 2.2% in SPLY respectively. The growth is primarily driven by healthy crop output. On the other hand, Industrial segment recorded a negative growth during the period due to import restrictions in the beginning of the fiscal year and tight monetary and fiscal policies. Due to economic slowdown services sector also posted a meagre growth in 1HFY24.

Fiscal deficit in 1HFY24 was 2.3% of GDP vs 2.0% in same period last year. The primary balance posted a surplus of PKR 1,812B (1.7% of GDP) against a surplus of PKR 890B (1.1% of GDP) in same period last year. Despite improvement in primary balance due to curtailed expenditure and higher tax revenue, fiscal deficit was relatively on a higher side due to interest payments.

Inflationary pressures persisted during the period under review as energy prices were adjusted according to the IMF agreement. Additionally, the fluctuating PKR and the secondary impacts of PKR depreciation, coupled with elevated energy tariffs, played a role in maintaining inflation at higher levels. Headline inflation averaged 27.2% year-on-year in the first nine months of FY24. Core inflation stood at 20.3%, while food inflation reached 29.4% year-on-year. In response to these inflationary pressures, the State Bank of Pakistan (SBP) maintained the policy rate at 22% during the same period. However, inflation has begun to decrease from the third quarter of FY24.

STOCK MARKET REVIEW

KMI-30 index during 9MHFY24 increased by 59% with index closing at 112,364 points. The broad positive market sentiment was driven by (i) Reaching of agreement with IMF (ii) inflows from multiple multilateral and bilateral sources (iii) Upgradation of Pakistan's rating by FITCH (iv) crack down on hoarders and smugglers (v) strengthening of PKR (vi) reinvigorated interest by foreign investors (vii) efforts to resolve energy chain issues (viii) smooth transition to the coalition government after general election in February (ix) announcement of refinery and tight gas policies (x) and strong corporate earnings.

Renewed interest by investors led to higher trading activity as average volume and value of KSE-All increased by 122% and 120% to 451M and PKR 14.4B respectively in 9MFY24 as compare with same period last year.

MONEY MARKET REVIEW

SBP conducted six monetary policies during 9MFY24 where it kept the policy rate unchanged at 22%. SBP highlighted 1) impact of higher energy tariffs, 2) high commodity prices and 3) uncertainties in Middle East, as the primary reason for no change in the policy rates. Simultaneously, SBP reiterated its stance of positive real interest rates based on the forward guidance as they expect inflation to decline drastically in 2HFY24.

Owing to expectation of considerable decrease in inflation in coming months and subsequently expected reduction in the policy rate, secondary market yields witnessed a declining trend in 1HFY23. In variable rate Ijarah Sukuk, government raised PKR 1.5T during 9MFY24 against target of PKR 890B. Similarly, through fixed rate Ijarah Sukuk, government raised PKR 529B during 9MFY24 against the target of PKR 610B. Government also raised PKR 73B against the target of PKR 120B in fixed rate discounted Sukuk.

FUTURE OUTLOOK

Pakistan has formally requested IMF for the long term EFF programme of USD 6B – 8B. This programme will play a vital role in economic revitalization and will likely focus on taxing untaxed segments of the economy, removing cross subsidization, privatization of SOEs and resolving energy chain issues. Foreign flows from multilateral and bilateral will also be depended on the successful negotiation of new IMF programme.

We expect Pakistan's GDP growth rate to remain around 2% in FY24. The growth would be much below the potential GDP growth rate due to stringent fiscal and monetary measures undertaken in FY23 and FY24.

Current account now likely be much lower than the initial estimates due to suppressed demand resulting in lower imports, increase in exports and remittances. Current Account Deficit is estimated to be in the range of USD 1B to 2B. Furthermore, expectation of investments from KSA in different sectors of an economy will likely support the parity and help Pakistan in meeting its debt obligations. We do not expect sharp PKR devaluation in near term.

Inflation has started its deceleration path as evident by the quarterly average – 3QFY24 was 24% vs 29% of 1QFY24. The March reading was 20.7%. High base effect has played a major role in the downward trend of inflation. We expect inflation to continue its downward momentum in upcoming months.

Spot real interest rates have turned positive in the month of March 2024. As inflation is expected to remain much lower than the policy rate, we believe that SBP will soon begin the monetary easing cycle. However, escalation of Israel-Palestine conflict, resulting in increase in oil prices, increase in energy tariffs and second round of effect of energy tariff hike pose risk to our assumptions.

FUND'S PERFORMANCE AND PAYOUTS

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 9.09 billion and Rs. 8.62 billion respectively during the period ended March 31, 2024. The Net Asset Value (NAV) of the Fund was Rs. 101.3371 per unit as on March 31, 2024 as compared to Rs. 101.3883 per unit as on June 30, 2023, after incorporating dividend of Rs. 15.3293 per unit, thereby giving an annualized return of 21.62%. During the period the benchmark return (3 Month bank deposit rates) was 9.96%. The size of Fund was Rs. 78.80 billion as on March 31, 2024 as compared to Rs. 44.53 billion at the start of the year.

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

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 2.22 billion and Rs. 2.04 billion respectively during the period ended March 31, 2024. The Net Asset Value (NAV) of the Fund was Rs. 120.0390 per unit as on March 31, 2024 as compared to Rs. 103.2208 per unit as on June 30, 2023, thereby giving an annualized return of 21.63%. During the same period the benchmark return (6 Month bank deposit rates) was 9.79%. The size of Fund was Rs. 15.21 billion as on March 31, 2024 as compared to Rs. 7.74 billion at the start of the year.

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

HBL Islamic Stock Fund

The total and net income of the Fund was Rs. 57.34 million and Rs. 52.71 million respectively during the period ended March 31, 2024. The Net Asset Value (NAV) of the Fund was Rs. 120.3346 per unit as on March 31, 2024 as compared to Rs. 77.9684 per unit as on June 30, 2023, thereby giving a return of 54.34% during the period, against the benchmark return (KMI 30 Index) of 58.82%. The size of Fund was Rs. 0.09 billion as on March 31, 2024 as compared to Rs. 0.16 billion at the start of the year.

HBL Islamic Equity Fund

The total and net income of the Fund was Rs. 36.27 million and Rs. 32.76 million respectively during the period ended March 31, 2024. The Net Asset Value (NAV) of the Fund was Rs. 97.9791 per unit as on March 31, 2024 as compared to Rs. 65.8671 per unit as on June 30, 2023, thereby giving a return of 48.75% during the period, against the benchmark return (KMI 30 Index) of 58.82%. The size of Fund was Rs. 0.09 billion as on March 31, 2024 as compared to Rs. 0.11 billion at the start of the year.

HBL Islamic Asset Allocation Fund

Under HBL Islamic Asset Allocation Fund (HBL-IAAF), the HBL Islamic Asset Allocation Fund – Plan I (HBL IAAF-Plan-I) has been constituted on July 13, 2020 and HBL Islamic Asset Allocation Fund – Plan-II was launched on August 05, 2022.

The total and net income of the Fund including HBL IAAF Plans was Rs. 436.51 million and Rs. 422.27 million respectively during the period ended March 31, 2024. The Net Asset Value (NAV) of the HBL-IAAF increased from Rs. 101.6871 per unit as on June 30, 2023 to Rs. 157.5783 per unit as on March 31, 2024, thereby giving a return of 54.96% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 53.13%. The Net Asset Value (NAV) of the HBL-IAAF Plan-I was Rs. 119.1124 per unit as on March 31, 2024 as compared to Rs. 101.3349 per unit as on June 30, 2023, thereby giving a return of 17.54% during the period against the benchmark return of 5.15%. The Net Asset Value (NAV) of the HBL-IAAF Plan-II was Rs. 117.9300 as on March 31, 2024 as compared to Rs. 100.9289 as on June 30, 2023, thereby giving a return of 16.80% while the benchmark return during the period was 5.10%. The collective size of Fund was Rs. 2.29 billion as on March 31, 2024 as compared to Rs. 2.52 billion at the start of the year.

HBL LiveStock Fund

During the period under review, the Fund earned a total and net income of Rs. 68.30 million and Rs. 18.51 million respectively. The net assets of the Fund stood at Rs. 14.48 million representing Net Asset Value (NAV) of Rs. 1,245.7747 per unit as on March 31, 2024 as against net assets of 93.62 million and Net Asset Value (NAV) of 1,040.1980 per unit as at June 30, 2023. The Fund earned a return of 19.76% for the period under review.

HBL Islamic Savings Fund

The Fund commences its operations on March 14, 2024.

During the period under review, the Fund earned a total and net income of Rs. 14.34 million and Rs. 13.58 million respectively. The net assets of the Fund stood at Rs. 2.29 billion representing Net Asset Value (NAV) of Rs. 100.9544 per unit as on March 31, 2024. The Fund earned a return of 19.35% against the benchmark return of 11.27% for the period under review.

HBL Islamic Fixed Term Fund

The Fund commences its operations on March 28, 2024.

During the period under review, the Fund earned a total and net income of Rs. 3.54 million and Rs. 3.36 million respectively. The net assets of the Fund stood at Rs. 1.60 billion representing Net Asset Value (NAV) of Rs. 100.2103 per unit as on March 31, 2024. The Fund earned a return of 19.19% against the benchmark return of 20.24% for the period under review.

MANAGEMENT COMPANY RATING

The VIS Credit Rating Company Limited (VIS) has reaffirmed the management quality rating of HBL Asset Management Limited to 'AM-I' (AM-One) and the outlook on the assigned rating has been assessed at 'Stable'.

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 the Securities & Exchange Commission of Pakistan, the Central Depository Company of Pakistan and the Digital Custodian Company Limited as Trustees, 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

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی مدت کے لیے ایچ بی ایل اسلامک منی مارکیٹ فنڈ، ایچ بی ایل اسلامک انکم فنڈ، ایچ بی ایل اسلامک اسٹاک فنڈ، ایچ بی ایل اسلامک ایکویٹی فنڈ، ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ، ایچ بی ایل لائف اسٹاک فنڈ، ایچ بی ایل اسلامک سیونگ فنڈ اور ایچ بی ایل اسلامک فیکسڈ ٹرم فنڈ (دی فنڈ) کے مالی بیانات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی بوری ہے۔

اقتصادی جائزہ

مالی سال ایک مثبت نوٹ پر شروع ہوا کیونکہ حکومت نے IMF کے ساتھ 3 بلین امریکی ڈالر کے ایس بی اے میں شمولیت اختیار کی۔ آئی ایم ایف کے ساتھ معاہدے نے کثیر جہتی اور دو طرفہ بہاؤ کو کھولا جس سے ذخائر کو بڑھانے میں مدد ملی۔ اسٹیٹ بینک کے ذخائر جون 2023 میں 4.4 بلین ڈالر سے بڑھ کر مارچ 2024 میں 8 بلین امریکی ڈالر ہو گئے۔

پاکستان نے جنوری 2024 میں اپنے IMF SBA معاہدے کا پہلا جائزہ کامیابی کے ساتھ مکمل کیا، جس سے 700 ملین امریکی ڈالر حاصل ہوئے۔ آئی ایم ایف نے ایک جائزہ رپورٹ جاری کی، جس میں کئی اہم نکات کا خاکہ پیش کیا گیا: (i) مالی سال 24 کے لیے جی ڈی پی کی شرح نمو 0.4 فیصد کے ہدف کے ساتھ 2 فیصد پر متوقع ہے (ii) مالی سال 24 کی دوسری ششماہی میں افراط زر کی شرح میں کمی متوقع ہے، (iii) سخت اور فعال مانیٹری پالیسی کی ضرورت ہے، (iv) مالی سال 24 میں کرنٹ اکاؤنٹ خسارہ 5.6 بلین امریکی ڈالر ہونے کا تخمینہ ہے، اور (v) رپورٹ میں توانائی کے شعبے میں اصلاحات کے تسلسل پر زور دیا گیا ہے، بشمول کراس سبسڈیز کا خاتمہ اور نیم سالانہ گیس ٹیرف پلانز کا باقاعدہ نفاذ۔ پاکستان نے آخری جائزہ بھی کامیابی سے مکمل کر لیا ہے جس کی منظوری ایگزیکٹو بورڈ سے زیر التواء ہے۔ پاکستان کو IMF کے ایگزیکٹو بورڈ کی منظوری کے بعد 1.1 بلین امریکی ڈالر آخری قسط ملے گی۔

مالی سال 24 کی ابتدائی ششماہی کے دوران، شرح مبادلہ میں نمایاں اتار چڑھاؤ آیا۔ جولائی 2024 میں درآمدی رکاوٹوں کے خاتمے کے نتیجے میں امریکی ڈالر کی مانگ میں اضافہ ہوا، جس کی وجہ سے اگست تک پاکستانی کرنسی 307 روپے فی امریکی ڈالر تک کمزور ہو گیا۔ کرنسی کی گراؤ کو مستحکم کرنے کے لیے، اسٹیٹ بینک آف پاکستان (SBP) نے ایکسچینج کمپنیوں کی نگرانی کو تیز کیا، ان کے سرمائے کی ضروریات میں اضافہ کیاجبکہ قانون نافذ کرنے والے اداروں نے اسمگلنگ، ذخیرہ اندوزی اور مارکیٹ کی غیر قانونی سرگرمیوں کے خلاف کریک ڈاؤن کیا۔ ان اقدامات نے اکتوبر تک شرح مبادلہ کو 277 روپے فی امریکی ڈالر تک کم کرنے میں اہم کردار کیا۔ جس سے PKR میں استحکام بحال ہوا۔ مارچ 2024 تک، شرح مبادلہ جون 2023 میں 286 فی امریکی ڈالر کے مقابلے میں 278 فی امریکی ڈالر تک پہنچ گیا۔ مزید برآں انتظامی اقدامات کے ساتھ اگست 2023 سے مارچ 2024 تک 233 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس (9MFY24 کا خسارہ 508 ملین امریکی ڈالر) شرح مبادلہ میں مزید مدد فراہم کرتا ہے۔

فنانشل سائیڈ QFY241 اور QFY242 میں GDP نمو بالترتیب SPLY میں 2.5 فیصد اور 1 فیصد بمقابلہ 1 فیصد اور 2.2 فیصد ریکارڈ کی گئی۔ ترقی بنیادی طور پر فصل کی صحت مند پیداوار سے ہوتی ہے۔ دوسری جانب مالی سال کے آغاز میں درآمدی پابندیوں اور سخت مانپٹری اور مالیاتی پالیسیوں کی وجہ سے اس عرصے کے دوران صنعتی طبقے نے منفی نمو ریکارڈ کی۔ معاشی سست روی کی وجہ سے خدمات کے شعبے نے بھی 1HFY24 میں معمولی ترقی کی۔

1HFY24 میں مالیاتی خسارہ GDP کا 2.3 فیصد تھا بمقابلہ 2.0 فیصد پچھلے سال کی اسی مدت میں پرائمری بیلنس نے گزشتہ سال اسی مدت میں 890 بلین روپے (GDP کا 1.1 فیصد) کے سرپلس کے مقابلے میں 1,812 بلین روپے (GDP کا 1.7 فیصد) کا سرپلس پوسٹ کیا۔ کم اخراجات اور زیادہ ٹیکس ریونیو کی وجہ سے بنیادی توازن میں بہتری کے باوجود، سود کی ادائیگیوں کی وجہ سے مالیاتی خسارہ نسبتاً زیادہ تھا۔

زیر نظر مدت کے دوران افراط زر کا دباؤ برقرار رہا کیونکہ توانائی کی قیمتوں کو آئی ایم ایف معاہدے کے مطابق ایڈجسٹ کیا گیا تھا۔ مزید برآں روپے کے اتار چڑھاؤ اور روپے کی قدر میں کمی کے ثانوی اثرات، توانائی کے بڑھے ہوئے ٹیرف کے ساتھ، افراط زر کو بلند سطح پر برقرار رکھنے میں کردار ادا کرتے ہیں۔ مالی سال 24 کے پہلے نو مہینوں میں سال بہ سال ہیڈ لائن افراط زر کی اوسط 27.2 فیصد رہی۔ بنیادی افراط زر 20.3 فیصد رہا، جبکہ خوراک کی افراط زر 29.4 فیصد سال بہ سال تک پہنچ گئی۔ افراط زر کے ان دباؤ کے جواب میں، اسٹیٹ بینک آف پاکستان (SBP) نے اسی مدت کے دوران پالیسی ریٹ کو 22 فیصد پر برقرار رکھا۔ تاہم، مالی سال 24 کی تیسری سہ ماہی سے افراط زر میں کمی آنا شروع ہو گئی ہے۔

اسٹاک مارکیٹ کا جائزہ

مالی سال کے نو مہینوں کے دوران KMI-30 انڈیکس میں 59 فیصد اضافہ ہوا اور انڈیکس 112,364 پوائنٹس پر بند ہوا۔ مارکیٹ میں وسیع مثبت جذبات رہے۔ (i) آئی ایم ایف کے ساتھ معاہدے تک پہنچنے سے (ii) کثیر الجہتی اور دو طرفہ ذرائع سے آمد FITCH (iii) کے ذریعے پاکستان کی درجہ بندی میں اضافہ (iv) ذخیرہ اندوزوں اور اسمگلروں کے خلاف کریک ڈاؤن (v) روپے کی مضبوطی (vi) غیر ملکی سرمایہ کاروں کی نئی دلچسپی (vii) توانائی کے سلسلے کے مسائل کو حل کرنے کی کوششیں (viii) فروری میں عام انتخابات کے بعد نو منتخب مخلوط حکومت کو ہموار منتقلی (ix) ریفائنری اور سخت گیس پالیسیوں کا اعلان (x) اور مضبوط کارپوریٹ آمدنی سے پیدا ہوئے۔

سرمایہ کاروں کی دلچسپی اعلیٰ تجارتی سرگرمیوں کا باعث بنی کیونکہ KSE-All کا اوسط حجم اور قدر 122 فیصد اور 120 فیصد بڑھ کر بالترتیب 451 ملین اور 14.4 بلین روپے ہو گیا جیسا کہ گزشتہ سال کی اسی مدت کے مقابلے میں 9MFY24 میں ہوا۔

منی مارکیٹ کا جائزہ

اسٹیٹ بینک نے 9MFY24 کے دوران چھ مانیٹری پالیسیاں پیش کیں جہاں اس نے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا۔ اسٹیٹ بینک نے 1) توانائی کے اعلیٰ ٹیرف کے اثرات، 2) اشیاء کی اعلیٰ قیمتوں اور 3) FDI میں متوقع آمد سے کم اور ترسیلات زر میں کمی (4) مشرق وسطیٰ میں غیر یقین صورتحال، پالیسی کی شرحوں میں کوئی تبدیلی نہ ہونے کی بنیادی وجہ کے طور پر روشنی ڈالی۔ اس کے ساتھ ہی، SBP نے آگے کی رہنمائی کی بنیاد پر مثبت حقیقی شرح سود کے اپنے موقف کا اعادہ کیا کیونکہ وہ توقع کرتے ہیں کہ 2HFY24 میں افراط زر میں زبردست کمی واقع ہوگی۔

آنے والے مہینوں میں افراط زر میں خاطر خواہ کمی کی توقع اور اس کے نتیجے میں پالیسی ریٹ میں متوقع کمی کی وجہ سے، ثانوی مارکیٹ کی پیداوار میں 1HFY23 میں کمی کا رجحان دیکھا گیا۔ متغیر شرح اجارہ سکوک میں حکومت نے 9 MFY24 کے دوران 890 بلین روپے کے ہدف کے مقابلے میں 1.5 ٹریلین روپے بڑھایا۔ اسی طرح فکسڈ ریٹ اجارہ سکوک کے ذریعے حکومت نے 9 MFY24 کے دوران 610 بلین روپے کے ہدف کے مقابلے میں 529 بلین روپے حاصل کیا۔ حکومت نے مقررہ شرح رعایتی سکوک میں 120 بلین روپے کے ہدف کے مقابلے میں 73 بلین روپے حاصل کیا۔

مستقبل کا آؤٹ لک

پاکستان نے IMF سے 8 – 6 بلین امریکی ڈالر کے طویل مدتی EFF پروگرام کے لیے باضابطہ درخواست کی ہے۔ یہ پروگرام اقتصادی بحالی میں اہم کردار ادا کرے گا اور ممکنہ طور پر معیشت کے غیر ٹیکس والے طبقات پر ٹیکس لگانے، کراس سبسڈی کو ختم کرنے، SOEs کی نجکاری اور توانائی کے سلسلے کے مسائل کو حل کرنے پر توجہ مرکوز کرے گا۔ کثیرالجہتی اور دوطرفہ سے غیر ملکی بہاؤ کا انحصار بھی نئے آئی ایم ایف پروگرام کے کامیاب مذاکرات پر ہوگا۔

ہمیں توقع ہے کہ مالی سال 24 میں پاکستان کی جی ڈی پی کی شرح نمو تقریباً 2 فیصد رہے گی۔ مالی سال 23 اور مالی سال 24 میں کیے گئے سخت مالیاتی اور مالیاتی اقدامات کی وجہ سے نمو ممکنہ جی ڈی پی کی شرح نمو سے بہت کم ہوگی۔

کرنٹ اکاؤنٹ خسارہ اب ابتدائی تخمینوں سے بہت کم ہونے کا امکان ہے جس کی وجہ سے مانگ میں کمی آئی ہے جس کے نتیجے میں درآمدات میں کمی، برآمدات اور ترسیلات زر میں اضافہ ہوا ہے۔ کرنٹ اکاؤنٹ خسارے کا تخمینہ 1 بلین امریکی ڈالر سے 2 بلین امریکی ڈالر کے درمیان ہے۔ مزید برآں، معیشت کے مختلف شعبوں میں KSA سے سرمایہ کاری کی توقع ممکنہ طور پر برابری کی حمایت کرے گی اور پاکستان کو قرض کی ذمہ داریوں کو پورا کرنے میں مدد دے گی۔ ہمیں قریب کی مدت میں روپے کی قدر میں تیز کمی کی توقع نہیں ہے۔

مہنگائی میں کمی ہونا شروع ہوگئی ہے جیسا کہ سہ ماہی اوسط سے ظاہر ہے - 3QFY24 ، 24 فیصد بمقابلہ 1QFY24 ، 29 فیصد تھا۔ مارچ کی ریڈنگ 20.7 فیصد تھی۔ مہنگائی میں کمی کے رجحان میں ہائی بیس ایفیکٹ نے اہم کردار ادا کیا ہے۔ ہمیں توقع ہے کہ آنے والے مہینوں میں مہنگائی میں مزید کمی آئے گی۔

مارچ 2024 میں اسپاٹ حقیقی سود کی شرحیں مثبت ہو گئی ہیں۔ چونکہ افراط زر پالیسی کی شرح سے بہت کم رہنے کی توقع ہے، ہمینٹین ہے کہ SBP جلد ہی زری نرمی کا دور شروع کر دے گا۔ تاہم، اسرائیل-فلسطین تنازعہ میں اضافے کی وجہ سے تیل کی قیمتوں میں اضافہ ہوا، توانائی کے نرخوں میں اضافہ ہوا اور توانائی کے ٹیرف میں اضافے کے اثرات کا دوسرا دور ہمارے مفروضوں کے لیے خطرہ ہے۔

فنڈ کی کارکردگی اور ادائیگیاں

ایچ بی ایل اسلامک منی مارکیٹ فنڈ

31 مارچ 2024 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 9.09 بلین روپے اور 8.62 بلین روپے تھی۔ 31 مارچ 2024 تک فنڈ کی فیونٹ خالص اثاثہ قیمت (NAV) 101.3371 روپے جبکہ 30 جون 2023 تک 101.3293 فی یونٹ تھی اس طرح 22.62 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک (3 ماہ بینک ڈپازٹ ریٹس) کا ریٹرن 9.96 فیصد تھی۔ 31 مارچ 2024 تک فنڈ کا حجم 78.80 بلین روپے تھا جو کہ سال کے آغاز میں 44.53 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ میں AA+(f) کی فنڈ استحکام کی درجہ بندی کی دوبارہ تصدیق کی ہے۔

ایچ بی ایل اسلامک انکم فنڈ

31 مارچ 2024 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 2.22 بلین روپے اور 2.04 بلین روپے تھی۔ 31 مارچ 2024 تک فنڈ کی فی یونٹ خالص اثاثہ قیمت (NAV) 120.0390 روپے جبکہ 30 جون 2023 تک 103.2208 فی یونٹ تھی اس طرح 21.63 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک (6 ماہ بینک ڈپازٹ ریٹس) کا ریٹرن 9.79 فیصد تھا۔ 31 مارچ 2024 تک فنڈ کا حجم 15.21 بلین روپے تھا جو کہ سال کے آغاز میں 7.74 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ میں A+(f) کی فنڈ استحکام کی درجہ بندی کی دوبارہ تصدیق کی ہے۔

ایچ بی ایل اسلامک اسٹاک فنڈ

31 مارچ 2024 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 57.34 ملین روپے اور 52.71 ملین روپے تھی۔ 31 مارچ 2024 تک فنڈ کی فیونٹ خالص اثاثہ قیمت (NAV) 120.3346 روپے جبکہ 30 جون 2023 تک 77.9684 فی یونٹ تھی اس طرح 54.34 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک (KMI 30 انڈیکس) 58.82 فیصد تھا۔ 31 مارچ 2024 تک فنڈ کا حجم 0.09 بلین روپے تھا جو کہ سال کے آغاز میں 0.16 بلین روپے تھا۔

ایچ بی ایل اسلامک ایکویٹی فنڈ

31 مارچ 2024 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 36.27 ملین روپے اور 32.76 ملین روپے تھی۔ 31 مارچ 2024 تک فنڈ کی فیونٹ خالص اثاثہ قیمت (NAV) 97.9791 روپے جبکہ 30 جون 2023 تک 65.8671 فی یونٹ تھی اس طرح 48.75 فیصد کا سالانہ منافع دیتا ہے۔ اس مدت کے دوران بینچ مارک (KMI 30 انڈیکس) 58.82 فیصد تھا۔ 31 مارچ 2024 تک فنڈ کا حجم 0.09 بلین روپے تھا جو کہ سال کے آغاز میں 0.11 بلین روپے تھا۔

ایچ بی ایل اسلامک ایسٹ ایلوکیشن فنڈ

HBL اسلامک ایسٹ ایلوکیشن فنڈ (HBL-IAAF) کے تحت، HBL اسلامک ایسٹ ایلوکیشن فنڈ - پلان I

(HBL IAAF- Plan-I) 13 جولائی 2020 کو تشکیل دیا گیا تھا اور HBL اسلامک ایسٹ ایلوکیشن فنڈ - پلان II کو 05 اگست 2022 شروع کیا گیا تھا۔

31 مارچ 2024 کو ختم ہونے والی مدت کے دوران HBL IAAF پلانز سمیت فنڈ کی کل اور خالص آمدنی بالترتیب 436.51 ملین روپے اور 422.27 ملین روپے تھی۔ 31 مارچ 2024 تک HBL-IAAF کی خالص اثاثہ قیمت (NAV) فی یونٹ 157.5783 روپے تھی جبکہ 30 جون 2023 تک 101.6871 فی یونٹ تھی۔ اس طرح بینچ مارک ریٹرن 54.96 فیصد کے مقابلے میں اسی مدت کے دوران (KMI 30 انڈیکس کا وزنی اوسط یومیہ واپسی اور A ریٹرن یا اس سے اوپر کے بینکوں میں 6 ماہ کی ٹپازٹ کی شرح) 53.13 فیصد ریٹرن رہا۔ 31 مارچ 2024 تک HBL-IAAF پلان-I کی خالص اثاثہ قیمت (NAV) 119.1124 روپے فی یونٹ روپے تھی۔ جبکہ 30 جون 2023 تک 101.3349 روپے فی یونٹ تھی، اس طرح اس مدت کے دوران 5.15 فیصد کے بینچ مارک ریٹرن کے مقابلے میں 17.54 فیصد کی واپسی ہوئی۔ 31 مارچ 2024 تک HBL-IAAF پلان-II کی خالص اثاثہ قیمت (NAV) 117.9300 روپے تھی جبکہ 30 جون 2023 تک 100.9289 روپے تھی، اس طرح 16.80 فیصد کی واپسی دی گئی جبکہ اس مدت کے دوران بینچ مارک ریٹرن 5.10 فیصد تھا۔ 31 مارچ 2024 تک فنڈ کا مجموعی حجم 2.29 بلین روپے تھا جبکہ سال کے آغاز میں 2.52 بلین روپے تھا۔

ایچ بی ایل لائف اسٹاک فنڈ

زیرجائزہ مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 68.30 ملین روپے اور 18.51 ملین روپے تھی، فنڈ کے خالص اثاثے 14.48 ملین روپے کی نمائندگی کر رہے ہیں۔ 31 مارچ 2024 تک خالص اثاثہ (NAV) کی قیمت 1,245.7747 فی یونٹ تھی جبکہ 30 جون 2023 تک 93.62 ملین کے خالص اثاثوں اور خالص اثاثہ قیمت (NAV) کی قیمت 1,040.1980 فی یونٹ تھی۔ زیر جائزہ مدت میں فنڈ کا ریٹرن 19.76 فیصد تھا۔

ایچ بی ایل اسلامک سیونگز فنڈ

مذکورہ فنڈ نے 14 مارچ 2024 کو اپنے کام کا آغاز کیا۔

زیرجائزہ مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 14.34 ملین روپے اور 13.58 ملین روپے تھی۔ فنڈ کے خالص اثاثے 2.29 بلین روپے تھے۔ 31 مارچ 2024 تک خالص اثاثہ قیمت (NAV) فی یونٹ 100.9544 روپے تھی۔ فنڈ نے زیر جائزہ مدت کے لیے 11.27 فیصد کے بینچ مارک ریٹرن کے مقابلے میں 19.35 فیصد کا منافع حاصل کیا۔

ایچ بی ایل اسلامک فکسڈ ٹرم فنڈ

مذکورہ فنڈ نے 28 مارچ 2024 کو اپنے کام کا آغاز کیا

زیرجائزہ مدت کے دوران فنڈ کی کل اور خالص آمدنی بالترتیب 3.54 ملین روپے اور 3.36 ملین روپے تھی۔ فنڈ کے خالص اثاثے 1.60 بلین روپے تھے۔ 31 مارچ 2024 تک خالص اثاثہ قیمت (NAV) فی یونٹ 100.2103 روپے تھی فنڈ نے زیر جائزہ مدت کے لیے 20.24 فیصد کے بینچ مارک ریٹرن کے مقابلے میں 19.19 فیصد کا منافع حاصل کیا۔

مینجمنٹ کمپنی کی درجہ بندی

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے HBL Asset Management Limited کی انتظامی معیار کی درجہ بندی کو 'AM-I' (AM-One) پر دوبارہ تصدیق کر دی ہے اور تفویض کردہ درجہ بندی پر اوٹ لک کا اندازہ 'مستحکم' پر کیا گیا ہے۔

اعتراف

بورڈ اس موقع سے اپنے قابل قدر یونٹ ہولڈرز کے اعتماد اور سرپرستی کا شکریہ ادا کرتا ہے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان اور ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ کی بطور ٹرسٹیز، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی طرف سے فراہم کردہ مدد اور رہنمائی کے لیے اپنی تعریف ریکارڈ پر رکھنا چاہتا ہے۔

بورڈ عملے کی محنت اور لگن کے لیے اپنی تعریف کو ریکارڈ پر رکھنا چاہتا ہے۔

از طرف بورڈ

ایچ بی ایل ایسٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

HBL

Islamic Money Market Fund

FUND INFORMATION

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

HBL Islamic Money Market Fund
Condensed Interim Statement of Assets and Liabilities
As at March 31, 2024

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	59,183,092	40,290,208
Investments	5	18,088,563	4,797,000
Accrued mark-up		1,935,172	603,336
Advances, deposits and prepayments		25,760	22,019
Total assets		79,232,587	45,712,563
Liabilities			
Payable to the Management Company	6	75,133	38,775
Payable to the Trustee		4,063	2,140
Payable to Securities and Exchange Commission of Pakistan		4,881	7,495
Accrued expenses and other liabilities	7	351,154	1,131,413
Total liabilities		435,231	1,179,823
Net assets		78,797,356	44,532,740
Unit holders' fund (as per statement attached)		78,797,356	44,532,740
Contingencies and Commitments			
	9	----- (Number of units) -----	
Number of units in issue		777,576,381	439,229,606
		----- (Rupees) -----	
Net assets value per unit		101.3371	101.3883

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and quarter ended March 31, 2024

	Nine Month ended		Quarter Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Note	----- (Rupees in '000) -----			
Income				
Mark-up on deposit with banks	2,409,233	1,715,491	635,713	465,514
Mark-up on Investments	6,703,525	2,466,664	2,669,402	1,398,712
Gain / (Loss) on sale of investments - net	(251)	1,405	-	(155)
Unrealised (loss) / gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(18,943)	-	(18,943)	-
	9,093,564	4,183,560	3,286,172	1,864,071
Expenses				
Remuneration of the Management Company	321,096	118,849	114,667	71,199
Remuneration of the Trustee	26,698	16,331	9,703	6,933
Annual fee to the Securities and Exchange Commission of Pakistan	32,130	5,255	11,677	2,231
Allocation of expenses related to registrar services, accounting, operation and valuation services	51,798	31,475	17,394	9,567
Selling and Marketing Expense	38,473	31,475	17,953	9,567
Auditors' remuneration	275	450	92	51
Settlement and bank charges	2,845	5,397	754	2,871
Fee and subscription	525	421	131	76
Total expenses	473,840	209,653	172,371	102,495
Net income for the period before taxation	8,619,724	3,973,907	3,113,801	1,761,576
Taxation	8	-	-	-
Net income for the period after taxation	8,619,724	3,973,907	3,113,801	1,761,576
Allocation of net income for the period:				
Income already paid on redemption of units	-	-	-	-
Accounting income available for distribution:				
- Relating to capital gains	-	1,405	-	-
- Excluding capital gains	8,619,724	3,972,502	3,113,801	1,761,576
	8,619,724	3,973,907	3,113,801	1,761,576
	8,619,724	3,973,907	3,113,801	1,761,576

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine months and quarter ended March 31, 2024

	Nine month ended		Quarter ended,	
	March 31,		March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	8,619,724	3,973,907	3,113,801	1,761,576
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	8,619,724	3,973,907	3,113,801	1,761,576

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

Condensed Interim Statement Of Movement In Unit Holders' FUND (Un-Audited)

For the Nine month ended March 31, 2024

	Nine month ended March 31,					
	2024			2023		
	(Rupees in '000)					
Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	
Net assets at beginning of the period	44,418,371	114,369	44,532,740	15,513,483	26,980	15,540,463
Issue of 1,434,187,994 units (2023: 1,359,865,173 units)						
- Capital value (at net asset value per unit at the beginning of the period)	145,287,732	-	145,287,732	137,614,261	-	137,614,261
- Element of income	(184,633)	-	(184,633)	(30,693)	-	(30,693)
Total proceeds on issue of units	145,103,099	-	145,103,099	137,583,568	-	137,583,568
Redemption of 1,095,181,219 units (2023: 976,958,800 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(111,034,973)	-	(111,034,973)	(98,860,827)	-	(98,860,827)
- Income already paid on redemption of units	-	-	-	-	-	-
- Element of loss	163,895	-	163,895	17,607	-	17,607
Total payments on redemption of units	(110,871,078)	-	(110,871,078)	(98,843,220)	-	(98,843,220)
Total comprehensive Gain for the period	-	8,619,724	8,619,724	-	3,973,907	3,973,907.00
Distribution during the Period	-	(8,587,129)	(8,587,129)	-	(3,954,960)	(3,954,960)
Net income for the period less distribution	-	32,595	32,595	-	18,947	18,947
Net assets at end of the period	78,650,392	146,964	78,797,356	54,253,831	45,927	54,299,758
Undistributed income brought forward						
- Realised		114,369			26,980	
- Unrealised		-			-	
		114,369			26,980	
Distribution during the period		(8,587,129)			(3,954,960)	
Accounting income available for distribution						
- Relating to capital gains		-			1,405	
- Excluding capital gains		8,619,724			3,972,502	
		8,619,724			3,973,907	
Undistributed income carried forward		146,964			45,927	
Undistributed income carried forward						
Relating to realised gain		165,907			45,927	
Relating to unrealised loss		(18,943)			-	
		146,964			45,927	
Net assets value per unit at beginning of the period		101.3883			101.2171	
Net assets value per unit at end of the period		101.3371			101.2220	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine month ended March 31, 2024

	Nine month ended	
	March 31,	
Note	2024	2023
	----- (Rupees in '000') -----	
Cash flows from operating activities		
Net income for the period before taxation	8,619,724	3,973,907
Adjustments for non-cash items:		
Mark-up on deposit with banks	(2,409,233)	(1,715,491)
Loss / (Gain) on sale of investments - net	251	(1,405)
Mark-up on Investments	(6,703,525)	(2,466,664)
	<u>(492,783)</u>	<u>(209,653)</u>
Increase in assets		
Investments	(13,291,814)	(30,945,367)
Advances, deposits and prepayments	(3,741)	(139)
	<u>(13,295,555)</u>	<u>(30,945,506)</u>
Increase / (Decrease) Increase in liabilities		
Payable to the Management Company	36,358	39,603
Payable to the Trustee	1,923	1,830
Payable to the Securities and Exchange Commission of Pakistan	(2,614)	3,342
Accrued expenses and other liabilities	(780,259)	245,054
	<u>(744,592)</u>	<u>289,829</u>
	<u>(14,532,930)</u>	<u>(30,865,330)</u>
Mark-up received on banks and investments	7,780,922	3,786,236
	<u>7,780,922</u>	<u>3,786,236</u>
Net cash used in operating activities	(6,752,008)	(27,079,094)
Cash flows from financing activities		
Amount received on issue of units	145,103,099	137,583,568
Payments against redemption of units	(110,871,078)	(98,843,220)
Cash dividend paid	(8,587,129)	(3,954,960)
Net cash generated from financing activities	25,644,892	34,785,388
Net increase in cash and cash equivalents	18,892,884	7,706,294
Cash and cash equivalents at beginning of the period	40,290,208	14,146,600
Cash and cash equivalents at end of the period	59,183,092	21,852,894

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

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

For the Nine month ended March 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Money Market Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on December 10, 2010.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at 'par from May 9, 2011 to May 10, 2011.
- 1.4** The fund has been categorised as a Shariah Compliant Money Market fund as per the criteria laid down by SECP for categorisation of open-end Collective Investment Scheme (CISs).
- 1.5** The objective of the Fund is to seek high liquidity and comparative Shariah Compliant return for investors by investing in low risk securities of shorter duration and maturity.
- 1.6** VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable) to the Management Company on 31 December 2023 (2022:AM1 dated on 31 December 2022)
- 1.7** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations 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, 2023.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023.

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2023.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

3.4 The Fund's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	27,548,092	28,205,208
	4.2	<u>31,635,000</u>	<u>12,085,000</u>
		<u>59,183,092</u>	<u>40,290,208</u>

4.1 This represents bank accounts held with different banks. Profit rates on these accounts range between 6% - 21.35% (June 30, 2023: 5.5% - 20.85%) per annum.

4.2 This amount consists of Certificates of Musharakah placed with Pak Kuwait Investment Co. Ltd. and Faysal Bank Limited of Rs. 11,735 million and 3,000 million respectively (2023: United Bank Limited - Ameen Islamic Banking of Rs. 6,300 million) and Term Deposit Receipts placed with Bank Alfalah Limited -Islamic Banking and Askari Bank Limited - Islamic Banking of Rs. 9,900 million and Rs. 7,000 million respectively (2023: Bank Alfalah Limited - Islamic Banking 5,785 million) which is due to be matured within one month of the current period-end and carries profit at the rate 20.90% and 21.20% respectively.

5	INVESTMENTS	Note	(Un-Audited)	(Audited)
			March 31, 2024	June 30, 2023
			(Rupees in '000)	
Investments by category				
Financial asset at amortised cost				
	Bai Muajjal	5.1	13,697,170	-
	Sukuk Certificate	5.2	2,872,000	4,797,000
Financial asset at fair value through profit and loss				
	GoP Ijarah Sukuk	5.3	1,519,393	-
			18,088,563	4,797,000

5.1 Bai muajjal - at amortised cost

	Maturity Date	As at July 1, 2023	Placements made during the period	Income accrued	Matured during the period	As at March 31, 2024	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
						(Rupees in '000)		(%)
Pak Oman Investment Company	07-Aug-23	-	332,245	6,025	338,270	-	-	-
Pak Oman Investment Company	07-Aug-23	-	801,973	14,542	816,515	-	-	-
Pak Oman Investment Company	10-Aug-23	-	803,417	14,568	817,985	-	-	-
Pak Oman Investment Company	10-Aug-23	-	332,822	6,035	338,857	-	-	-
Pak Kuwait Investment Company	11-Aug-23	-	803,898	14,611	818,509	-	-	-
Pak Kuwait Investment Company	11-Aug-23	-	333,014	6,053	339,066	-	-	-
Pak Kuwait Investment Company	15-Aug-23	-	333,206	6,642	339,848	-	-	-
Pak Kuwait Investment Company	15-Aug-23	-	804,379	16,035	820,414	-	-	-
Pak Oman Investment Company	07-Sep-23	-	234,590	4,240	238,830	-	-	-
Pak Oman Investment Company	07-Sep-23	-	816,891	14,764	831,655	-	-	-
Pak Brunei Investment Company*	09-Aug-23	-	495,859	-	495,859	-	-	-
Pak Brunei Investment Company*	09-Aug-23	-	330,573	-	330,573	-	-	-
Pak Oman Investment Company	11-Sep-23	-	235,019	4,385	239,404	-	-	-
Pak Oman Investment Company	11-Sep-23	-	818,335	15,267	833,602	-	-	-
Pak Kuwait Investment Company	12-Sep-23	-	235,162	4,387	239,550	-	-	-
Pak Kuwait Investment Company	12-Sep-23	-	818,816	15,276	834,092	-	-	-
Pak Kuwait Investment Company	15-Sep-23	-	235,735	4,261	239,995	-	-	-
Pak Kuwait Investment Company	15-Sep-23	-	820,741	14,834	835,575	-	-	-
Pak Kuwait Investment Company	19-Oct-23	-	830,196	15,019	845,215	-	-	-
Pak Kuwait Investment Company	19-Oct-23	-	970,575	17,558	988,133	-	-	-
Pak Kuwait Investment Company	19-Oct-23	-	545,975	9,877	555,852	-	-	-
Pak Kuwait Investment Company	20-Oct-23	-	834,092	15,089	849,181	-	-	-
Pak Kuwait Investment Company	20-Oct-23	-	991,003	17,928	1,008,930	-	-	-
Pak Kuwait Investment Company	20-Oct-23	-	971,149	17,568	988,717	-	-	-
Pak Kuwait Investment Company	20-Oct-23	-	240,743	4,355	245,098	-	-	-
Pak Kuwait Investment Company	20-Oct-23	-	546,297	9,883	556,180	-	-	-
Pak Brunei Investment Company	06-Nov-23	-	980,329	18,264	998,593	-	-	-
Pak Kuwait Investment Company	06-Nov-23	-	243,032	4,528	247,560	-	-	-
Pak Kuwait Investment Company	06-Nov-23	-	551,441	10,273	561,715	-	-	-
Pak Brunei Investment Company	06-Nov-23	-	980,903	17,703	998,606	-	-	-
Pak Brunei Investment Company	06-Nov-23	-	243,175	4,389	247,564	-	-	-
Pak Brunei Investment Company	06-Nov-23	-	551,763	9,958	561,721	-	-	-
Pak Kuwait Investment Company	10-Nov-23	-	982,624	18,350	1,000,974	-	-	-
Pak Kuwait Investment Company	10-Nov-23	-	243,604	4,549	248,154	-	-	-
Pak Kuwait Investment Company	10-Nov-23	-	552,727	10,322	563,049	-	-	-
Pak Kuwait Investment Company	29-Apr-24	-	920,795	-	-	920,795	5.09	1.17
Pak Kuwait Investment Company	29-Apr-24	-	529,969	-	-	529,969	2.93	0.67
Pak Brunei Investment Company	06-May-24	-	2,569,329	-	-	2,569,329	14.20	3.26
Pak Brunei Investment Company	06-May-24	-	1,027,732	-	-	1,027,732	5.68	1.30
Pak Brunei Investment Company	06-May-24	-	1,027,732	-	-	1,027,732	5.68	1.30
Pak Oman Investment Company	07-May-24	-	4,629,051	-	-	4,629,051	25.59	5.87
Pak Brunei Investment Company	20-May-24	-	2,992,563	-	-	2,992,563	16.54	3.80
Total as at March 31, 2024		-	34,543,475	367,536	21,213,841	13,697,170	75.72	17.38
Total as at June 30, 2023		-	48,849,825	875,073	49,724,898	-		

5.2 Sukuk Certificate - at amortised cost

	Maturity Date	As at July 1, 2023	Placements made during the period	Matured during the period	As at March 31, 2024	Market value as a percentage of	
						Total investments of fund	Net Assets of fund
------(Rupees in '000)-----						------(%)-----	
K Electric Limited - STS 13	10-Aug-23	304,000	-	304,000	-	-	-
K Electric Limited - STS 15	21-Sep-23	750,000	-	750,000	-	-	-
China Power Hub Company Limited	28-Mar-23	890,000	-	890,000	-	-	-
Lucky Electric Power Company Limited	28-Mar-23	750,000	-	750,000	-	-	-
Lucky Electric Power Company Limited	30-Oct-23	500,000	-	500,000	-	-	-
Lucky Electric Power Company Limited	13-Dec-23	480,000	-	480,000	-	-	-
Lucky Electric Power Company Limited	15-Feb-24	-	1,050,000	1,050,000	-	-	-
Hub Power Company Limited	17-Nov-23	900,000	-	900,000	-	-	-
Lucky Electric Power Company Limited	28-Jun-24	-	900,000	-	900,000	4.98	1.14
K Electric Limited - STS 17	17-Nov-23	223,000	-	223,000	-	-	-
Pakistan Telecommunication Company Ltd	18-Jul-24	-	972,000	-	972,000	5.37	1.23
Lucky Electric Power Company Limited	15-Aug-24	-	1,000,000	-	1,000,000	5.53	1.27
Total as at March 31, 2024		4,797,000	3,922,000	5,847,000	2,872,000	15.88	3.64
Total as at June 30, 2023		1,306,000	10,547,000	7,056,000	4,797,000		

5.3 GoP Ijarah Sukuk - fair value through profit and loss

	As at July 1, 2023	Placements made during the period	Matured / Sold during the period	As at March 31, 2024	Carrying Value as at March 31, 2024	Market Value as at March 31, 2024	Market value as a percentage of	
							Total investments of fund	Net Assets of fund
------(Rupees in '000)-----							------(%)-----	
GoP Ijarah Sukuk (Mt: 22-01-2025)	-	1,750,000	-	1,750,000	1,518,320	1,499,381	8.29	1.90
GoP Ijarah Sukuk (Mt: 22-05-2024)	-	20,000	-	20,000	20,016	20,012	0.11	0.03
Total as at March 31, 2024	-	1,770,000	-	1,770,000	1,538,336	1,519,393	8.40	1.93
Total as at June 30, 2023	-	-	-	-	-	-		

	Note	(Un-Audited)	(Audited)
		March 31, 2024	June 30, 2023
------(Rupees in '000)-----			

6. PAYABLE TO THE MANAGEMENT COMPANY

Management Fee	42,496	24,104
Sindh Sales Tax	5,524	3,134
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,220	2,094
Sale load payable	1,940	1,115
Selling and marketing expense payable	17,953	8,328
	75,133	38,775

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		292	387
Federal Excise Duty	7.1	2,185	2,185
Withholding tax payable		316,553	90,214
Capital gain tax payable		1	51
Dividend payable		307	307
Other payable		31,816	1,038,269
		351,154	1,131,413

7.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023.

In view of the above, the Management Company, being prudent, is carrying provision for FED aggregating to Rs. 2.185 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2024 would have been higher by Rs. 0.00281 per unit (June 30, 2023: 0.00497 per unit).

8. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of 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, 2024 to its unit holders.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

10. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons during the period and balances with them at period end are as follows:

(Un-Audited)	
Nine month ended	
March 31,	
2024	2023
----- (Rupees in '000) -----	

10.1 Transactions during the period

HBL Asset Management Limited - Management Company

Management fee including sales tax thereon	321,096	118,849
Allocation of expenses related to registrar services, accounting, operation and valuation services	51,798	31,475
Selling and Marketing Expense	38,473	31,475
Issue of 1,334,329 units (2023: Nil units)	135,000	-
Redemption of 1,304,678 units (2023: Nil units)	132,000	-
Dividend	4,121	-

	(Un-Audited)	
	Nine month ended	
	March 31,	
	2024	2023
	----- (Rupees in '000) -----	
Habib Bank Limited - Sponsor		
Profit on bank deposits earned	86,906	3,140
Executives and key management personnel		
Issue of 349,056 units (2023: 283,798 units)	35,316	28,713
Redemption of 213,053 units (2023: 196,641 units)	21,556	19,895
Dividend	3,106	2,033
Archroma Pakistan Limited - Employees Gratuity Fund - Associate		
Issue of 774,045 units (2023: Nil units)	78,314	-
Redemption of 364 units (2023: Nil units)	37	-
Dividend	1	6,780
MCBFSL Trustee HBL Islamic Financial Planning Fund		
- Active Allocation Plan - Associate		
Issue of Nil units (2023: 2,217,152 units)	-	224,319
Redemption of 10,414 units (2023: 2,510,600 units)	1,054	254,008
Dividend	76	7,701
MCBFSL Trustee HBL Islamic Financial Planning Fund		
- Conservative Allocation Plan - Associate		
Issue of Nil units (2023: 423 units)	-	43
Redemption of 1,519 units (2023: 21 units)	154	2
Dividend	11	3
CDC Trustee HBL Islamic Pension Fund - Funds under common management		
Purchase of GoP Ijarah Sukuk	20,016	-
HBL Asset Management Company Limited Employee Gratuity Fund - Associate		
Issue of 163,877 units (2023: 46,454 units)	16,580	4,700
Dividend	1,040	250
HBL Asset Management Company Limited Employee Provident Fund - Associate		
Issue of 174,313 units (2023: 158,142 units)	17,636	16,000
Dividend	2,993	854
Connected person due to holding 10% or more		
Lucky Cement Limited *		
Issue of Nil units (2023: 99,827,624 units)	-	10,100,000
Redemption of Nil units (2023: 24,709,808 units)	-	2,500,000
Dividend	-	586,150
Connected person due to holding 10% or more		
Pakistan Defence Officer Housing Authority		
Issue of Nil units (2023: 22,733,023 units)	2,300,000	2,300,000
Redemption of 7,432,710 units (2023: Nil units)	752,000	2,500,000
Dividend	521,054	311,493
Connected person due to holding 10% or more		
Younus Textile Mills Limited		
Issue of 99,827,624 units (2023: 31,628,554 units)	10,100,000	3,200,000
Redemption of 93,890,964 units (2023: 9,883,923 units)	9,499,362	1,000,000
Dividend	300,778	470,548
Central Depository Company of Pakistan Limited - Trustee		
Trustee Remuneration	26,698	16,331
CDC service charges	2,134	1,291

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
10.2 Amounts outstanding as at period end	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Management fee	42,496	24,104
Sales tax	5,524	3,134
Allocation of expenses related to registrar services, accounting, operation and valuation services	7,220	2,094
Sale load payable	1,940	1,115
Selling and marketing cost	17,953	8,328
Investment held in the Fund: 40,736 units (June 30, 2023: Nil units)	4,128	-
Habib Bank Limited - Sponsor		
Bank balances	10,208,736	286,703
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	4,063	2,140
Executives and key management personnel		
Investment held in the Fund: 400,450 units (June 30, 2023: 176,439 units)	40,580	17,889
Archroma Pakistan Limited - Employees Gratuity Fund - Associate		
Investment held in the Fund: 774,045 units (June 30, 2023: 359 units)	78,439	36
HBL Asset Management Company Limited Employee Gratuity Fund - Associate		
Investment held in the Fund: 227,438 units (June 30, 2023: 51,205 units)	23,048	5,192
HBL Asset Management Company Limited Employee Provident Fund - Associate		
Investment held in the Fund: 293,836 units (June 30, 2023: 174,313 units)	29,776	17,673
MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan (Associate)		
Investment held in the Fund: Nil units (June 30, 2023: 9,665 units)	-	980
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan (Associate)		
Investment held in the Fund: Nil units (June 30, 2023: 1,410 units)	-	143
Connected person due to holding 10% or more		
Lucky Cement Limited *		
Investment held in the Fund: 50,529,374 units (June 30, 2023: 41,619,850 units)	5,120,500	-
Pakistan Defence Officers Housing Authority *		
Investment held in the Fund: 35,394,492 units (June 30, 2023 : 37,677,149 units)	3,586,775	-

* Comparative value not showing as the counterparty was not related party at that period

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

	March 31, 2024						
	Carrying amount			Fair Value			
	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	-	-	1,519,393	-	1,519,393	-	1,519,393
	-	-	1,519,393				
Financial assets not measured at fair value							
Bank balances	59,183,092		59,183,092				
Investments	16,569,170		16,569,170				
Accrued mark-up	1,935,172		1,935,172				
Advances, deposits and prepayments	25,760		25,760				
	77,713,194	-	77,713,194				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	75,133	75,133				
Payable to the Trustee	-	4,063	4,063				
Accrued expenses and other liabilities	-	351,154	351,154				
	-	430,350	430,350				

	June 30, 2023						
	Carrying amount			Fair Value			
	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	(Rupees in '000)						
Financial assets not measured at fair value							
Bank balances	40,290,208	-	40,290,208	-	-	-	-
Investment	4,797,000	-	4,797,000	-	-	-	-
Accrued mark-up	603,336	-	603,336	-	-	-	-
Advances, deposits and prepayments	22,019	-	22,019	-	-	-	-
	<u>45,712,563</u>	<u>-</u>	<u>45,712,563</u>				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	38,775	38,775	-	-	-	-
Payable to the Trustee	-	2,140	2,140	-	-	-	-
Accrued expenses and other liabilities	-	1,038,963	1,038,963	-	-	-	-
	<u>-</u>	<u>1,079,878</u>	<u>1,079,878</u>				

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

11.2 Transfers during the period

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

12. TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended March 31, 2024 is 1.11% (June 30, 2023: 0.88%) which includes 0.17% (March 31, 2023: 0.09%) representing government levy and SECP fee.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement were authorized for issue by the Board of Directors of the Management Company on April 26, 2024. .

14. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Asset Allocation Fund

FUND INFORMATION

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

HBL Islamic Asset Allocation Fund

Condensed Interim Statement of Assets and Liabilities

As at March 31, 2024

	(Un-Audited)				(Audited)				
	March 31,				June 30,				
	2024				2023				
Note	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	
----- (Rupees in '000) -----									
Assets									
Bank balances	6	26,001	272,434	102,278	400,713	18,906	256,273	104,454	379,633
Investments	7	142,756	1,203,097	448,555	1,794,408	83,648	1,611,016	371,399	2,066,063
Dividend receivable and accrued mark-up		2,425	77,314	26,550	106,289	350	52,502	10,880	63,732
Preliminary expenses and floatation costs	8	-	54	-	54	-	86	-	86
Advances, deposits and other receivables	9	3,455	5,541	100	9,096	1,304	-	-	1,304
Receivable against sale of investments		-	-	-	-	4,095	10,886	7,800	22,781
Total assets		174,637	1,558,440	577,483	2,310,560	108,303	1,930,763	494,533	2,533,599
Liabilities									
Payable to the Management Company	10	309	468	512	1,289	331	531	450	1,312
Payable to the Trustee		31	111	43	185	19	143	34	196
Payable to the Securities and Exchange Commission of Pakistan		13	126	45	184	26	446	80	552
Payable against Purchase of Investment		1,229	-	-	1,229	-	-	-	-
Accrued expenses and other liabilities	11	13,965	639	172	14,776	7,251	639	398	8,288
Total liabilities		15,547	1,344	772	17,663	7,627	1,759	962	10,348
Net assets		159,090	1,557,096	576,711	2,292,897	100,676	1,929,004	493,571	2,523,251
Unit holders' fund (as per statement attached)		159,090	1,557,096	576,711		100,676	1,929,004	493,571	
Contingencies and Commitments									
	12	(Number of units)							
Number of units in issue		1,009,592	13,072,485	4,890,279		990,052	19,035,929	4,890,279	
		(Rupees)							
Net assets value per unit		157.5783	119.1124	117.9300		101.6871	101.3349	100.9289	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Condensed Interim Income Statement (Un-Audited)

For the nine months and quarter ended March 31, 2024

Note	Nine Months ended												Three Month Period Ended			
	March 31, 2024				March 31, 2023				March 31, 2024				March 31, 2023			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total
	(Rupees in '000)															
Income																
Return on investments	165	240,415	71,560	312,140	993	214,449	35,559	251,001	-	71,262	24,360	95,622	1,053	138,249	20,690	159,992
Profit on deposits with banks	3,854	50,320	12,364	66,538	3,201	45,084	7,805	56,090	1,895	11,409	4,094	17,398	1,805	32,359	5,174	39,338
Dividend income	6,483	-	-	6,483	6,143	-	-	6,143	2,433	-	-	2,433	3,325	-	-	3,325
Capital Gain on sale of investments - net	28,769	1,163	-	29,932	(10,703)	(5,429)	-	(16,132)	6,610	1	52	6,663	(9,398)	2,859	61	(6,478)
Unrealized appreciation / (diminution) on remeasurement of investments - classified as financial asset at fair value through profit or loss - net	17,629	435	2,891	20,955	(3,013)	(12,904)	(1,276)	(17,193)	(4,828)	259	(68)	(4,637)	2,472	(19,335)	(992)	(17,855)
Other Income	16	-	446	462	6	942	287	1,235	-	(587)	-	(587)	(262)	-	-	(262)
Impairment loss on equity securities classified as available for sale	56,916	292,333	87,261	436,510	(3,373)	242,142	42,375	281,144	6,110	82,344	28,438	116,892	(1,005)	154,132	24,933	178,060
	56,916	292,333	87,261	436,510	(3,373)	242,142	42,375	281,144	6,110	82,344	28,438	116,892	(1,005)	154,132	24,933	178,060
Expenses																
Remuneration of the Management Company	1,762	2,271	2,862	6,895	1,732	2,871	2,055	6,659	662	641	1,032	2,335	1,181	1,942	1,233	4,356
Remuneration of the Trustee	221	1,135	343	1,699	231	1,436	237	1,904	88	320	119	527	157	971	142	1,270
Annual fee to Securities and Exchange Commission of Pakistan	93	1,272	382	1,747	20	339	56	415	37	359	134	530	14	229	34	277
Allocation of expenses related to registrar services, accounting, operation and valuation services	626	-	-	626	766	-	-	766	182	-	-	182	521	-	-	521
Selling and marketing expenses	235	-	-	235	664	-	-	664	-	-	-	-	454	-	-	454
Auditors' remuneration	37	225	138	400	37	328	64	429	12	37	46	95	24	218	28	270
Amortization of preliminary expenses and floatation costs	-	32	-	32	-	32	115	147	-	10	-	10	-	21	48	69
Settlement and bank charges	339	377	259	975	349	308	206	863	88	192	85	365	199	178	17	394
Printing charges	49	103	9	161	49	51	23	123	16	46	-	62	33	51	18	102
Fee and subscription	17	47	7	71	10	17	3	30	10	45	1	56	18	62	1	81
Charity expense	385	-	-	385	-	-	-	-	121	-	-	121	-	-	-	-
Income from shariah non-compliant transaction	-	-	-	-	307	-	-	307	351	-	-	351	166	-	-	166
Securities transaction cost	1,082	-	-	1,082	926	260	140	1,326	184	(93)	-	91	640	199	140	979
Reimbursement of expenses from the Management Company	(351)	-	-	(351)	27	137	41	205	9	45	-	54	9	45	31	85
Shariah advisory fee	27	137	21	185	-	-	-	-	-	-	-	-	-	-	-	-
	4,522	5,599	4,121	14,242	5,118	5,780	2,940	13,838	1,760	1,602	1,417	4,779	3,416	3,916	1,692	9,024
Net Income / (loss) from operating activities	52,394	286,734	83,140	422,268	(8,491)	236,362	39,435	267,306	4,350	80,742	27,021	112,113	(4,421)	150,216	23,241	169,036
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income / (loss) for the period before taxation	52,394	286,734	83,140	422,268	(8,491)	236,362	39,435	267,306	4,350	80,742	27,021	112,113	(4,421)	150,216	23,241	169,036
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income / (loss) for the period after taxation	52,394	286,734	83,140	422,268	(8,491)	236,362	39,435	267,306	4,350	80,742	27,021	112,113	(4,421)	150,216	23,241	169,036
Allocation of income for the period																
Net Income / (loss) for the period after taxation	52,394	286,734	83,140	-	-	236,362	39,435	-	52,394	80,742	27,021	-	-	-	-	-
Income already paid on redemption of units	(7,974)	(70,070)	-	-	-	(24,529)	-	-	(7,974)	(65,141)	-	-	-	-	-	-
Accounting income available for distribution:	44,419	216,664	83,140	-	-	211,833	39,435	-	44,420	35,601	27,021	-	-	150,216	23,241	-
Accounting income available for distribution:																
- Relating to capital gains	38,562	1,135	2,891	-	-	-	-	-	52,394	1,135	2,891	-	-	-	-	-
- Excluding capital gains	5,857	215,529	80,249	-	-	211,833	39,435	-	5,857	34,466	24,130	-	-	150,216	23,241	-
	44,419	216,664	83,140	-	-	211,833	39,435	-	58,251	35,601	27,021	-	-	150,216	23,241	-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2024

	Nine Months ended March 31, 2024				Total	Nine Months ended March 31, 2023				Total	Three Month Period Ended March 31, 2024			Total	Three Month Period Ended March 31, 2023			Total	
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II		
Net income / (loss) for the period after taxation	52,394	286,734	83,140	422,302		(8,491)	236,362	39,435	267,306		4,350	80,742	27,021	112,113		(4,421)	150,216	23,241	169,036
Other comprehensive (loss) / income for the period	-	-	-	-		-	-	-	-		-	-	-	-		-	-	-	-
Total comprehensive income / (loss) for the period	52,394	286,734	83,140	422,302		(8,491)	236,362	39,435	267,306		4,350	80,742	27,021	112,113		(4,421)	150,216	23,241	169,036

(Rupees in '000)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund
Condensed Interim Statement of Movement in Unitholders' Fund (Un-Audited)
For the nine months and quarter ended March 31, 2024

	Islamic Asset Allocation Fund Plan II					
	Nine Months ended			Nine Months ended		
	March 31, 2024			March 31, 2023		
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
----- (Rupees in '000) -----						
Net assets at beginning of the period	489,091	4,480	493,571	-	-	-
Issuance of Nil units (2023: 7,056,933 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	412,377	-	412,377
- Element of Income	-	-	-	17,624	-	17,624
	-	-	-	430,001	-	430,001
Redemption of Nil units (2023: Nil Units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-
	-	-	-	-	-	-
Total comprehensive/ income for the period	-	83,140	83,140	-	39,435	39,435
Net assets at the end of the period	489,091	87,620	576,711	430,001	39,435	469,436
Undistributed income brought forward						
- Realised		5,539		-		
- Unrealised		(1,059)		-		
		4,480		-		
Accounting income available for distribution:						
- Relating to capital (losses) / gains		2,891		-		
- Excluding capital (losses) / gains		80,249		39,435		
		83,140		39,435		
Total comprehensive loss for the period		-		-		
Undistributed income carried forward		87,620		39,435		
Undistributed income carried forward						
- Realised		84,729		40,711		
- Unrealised		2,891		(1,276)		
		87,620		39,435		
			(Rupees)			
Net assets value per unit at beginning of the period		100.0000		100.0000		
Net assets value per unit at end of the period		117.9300		113.8365		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

Condensed Interim Statement of Cash Flow (Un- Audited)

For The Nine Months Ended March 31, 2024

	Nine Months ended 'March 31,2024			Total	Nine Months ended 'March 31,2023			Total
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	
----- (Rupees in '000) -----								
Cash flows from operating activities								
Net loss for the period before taxation	52,394	286,734	83,140	422,268	(8,491)	236,362	39,435	267,306
Adjustments for non-cash items:								
Capital loss on sale of investments - net	(28,769)	(1,163)	-	(29,932)	10,703	5,429	-	16,132
Return / markup on bank profits	(3,854)	(50,320)	(12,364)	(66,538)	(3,201)	(45,084)	(7,805)	(56,090)
Return / markup on investments	(165)	(240,415)	(71,560)	(312,140)	(993)	(214,449)	(35,559)	(251,001)
Dividend income	(6,483)	-	-	(6,483)	(6,143)	-	-	(6,143)
Impairment loss on equity securities classified as available for sale	-	-	-	-	-	-	-	-
Amortization of preliminary expenses and floatation costs	-	32	-	32	-	32	(20)	12
Net unrealised (diminution) / appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss - net	(17,629)	(435)	(2,891)	(20,955)	3,013	12,904	1,276	17,193
	(4,506)	(5,567)	(3,675)	(13,748)	(5,112)	(4,806)	(2,673)	(12,591)
(Increase) / decrease in assets								
Investments	(12,710)	409,517	(74,265)	322,542	69,875	(220,297)	(310,950)	(461,372)
Advances, deposits and other receivables	1,944	5,345	7,700	14,989	(2,321)	(9,493)	(7,700)	(19,514)
	(10,766)	414,862	(66,565)	337,531	67,554	(229,790)	(318,650)	(480,886)
Increase / (decrease) in liabilities								
Payable to the Management Company	(22)	(63)	62	(23)	(610)	274	473	138
Payable to the Trustee	12	(32)	9	(11)	(28)	137	34	143
Payable to the Securities and Exchange Commission of Pakistan	(13)	(320)	(35)	(368)	(52)	(179)	56	(175)
Payable against Purchase of Investment	1,229	-	-	1,229	(880)	-	-	(880)
Accrued expenses and other liabilities	6,714	-	(226)	6,488	(882)	394	260	(228)
	7,920	(415)	(190)	7,315	(2,452)	626	823	(1,003)
Net cash used in operations	(7,352)	408,880	(70,430)	331,098	59,991	(233,970)	(320,500)	(494,480)
Profit received on bank deposits	3,042	50,746	12,666	66,454	3,893	42,059	2,787	48,739
Dividend income received	5,185	-	-	5,185	5,475	-	-	5,475
Markup received on investments	200	215,177	55,588	270,965	1,865	178,685	22,912	203,462
Net cash used in from operating activities	1,075	674,803	(2,176)	673,702	71,224	(13,226)	(294,801)	(236,804)
Cash flows from financing activities								
Amount received on issue of units	62,478	-	-	62,478	3,334	261,369	430,001	694,704
Payment against redemption of units	(56,458)	(658,642)	-	(715,100)	(94,851)	(687,426)	-	(782,277)
Net cash generated / (used in) from financing activities	6,020	(658,642)	-	(652,622)	(91,517)	(426,056)	430,001	(87,572)
Net decrease in cash and cash equivalents	7,095	16,161	(2,176)	21,080	(20,294)	(439,282)	135,200	(324,376)
Cash and cash equivalents at beginning of the period	18,906	256,273	104,454	275,179	35,794	753,383	-	789,177
Cash and cash equivalents at end of the period	26,001	272,434	102,278	296,259	15,501	314,101	135,200	464,801

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Asset Allocation Fund

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

For the nine months and quarter ended March 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The initial public offer period was from January 07, 2016 to January 08, 2016 (both days inclusive). The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The primary objective of the Fund is to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income/ Money Market Instruments.

VIS Credit Rating Company has assigned a management quality rating of AM1' (Stable outlook) to the Management Company.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 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 March 31, 2024.

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, 2023.

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, 2023.

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, 2023.

6.	BANK BALANCES	Note	(Un-Audited) March 31, 2024				(Audited) June 30, 2023			
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total
			(Rupees in '000)							
	Savings accounts	6.1	26,001	272,434	102,278	400,713	18,906	256,273	104,454	379,633
			26,001	272,434	102,278	400,713	18,906	256,273	104,454	379,633

6.1 This represents bank accounts held with different banks. Mark-up rates on these accounts ranges between 10% - 21.75% per annum (June 30, 2023: 7.25% - 20%) per annum.

7. INVESTMENTS

Financial assets at fair value through profit or loss

- Listed equity securities	7.1	142,756	-	-	142,756	83,648	-	-	83,648
- Sukuk's	7.2	-	1,203,097	271,709	1,474,806	-	1,566,016	301,357	1,867,373
- GoP ijarah sukuks	7.3	-	-	176,846	176,846	-	-	70,042	70,042
		142,756	1,203,097	448,555	1,794,408	83,648	1,566,016	371,399	2,021,063

Financial assets at amortized cost

- Sukuk bonds	7.4	-	-	-	-	-	45,000	-	45,000
		142,756	1,203,097	448,555	1,794,408	83,648	1,611,016	371,399	2,066,063

7.1

Listed equity securities -At fair value through profit or loss

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

Name of the Investee Company	-----Number of shares-----					Market value as at March 31, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2024		Total Investments	Net Assets	
CEMENT									
Attock Cement Pakistan Limited	-	-	-	-	-	-	0.00%	0.00%	0.04%
Cherat Cement Company Limited	8,600	35,900	-	39,100	5,400	821	0.58%	0.52%	0.00%
D.G. Khan Cement Company Limited	93,500	300,400	-	297,902	95,998	6,249	4.38%	3.93%	0.02%
Fauji Cement Company Limited	-	343,000	-	128,000	215,000	3,793	2.66%	2.38%	0.02%
Kohat Cement Limited	-	10,392	-	10,392	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	11,847	22,668	-	34,515	-	-	0.00%	0.00%	0.02%
Maple Leaf Cement Factory Limited	272,943	444,000	-	612,443	104,500	3,718	2.60%	2.34%	0.00%
Pioneer Cement Limited	-	60,300	-	25,500	34,800	4,445	3.11%	2.79%	0.00%
	<u>386,890</u>	<u>1,216,660</u>	<u>-</u>	<u>1,147,852</u>	<u>455,698</u>	<u>19,026</u>			
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited	137,000	147,069	-	173,500	110,569	13,409	9.39%	8.43%	0.01%
K-Electric Limited	-	562,290	-	80,000	482,290	2,132	1.49%	1.34%	0.00%
Nishat Power Limited	-	323,000	-	323,000	-	-	0.00%	0.00%	0.00%
	<u>137,000</u>	<u>1,032,359</u>	<u>-</u>	<u>576,500</u>	<u>592,859</u>	<u>15,540</u>			
ENGINEERING									
Aisha Steel Mills Limited	-	25,000	-	-	25,000	169	0.12%	0.11%	0.00%
Mughal Iron & Steel Industries Limited	38,834	56,000	-	94,834	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	-	1,583	-	-	1,583	34	0.02%	0.02%	0.00%
International Steels Limited	-	58,700	-	50,850	7,850	515	0.36%	0.32%	0.00%
	<u>38,834</u>	<u>141,283</u>	<u>-</u>	<u>145,684</u>	<u>34,433</u>	<u>718</u>			
AUTOMOBILE ASSEMBLER									
Honda Atlas Cars (Pakistan) Limited	-	7,350	-	4,000	3,350	747	0.52%	0.47%	0.00%
Sazgar Engineering Works Limited	-	32,300	-	28,400	3,900	1,514	1.06%	0.95%	0.00%
	<u>-</u>	<u>39,650</u>	<u>-</u>	<u>32,400</u>	<u>7,250</u>	<u>2,261</u>			
AUTOMOBILE PARTS & ACCESSORIES									
Baluchistan Wheels Limited	-	19,500	-	2,000	17,500	2,888	2.02%	1.82%	0.00%
Exide Pakistan Limited	-	4,700	-	-	4,700	1,786	1.25%	1.12%	0.00%
	<u>-</u>	<u>24,200</u>	<u>-</u>	<u>2,000</u>	<u>22,200</u>	<u>4,674</u>			
MISCELLANEOUS									
Pakistan Aluminium Beverage Cans Limited	-	20,500	-	20,500	-	-	0.00%	0.00%	0.00%
TPL Properties Limited	-	12,500	-	12,500	-	-	0.00%	0.00%	0.00%
	<u>-</u>	<u>33,000</u>	<u>-</u>	<u>33,000</u>	<u>-</u>	<u>-</u>			
Pharmaceuticals									
AGP Limited	-	29,000	-	29,000	-	-	0.00%	0.00%	0.00%
Abbott Laboratories (Pak) Limited	-	3,200	-	-	3,200	1,532	1.07%	0.96%	0.05%
Ferozsons Laboratories Limited	-	17,800	-	1,400	16,400	3,599	2.52%	2.26%	0.00%
Highnoon Laboratories Limited	4,837	2,800	-	6,000	1,637	834	0.58%	0.52%	0.00%
The Searle Company Limited	1,333	62,000	-	14,000	49,333	2,580	1.81%	1.62%	0.03%
	<u>6,170</u>	<u>114,800</u>	<u>-</u>	<u>50,400</u>	<u>70,570</u>	<u>8,545</u>			
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	3,349	2,380	-	4,529	1,200	3,044	2.13%	1.91%	0.00%
Oil & Gas Development Company Limited	103,300	256,000	-	213,651	145,649	17,718	12.41%	11.14%	0.00%
Pakistan Oilfields Limited	-	-	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	153,462	281,300	-	266,175	168,587	17,896	12.54%	11.25%	0.01%
	<u>260,111</u>	<u>539,680</u>	<u>-</u>	<u>484,355</u>	<u>315,436</u>	<u>38,658</u>			
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	-	8,200	-	8,200	-	-	0.00%	0.00%	0.00%
Shell Pakistan Limited	-	35,750	-	29,750	6,000	899	0.63%	0.57%	0.01%
Pakistan State Oil Company Limited	503	114,400	-	35,500	79,403	13,700	9.60%	8.61%	0.02%
Sui Southern Gas Company Limited	-	62,000	-	62,000	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipeline Limited	139,894	433,900	-	378,950	194,844	12,182	8.53%	7.66%	0.03%
	<u>140,397</u>	<u>654,250</u>	<u>-</u>	<u>514,400</u>	<u>280,247</u>	<u>26,781</u>			

Name of the Investee Company	-----Number of shares-----					Market value as at March 31, 2023 (Rupees in '000)	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 01, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2024		Total Investments	Net Assets	
REFINERY									
Attock Refinery Limited	15,000	13,390	-	21,150	7,240	2,786	1.95%	1.75%	0.01%
National Refinery Limited	-	8,570	-	3,140	5,430	1,455	1.02%	0.91%	0.00%
	<u>15,000</u>	<u>21,960</u>	<u>-</u>	<u>24,290</u>	<u>12,670</u>	<u>4,241</u>			
COMMERCIAL BANKS									
Bank Islami Pakistan Limited	272,011	195,000	-	372,011	95,000	1,970	1.38%	1.24%	0.02%
Faysal Bank limited	-	242,000	-	242,000	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	71,000	112,562	-	153,400	30,162	6,443	4.51%	4.05%	0.00%
	<u>343,011</u>	<u>549,562</u>	<u>-</u>	<u>767,411</u>	<u>125,162</u>	<u>8,414</u>			
FERTILIZER									
Engro Corporation Limited	15,100	50,500	-	56,791	8,809	3,165	2.22%	1.99%	0.00%
Engro Fertilizers Limited	12,528	129,537	-	120,706	21,359	3,134	2.20%	1.97%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	73,500	-	46,000	27,500	755	0.53%	0.47%	0.00%
Fauji Fertilizer Company Limited	-	41,100	-	22,900	18,200	2,298	1.61%	1.44%	0.00%
	<u>27,628</u>	<u>294,637</u>	<u>-</u>	<u>246,397</u>	<u>75,868</u>	<u>9,351</u>			
Chemicals									
Ittehad Chemicals Limited	-	15,000	-	-	15,000	585	0.41%	0.37%	0.00%
	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>585</u>			
TECHNOLOGY & COMMUNICATION									
Air Link Communication Limited	-	53,000	-	53,000	-	-	0.00%	0.00%	0.00%
Avanceon Limited	-	53,000	-	38,615	14,385	737	0.52%	0.46%	0.01%
Systems Limited	10	14,400	-	14,410	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited	513,500	-	-	-	513,500	3,225	2.26%	2.03%	0.03%
	<u>513,510</u>	<u>120,400</u>	<u>-</u>	<u>106,025</u>	<u>527,885</u>	<u>3,962</u>			
Total as at March 31, 2024	<u>1,868,551</u>	<u>4,797,441</u>	<u>-</u>	<u>4,130,714</u>	<u>2,535,278</u>	<u>142,756</u>			
Carrying value as at March 31, 2024						<u>125,127</u>			

7.1.1 The above investments include shares with market value aggregating to Rs. 31.90 million (June 2023: Rs. 14.45 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

7.1.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 160,000 at March 31, 2024 (June 30, 2023: Rs. 110,000) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

7.2 Investment in Government Securities - Ijarah Sukuk - at fair value through profit or loss

Islamic Asset Allocation Fund

Name of the Investee Company

Issue Date	Tenor	As at July 01, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024 (Rs in '000)	Market value as percentage of	
							Total Investments	Net Assets
------(Number of certificates)-----								
23-Aug-23	1 Year	7,000	-	7,000	-	-	0.00%	0.00%
23-Aug-23	1 Year	3,000	-	3,000	-	-	0.00%	0.00%
23-Aug-23	1 Year	2,000	-	2,000	-	-	0.00%	0.00%
08-Sep-23	1 Year	5,000	-	5,000	-	-	0.00%	0.00%
		17,000	-	17,000	-	-	0.00%	0.00%

Islamic Asset Allocation Fund II

Issue Date	Tenor	As at July 01, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024 (Rs in '000)	Market value as percentage of	
							Total Investments	Net Assets
------(Number of certificates)-----								
23-Aug-23	1 Year	70,000	-	-	70,000	70,056	49.07%	44.04%
23-Aug-23	1 Year	-	50,000	-	50,000	51,515	36.09%	32.38%
23-Aug-23	1 Year	-	55,000	-	55,000	55,275	38.72%	34.74%
		70,000	105,000	-	175,000	176,846	123.88%	111.16%

Islamic Asset Allocation Fund Plan 1

Name of the Investee Company	As at July 01, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
------(Number of certificates)-----							
Meezan Bank	283	-	-	283	228,000	18.95%	14.64%
Dubai Islamic	4,000	-	-	4,000	20,000	1.66%	1.28%
Dubai Islamic - Tier II	39	-	-	39	39,254	3.26%	2.52%
Al Baraka Bank Limited	60	-	-	60	59,717	4.96%	3.84%
Al Baraka Bank Limited	-	25	-	25	25,000	2.08%	1.61%
Hub Power Company Limited	3,015	-	3,015	-	-	0.00%	0.00%
K-Electric limited V	2,920	-	-	2,920	10,374	0.86%	0.67%
K-Electric limited VI	1,000	-	1,000	-	-	0.00%	0.00%
Pakistan Energy	175,500	-	40,000	135,500	678,313	56.38%	43.56%
Agha Steel Industries Limited	33	-	33	-	-	0.00%	0.00%
Agha Steel Industries Limited	-	22	-	22	22,440	1.87%	1.44%
Ghani Chemical Industries Limited	-	1,200	-	1,200	120,000	9.97%	7.71%
	186,850	1,247	44,048	144,049	1,203,098	100.00%	77.27%

Cost of investment

1,063,063

Islamic Asset Allocation Fund Plan II

Name of the Investee Company	As at July 01, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024 (Rs in '000)	Market value as percentage of	
						Total Investments	Net Assets
------(Number of certificates)-----							
Meezan Bank	12	-	-	12	12,000	2.68%	2.08%
Dubai Islamic	-	-	-	-	-	0.00%	0.00%
Dubai Islamic - Tier II	60	-	-	60	58,861	13.12%	10.21%
Pakistan Energy	12,000	-	-	12,000	60,072	13.39%	10.42%
K-Electric limited V	12,000	-	-	12,000	42,735	9.53%	7.41%
Pak Electron Limited	-	-	-	-	-	0.00%	0.00%
Pakistan International Corporation Limited	12,000	-	-	12,000	56,108	12.51%	9.73%
Mughal Iron & Steel Industries Limited	85	-	-	85	42,579	9.49%	7.38%
	36,157	-	-	36,157	272,355	60.72%	47.23%

Cost of investment

271,500

	Note	(Un-Audited)				(Audited)		
		March 31,				June 30,		
		2024				2023		
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Total	
8. PRELIMINARY EXPENSES AND FLOATION COSTS								
Opening balance		-	86	-	86	-	129	129
Cost Incurred During the Period		-	-	-	-	-	-	-
Less: amortized during the period	8.1	-	(32)	-	(32)	-	(43)	(43)
Closing balance		-	54	-	54	-	86	86

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC regulations.

	Note	(Un-Audited)				(Audited)			
		March 31,				June 30,			
		2024				2023			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	
9. ADVANCES, DEPOSITS AND OTHER RECEIVABLES									
Security deposit with National Clearing Company of Pakistan Limited		2,500	4,074	-	6,574	3,674	9,494	7,700	20,868
Security deposit with Central Depository Company of Pakistan Limited		100	100	100	200	100	100	100	300
Receivable from Management company		-	-	-	-	36	-	-	36
Prepaid Expenses		-	-	-	-	-	-	-	-
Others		432	-	-	432	84	-	-	84
Advance Tax		423	1,367	-	1,790	201	1,292	-	1,493
		3,455	5,541	100	8,996	4,095	10,886	7,800	22,781

	Note	(Un-Audited)				(Audited)			
		March 31,				June 30,			
		2024				2023			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	
10. PAYABLE TO THE MANAGEMENT COMPANY									
Management fee		211	197	316	724	125	253	261	639
Sindh Sales Tax		27	26	41	94	16	33	34	83
Sales load payable		-	-	-	-	-	-	-	-
Selling and marketing expenses payable		-	-	-	-	128	-	-	128
Allocation of expenses related to registrar services, accounting, operation and valuation services		71	-	-	71	62	-	-	62
Formation Cost Payable		-	245	155	400	-	245	155	400
		309	468	512	1,289	331	531	450	1,312

	Note	(Un-Audited)				(Audited)			
		March 31,				June 30,			
		2024				2023			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Total	
11. ACCRUED EXPENSES AND OTHER LIABILITIES									
Auditors' remuneration payable		40	242	142	424	18	300	77	395
Charity payable	11.1	385	-	-	385	488	-	-	488
Federal Excise Duty	11.2	1,063	-	-	1,063	1,063	-	-	1,063
Payable to brokers		445	63	-	508	351	88	248	687
Dividend payable (including unclaimed dividend)		25	-	-	25	25	-	8	33
Listing Fee Payable		-	37	-	37	-	-	-	-
Payable to NCCPL		116	103	25	244	35	35	28	98
Payable to Shariah advisor		18	11	-	29	1	17	4	22
Other payable		11,873	183	5	12,061	5,270	199	33	5,502
		13,965	639	172	14,776	7,251	639	398	8,288

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

11.2 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal which was filed by tax authorities against the order by the Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2018 aggregating to Rs. 1.063 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2024 would have been higher by Rs. 1.0529 per unit (June, 30 2023: 1.0737).

12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

13. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2022 to its unit holders.

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of the transactions with connected persons during the period and balances with them at period end are as follows:

14.1	Transactions during the period	(Un-Audited) Nine Months ended March 31, 2024			(Un-Audited) Nine Months ended March 31, 2023		
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II
							(Rupees in '000)
	HBL Asset Management Limited - Management Company						
	Management fee	1,559	2,010	2,621	1,533	2,542	1,819
	Sindh Sales Tax	203	261	341	199	330	236
	Allocation of expenses related to registrar services, accounting, operation and valuation services	626	-	-	766	-	-
	Selling and marketing expense	235	-	-	664	-	-
	Investment of 32,878 (2023: Nil Units)	5,000					
	Habib Bank Limited - Sponsor						
	Redemption of Nil Units (March 2023: 531,283)	-	-	-	59,219	-	-
	Bank charges	16	-	-	20	-	-
	Mark-up earned during the period	46	-	-	56	-	-
	Central Depository Company of Pakistan Limited - Trustee						
	Remuneration	221	1,135	343	231	1,436	237
	CDC Charges	29	29	7	14	13	13
	Pak Qatar Investment Account						
	Investment of Nil (2023:179,748 Units)					17,946	
	Redemption of 2,019,578 Units (March 2023: 965,221)	-	222,500		-	20,000	
	Purchase of GOP Ijara (2022: Purchase of GOP Ijara)	-	-		-	-	
	PAK-QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND						
	Investment of Nil (2023: 137,073 Units)	-	-		-	15,000	
	Redemption of 2,908,121 Units (March 2023: 1,932,126)	-	322,500		-	200,000	
	PAK QATAR GENERAL TAKAFUL LIMITED						
	Investment of 863,651 (2023:179,748 Units)		97,311			20,000	
	Redemption of 863,651 Units (2023: Nil)		97,311				
	PAK QATAR FAMILY TAKAFUL LTD						
	Investment of 518,863 (2023: Nil Units)	-	58,463				
	Redemption of 518,863 Units (2023: Nil)	-	58,463				
	HBL Islamic Asset Allocation Fund Plan 1						
	Sale of Sukuk	-	55,710		27,454	-	
	HBL Islamic Asset Allocation Fund II						
	Purchase of Sukuk	-		55,710	-	27,454	
	Qatar Group (PVT) Limited						
	Purchase of Sukuk	-	-		-	33,000	
	Dawood Faimly Takaful Limited - Aggressive Fund						
	Issue of 536,946 Nil Units	-	-	55,000	-	-	55,000
	Dawood Faimly Takaful Limited - Balance Fund						
	Issue of 1,865,149 Nil Units	-	-	195,000	-	-	195,000
	Dawood Faimly Takaful Limited - Income Fund						
	Issue of 1,243,433 Nil Units	-	-	130,000	-	-	130,000
	Dawood Faimly Takaful Limited						
	Issue of 478,243 Nil Units	-	-	50,000	-	-	50,000
	Purchase of Sukuks	-	-	182,000	-	-	182,000
	Director, Executives and Key Management Personal						
	Issue of 97,934 units (2023 2,964 units)	14,772	-		300	-	
	Redemption of 25,458 units (2023 2,964 units)	4,062	-		298	-	

	(Un-Audited)			(Audited)		
	March 31,			June 30,		
	2023			2023		
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan I	Islamic Asset Allocation Fund Plan II
14.2	(Rupees in '000)					
Amounts outstanding as at period end						
HBL Asset Management Limited - Management Company						
Management Fee	211	197	316	125	253	261
Sindh Sales Tax	27	26	41	16	33	34
Allocation of expenses related to registrar services, accounting, operation and valuation services	71	-	-	62	-	-
Charging of selling and marketing expenses	-	-	-	128	-	-
Sale Load Payable	-	-	-	-	-	-
Formation Cost Payable	-	245	155	-	245	155
Habib Bank Limited - Sponsor						
Investment held in the Fund : Nil units (June 30, 2023 : Nil units)	-	-	-	-	-	-
Bank balances	373	-	-	1,809	-	-
Mark-up receivable on deposits with banks	-	-	-	-	-	-
HBL Asset Management Limited - Employees Gratuity Fund - Associate						
Investment held in the Fund : 4,909 units (June 30, 2023 : 4,909 units)	774	-	-	533	-	-
HBL Asset Management Limited - Employees Provident Fund - Associate						
Investment held in the Fund : 14,169 units (June 30, 2023 : 14,169 units)	2,233	-	-	1,538	-	-
PAK-QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND						
Investment held in the Fund : 2,697,124 Units (June 30, 2023 : 5,605,992 units)	-	321,261	-	-	568,007	-
PAK QATAR FAMILY TAKAFUL LTD						
Investment held in the Fund : 518,863 Units (June 30, 2023: Nil Units)	-	61,803	-	-	-	-
Pak Qatar Investment Account						
Investment held in the Fund : 8,992,846 Units (June 30, 2023 : 11,012,425 units)	-	1,071,159	-	-	1,115,943	-
Pak Qatar General Takaful Limited						
Investment held in the Fund : 863,651 Units (June 30, 2023 : Nil units)	-	102,872	-	-	-	-
Dawood Faimly Takaful Limited - Aggressive Fund						
Investment held in the Fund : 636,751 Units	-	-	75,092	-	-	64,267
Dawood Faimly Takaful Limited - Balance Fund						
Investment held in the Fund : 2,211,834 Units	-	-	260,842	-	-	223,238
Dawood Faimly Takaful Limited - Income Fund						
Investment held in the Fund : 1,474,556 Units	-	-	173,894	-	-	148,825
Dawood Faimly Takaful Limited						
Investment held in the Fund : 567,137 Units	-	-	66,882	-	-	57,241
Executives and their relatives						
Investment held in the Fund : 43,457 Units	6,848	-	-	-	-	-
Connected person due to 10% holding or more						
Abdullah Farooq Azam						
Investment held in the Fund : 118,966 Units (June 30, 2023 : 118,966 units)	18,746	-	-	12,097	-	-
Tariq Mahmood Malik						
Investment held in the Fund : 187,104 Units (June 30, 2023 : 187,104 units)	29,484	-	-	19,026	-	-
Central Depository Company of Pakistan Limited - Trustee						
Remuneration payable	27	98	38	43	142	-
Sindh Sales Tax	4	13	5	5	18	-
Security deposit	100	100	100	100	100	-

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		Islamic Asset Allocation Fund						
		March 31, 2024'						
				Fair Value				
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		142,756	-	142,756	142,756	-	-	142,756
- Listed Sukuk bonds		-	-	-	-	-	-	-
- GOP Ijara Sukuk		-	-	-	-	-	-	-
		<u>142,756</u>	<u>-</u>	<u>142,756</u>				
Financial assets not measured at fair value								
	15.1							
Bank balances		-	26,001	26,001				
Commercial paper		-	-	-				
Sukuk Bonds		-	-	-				
Dividend receivable and accrued markup		-	2,425	2,425				
Advances, deposits and other receivables		-	3,455	3,455				
		<u>-</u>	<u>31,881</u>	<u>31,881</u>				
Financial liabilities not measured at fair value								
	15.1							
Payable to the Management Company		-	282	282				
Payable to the SECP		-	13	13				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	27	27				
Payable against purchase of investments		-	1,229	1,229				
Accrued expenses and other liabilities		-	12,902	12,902				
		<u>-</u>	<u>14,453</u>	<u>14,453</u>				

		Islamic Asset Allocation Fund Plan 1						
		March 31, 2024'						
		Fair Value						
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		-	-	-	-	-	-	-
- Listed Sukuk bonds		1,203,097	-	1,203,097	-	1,203,097	-	1,203,097
- GOP Ijara Sukuk		-	-	-	-	-	-	-
		<u>1,203,097</u>	<u>-</u>	<u>1,203,097</u>				
Financial assets not measured at fair value								
Bank balances	15.1	-	272,434	272,434				
Dividend receivable and accrued markup		-	77,314	77,314				
Advances, deposits and other receivables		-	5,541	5,541				
		<u>-</u>	<u>355,289</u>	<u>355,289</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	442	442				
Payable to the SECP		-	126	126				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	98	98				
Accrued expenses and other liabilities		-	602	602				
		<u>-</u>	<u>1,268</u>	<u>1,268</u>				
		Islamic Asset Allocation Fund Plan 2						
		March 31, 2024'						
		Fair Value						
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		-	-	-	-	-	-	-
- Listed Sukuk bonds		271,709	-	271,709	-	271,709	-	271,709
- GOP Ijara Sukuk		176,846	-	176,846	-	176,846	-	176,846
		<u>448,555</u>	<u>-</u>	<u>448,555</u>				
Financial assets not measured at fair value								
Bank balances	15.1	-	102,278	102,278				
Dividend receivable and accrued markup		-	26,550	26,550				
Advances, deposits and other receivables		-	100	100				
		<u>-</u>	<u>128,928</u>	<u>128,928</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	471	471				
Payable to the SECP		-	45	45				
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	43	43				
Accrued expenses and other liabilities		-	172	172				
		<u>-</u>	<u>731</u>	<u>731</u>				
		Islamic Asset Allocation Fund						
		June 30, 2023'						
		Fair Value						
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities		83,648	-	83,648	83,648	-	-	83,648
- Sukuks - Listed		-	-	-	-	-	-	-
- GOP Ijara		-	-	-	-	-	-	-
		<u>83,648</u>	<u>-</u>	<u>83,648</u>				
Financial assets not measured at fair value								
Commercial Paper		-	-	-				
Bank balances		-	18,906	18,906				
Dividend receivable and accrued mark-up		-	350	350				
Advances, deposits and other receivables		-	4,095	4,095				
Term finance certificates and sukuk bonds		-	-	-				
		<u>-</u>	<u>23,351</u>	<u>23,351</u>				
Financial liabilities not measured at fair value								
Payable to the Management Company	15.1	-	331	331				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	19	19				
Accrued expenses and other liabilities		-	6,188	6,188				
		<u>-</u>	<u>6,538</u>	<u>6,538</u>				

		Islamic Asset Allocation Fund Plan I							
		June 30, 2023'							
				Fair Value					
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Sukuks - Listed		1,566,016	-	45,000	1,611,016	-	1,611,016	-	1,611,016
- GOP Ijara		-	-	-	-	-	-	-	-
		<u>1,566,016</u>	<u>45,000</u>	<u>1,611,016</u>					
Financial assets not measured at fair value									
Bank balances		-	256,273	256,273					
Dividend receivable and accrued mark-up		-	52,502	52,502					
Preliminary expenses and flotation costs		-	-	-					
Advances, deposits and other receivables		-	10,886	10,886					
		<u>-</u>	<u>319,661</u>	<u>319,661</u>					
Financial liabilities not measured at fair value									
	15.1								
Payable to the Management Company		-	531	531					
Payable to Central Depository Company of Pakistan Limited - Trustee		-	143	143					
Accrued expenses and other liabilities		-	639	639					
		<u>-</u>	<u>1,313</u>	<u>1,313</u>					

		Islamic Asset Allocation Fund Plan II							
		June 30, 2023'							
				Fair Value					
	Note	Fair value through profit or loss	At Amortized cost	Total	Level 1	Level 2	Level 3	Total	
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Sukuks - Listed		301,357	-	-	301,357	-	301,357	-	301,357
- GOP Ijara		70,042	-	-	70,042	-	70,042	-	70,042
		<u>441,441</u>	<u>-</u>	<u>441,441</u>					
Financial assets not measured at fair value									
Bank balances		-	104,454	104,454					
Dividend receivable and accrued mark-up		-	-	-					
Preliminary expenses and flotation costs		-	-	-					
Advances, deposits and other receivables		-	10,880	10,880					
		<u>-</u>	<u>115,334</u>	<u>115,334</u>					
Financial liabilities not measured at fair value									
	15.1								
Payable to the Management Company		-	450	450					
Payable to Central Depository Company of Pakistan Limited - Trustee		-	34	34					
Accrued expenses and other liabilities		-	150	150					
		<u>-</u>	<u>634</u>	<u>634</u>					

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

16. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the Period ended March 31, 2024 is 4.21% , 0.42% and 1.03% in IAAF , IAAF Plan I and IAAF Plan II respectively which includes 0.45% , 0.13% and 0.19% representing government levy and SECP fee.

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Management Company on 26 April 2024 .

18. GENERAL

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

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

18.3 These condensed interim financial information are unaudited and has not been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the period ended March 31, 2024 have not been reviewed.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Stock Fund

FUND INFORMATION

Name of Fund	HBL Islamic Stock Fund
Name of Auditor	A.F.Ferguson & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Name of Shariah Advisors	AI - Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

HBL Islamic Stock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at Mar 31, 2024

		(Un-Audited) March 31 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	4,791	15,902
Investments	5	81,541	148,169
Dividend and profit receivable		1,603	301
Receivable against sale of investment		12,658	4,854
Receivable from HBL Asset Management Limited - Management Company		1,645	2,469
Advances, deposits, prepayments and other receivables		3,010	3,000
Total assets		105,248	174,695
Liabilities			
Payable to the Management Company	6	363	895
Payable to the Trustee		17	29
Payable to Securities and Exchange Commission of Pakistan		7	43
Payable against Purchase of Equity Securities		7,353	6,645
Dividend Payable		-	-
Accrued expenses and other liabilities	7	9,976	8,398
Total liabilities		17,716	16,010
Net assets		87,532	158,685
Unit holders' fund (as per statement attached)		87,532	158,685
Contingencies and Commitments	13	----- (Number of units) -----	
Number of units in issue		727,404	2,035,251
Net assets value per unit		----- (Rupees) -----	
		120.3346	77.9684

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Income Statement (Un-Audited)
For the nine months and quarter ended March 31, 2024

	Note	For the Period Ended		Quarter ended	
		March 31,		March 31,	
		2024	2023	2024	2023
Income					
Dividend income		4,463	13,058	1,323	2,917
Profit on bank deposits		2,240	2,106	581	495
Capital (loss) / gain on sale of investments - net		44,637	(14,736)	5,140	(12,515)
		51,340	428	7,044	(9,103)
Net unrealised (diminution) / appreciation on re-measurement of investments classified at fair value through profit or loss - held-for-trading		5,995	(6,093)	(3,783)	8,326
Impairment loss on investments classified as available for sale	5.4	-	-	-	-
Total (Loss) / Income		57,335	(5,665)	3,261	(777)
Expenses					
Remuneration of the Management Company	6.1 & 6.2	2,141	4,011	527	920
Remuneration of the Trustee		190	401	53	92
Fee to Securities and Exchange Commission of Pakistan		80	35	22	8
Selling and marketing expenses	6.3	417	1,864	-	428
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.4	484	976	139	224
Securities transaction costs		1,474	2,201	20	675
Auditors' remuneration		386	304	137	100
Settlement and bank charges		325	464	46.00	98
Shariah advisory fee		198	225	198	225
Fees and subscription		213	21	(6)	(184)
Printing Charges		118	77		
Reimbursement from HBL Asset Management Limited		(1,645)		9,507	
Haram Income Expense		242	653	56	146
Total Expenses		4,623	11,232	1,192	2,732
Net (loss) / Income from operating activities		52,712	(16,897)	2,069	(3,509)
Reversal / (Provision) for Sindh Workers' Welfare Fund	7.2	-	-	-	(9,507.2)
Net (loss) / income for the period before taxation		52,712	(16,897)	2,069	(13,016)
Net (loss) / income for the period after taxation		52,712	(16,897)	2,069	(13,016)
Allocation of the Net Income For The Period					
Income already paid on redemption of units		32,134	-		
		32,134	(16,897)		
Accounting income available for distribution:					
- Relating to capital gains		19,321	-		
- Excluding capital gains		1,257	-		
		20,578	-		
Other comprehensive income for the period		-	-		
Total comprehensive loss for the period		52,712	(16,897)		

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the nine months and quarter ended March 31, 2024

	Nine months ended					
	March 31,					
	2024			2023		
Capital value	Undistributed income / (Accumulated loss)	Total	Capital value	Undistributed income / (Accumulated loss)	Total	
----- (Rupees in '000) -----						
Net assets at beginning of the period	616,234	(457,549)	158,685	851,523	(440,485)	411,039
Issue of units 2,976,844 (2023: 3,015,076 units)						
- Capital value (at net asset value per unit at the beginning of the period)	232,100	-	232,100	235,081	-	235,081
- Element of loss	86,879	-	86,879	24,529	-	24,529
Total proceeds on issuance of units	318,979	-	318,979	259,610	-	259,610
Redemption of 4,284,691 units (2023: 5,650,462 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(334,070)	-	(334,070)	(440,557)	-	(440,557)
- Amount paid out of element of income relating to net income for the year after taxation	(76,640)	(32,134)	(108,774)	(56,121)	-	(56,121)
Total payments on redemption of units	(410,710)	(32,134)	(442,844)	(496,678)	-	(496,678)
Total comprehensive income for the period	-	52,712	52,712	-	(16,897)	(16,897)
Net assets at end of the period	524,503	(436,971)	87,532	614,455	(457,382)	157,074
Undistributed income brought forward						
- Realised		(452,577)			(358,392)	
- Unrealised		(4,972)			(82,093)	
		(457,549)			(440,485)	
Income already paid on redemption of units		(32,134)			-	
Net Income / (Loss) after taxation		52,712			(16,897)	
(Accumulated loss) / undistributed income carried forward		(436,971)			(457,382)	
(Accumulated loss) / undistributed income carried forward						
- Realised		(442,966)			(451,289)	
- Unrealised		5,995			(6,093)	
		(436,971)			(457,382)	
			Rupees			Rupees
Net assets value per unit at beginning of the period		77.9684				77.9684
Net assets value per unit at end of the period		120.3346				78.0420

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended March 31, 2024

	Nine Months ended March 31,	
	2024	2023
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net (loss) / income for the period before taxation	52,712	(12,592)
Adjustments		
Capital loss / (gain) during the period	(44,637)	(5,432)
Dividend Income	(4,463)	(13,488)
Profit on bank deposits	(2,240)	16,974
Unrealised diminution on re-measurement of investments classified at fair value through profit or loss - held-for-trading	(5,995)	5,930
Income on Government Securities	-	(138)
	(4,623)	(8,746)
(Increase) / decrease in assets		
Investments - net	110,164	37,060
Dividend receivable and accrued mark-up	5,401	17,020
Advances, deposits, prepayments and other receivables	814	-
	116,379	54,080
Increase / (decrease) in liabilities		
Payable to the Management Company	(532)	(1,473)
Payable to the Trustee	(12)	(32)
Payable to Securities and Exchange Commission of Pakistan	(36)	(108)
Accrued expenses and other liabilities	1,578	(192)
	998	(1,805)
Net cash (used in) / generated from operating activities	112,754	43,529
Cash flows from financing activities		
Amount received on issue of units	318,979	89,759
Payment against redemption of units	(442,844)	(142,284)
Net cash generated from financing activities	(123,865)	(52,525)
Net increase in cash and cash equivalents	(11,111)	(8,996)
Cash and cash equivalents at beginning of the period	15,902	47,889
Cash and cash equivalents at end of the period	4,791	38,893

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months ended March 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Stock Fund (the Fund) was established under a Trust Deed, dated November 23, 2010, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 10, 2010.

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

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

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

VIS Credit Rating Company Limited (VIS) has upgraded the Management Quality Rating to AM-I (March 31, 2023: AM1) and the outlook on the rating has been assigned as 'Stable'

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.

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

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2023.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

3.5 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
Balances with banks in:			
savings accounts	4.1	<u>4,791</u>	<u>15,902</u>
		<u>4,791</u>	<u>15,902</u>
4.1	The balance in savings accounts carry expected profit which ranges from 5.00% to 21.75% (June 30, 2023: 8% to 19%) per annum.		
		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
5. INVESTMENTS		----- (Rupees in '000) -----	
- Listed equity securities	5.1	<u>81,541</u>	<u>148,169</u>
		<u>81,541</u>	<u>148,169</u>

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

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

Name of the Investee Company	As at July 01, 2023	Purchases during the period	Bonus / Rights issue	Sales during the period	As at March 31, 2024	Carrying Value as at March 31, 2024 Rupees in '000'	Market value as at March 31, 2024 Rupees in '000'	Unrealized appreciation / (diminution) as at March 31, 2024' Rupees in '000'	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----								-----%-----		
CEMENT											
Cherat Cement Company Ltd.	52,000	24,610	-	76,610	-	-	-	-	-	-	-
D G Khan Cement Co.Ltd.	74,970	353,138	-	412,208	15,900	1,198	1,035	(163)	1.27	1.18	0.00%
Fauji Cement Company Limited	325,000	376,000	-	542,000	159,000	3,123	2,805	(319)	3.44	3.20	0.01%
Gharibwal Cement Ltd	-	130,500	-	130,500	-	-	-	-	-	-	-
Kohat Cement Ltd	-	58,486	-	51,304	7,182	1,583	1,616	33	1.98	1.85	0.01%
Lucky Cement Ltd	29,347	51,240	-	77,287	3,300	2,511	2,524	13	3.10	2.88	0.00%
Maple Leaf Cement Factory Ltd	300,000	313,500	-	522,790	90,710	2,978	3,227	250	3.96	3.69	0.02%
Pioneer Cement Limited	37,000	102,000	-	134,300	4,700	480	600	120	0.74	0.69	0.00%
	818,317	1,409,474	-	1,946,999	280,792	11,873	11,808	(65)	14	13	
POWER GENERATION & DISTRIBUTION											
Hub Power Company Ltd	164,000	124,607	-	219,500	69,107	7,588	8,381	793	10.28	9.57	10.28%
Nishat Power Limited	-	342,056	-	342,056	-	-	-	-	-	-	-
	164,000	466,663	-	561,556	69,107	7,588	8,381	793	10.28	9.58	
ENGINEERING											
Aisha Steel Mills Ltd	-	18,299	-	-	18,299	123	124	1	0.15	0.14	0.15%
International Steels Limited	-	56,500	-	56,500	-	-	-	-	-	-	-
Mughal Iron & Steel Inds Ltd	-	180,000	-	165,500	14,500	993	915	(78)	1.12	1.04	1.12%
	-	254,799	-	222,000	32,799	1,116	1,038	(78)	1	1	
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Ltd	-	1,800	-	-	1,800	389	401	12	0.49	0.46	0.00%
Pak Suzuki Motor Company Limited	-	2,600	-	2,600	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	62,000	-	58,600	3,400	731	1,320	589	1.62	1.51	0.00%
	-	66,400	-	61,200	5,200	1,120	1,721	601	2	2	
PHARMACEUTICALS											
Abbott Laboratories (Pak) Ltd	-	4,600	-	-	4,600	2,152	2,203	51	2.70	2.52	0.00%
AGP Limited	-	103,500	-	103,500	-	-	-	-	-	-	-
Ferozsons Laboratories Ltd	-	56,000	-	46,800	9,200	2,036	2,019	(17)	-	-	0.03%
Highnoon Laboratories Limited	-	19,300	-	15,100	4,200	1,587	2,140	553	2.62	2.44	0.00%
The Searle Company Ltd	2,968	86,249	-	86,249	2,968	171	155	(16)	0.19	0.18	0.00%
	2,968	269,649	-	251,649	20,968	5,946	6,516	570	6	5	
PAPER & BOARD											
Century Paper & Board Mills Ltd	-	168,500	-	161,000	7,500	212	216	4	0.27	0.25	0.27%
	-	168,500	-	161,000	7,500	212	216	4	0.27	0.25	
GLASS & CERAMICS											
Ghani Glass Ltd	-	205,500	-	171,000	34,500	1,013	860	(153)	1.06	0.98	1.06%
Tariq Glass Industries Ltd	19,000	153,664	-	172,664	-	-	-	-	-	-	-
	19,000	359,164	-	343,664	34,500	1,013	860	(153)	1	1	
MISCELLANEOUS											
Pakistan Aluminium Beverage Cans Limited	-	95,000	-	95,000	-	-	-	-	-	-	-
Pakistan Hotels Developers Ltd	-	3,000	-	3,000	-	-	-	-	-	-	-
	-	98,000	-	98,000	-	-	-	-	-	-	-

Name of the Investee Company	As at	Purchases	Bonus /	Sales	As at March	Carrying	Market	Unrealized	Market value	Market value	Par value as a
	July 01, 2023	during the period	Rights issue	during the period	31, 2024	Value as at March 31, 2024 Rupees in '000'	value as at March 31, 2024 Rupees in '000'	appreciation / (diminution) as at March 31, 2024' Rupees in '000'	as a percentage of Total Investments	as a percentage of Net Assets	percentage of issued capital of the investee company
Number of shares										%	
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Ltd	6,169	7,863	-	12,980	1,052	1,821	2,669	848	3.27	3.05	3.27%
Oil & Gas Development Co Ltd	198,300	212,500	-	346,700	64,100	7,315	7,798	483	9.56	8.91	9.56%
Pakistan Petroleum Ltd	219,920	370,767	-	516,500	74,187	7,579	7,875	296	9.66	9.00	9.66%
	424,389	591,130	-	876,180	139,339	16,715	18,342	1,626	22	21	
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Ltd	-	11,100	-	11,100	-	-	-	-	-	-	-
Pakistan State Oil Company Ltd	850	111,000	-	71,500	40,350	5,846	6,962	1,116	8.54	7.95	8.54%
Shell Pakistan Ltd	-	21,500	-	21,500	-	-	-	-	-	-	-
Sui Northern Gas Pipeline Ltd	175,526	243,498	-	356,498	62,526	3,621	3,909	288	4.79	4.47	4.79%
	176,376	387,098	-	460,598	102,876	9,466	10,871	1,405	13	12	
REFINERY											
Attock Refinery Ltd	21,500	37,900	-	52,900	6,500	2,265	2,501	236	3.07	2.86	3.07%
National Refinery Ltd	-	7,800	-	4,200	3,600	867	964	97	1.18	1.10	1.18%
	21,500	45,700	-	57,100	10,100	3,133	3,466	333	4	4	
COMMERCIAL BANKS											
BankIslami Pakistan Limited	261,000	661,769	-	832,769	90,000	2,081	1,867	(214)	2.29	2.13	2.29%
Faysal Bank Limited	-	314,000	-	314,000	-	-	-	-	-	-	-
Meezan Bank Ltd	132,076	37,000	-	150,261	18,815	2,156	4,019	1,863	4.93	4.59	4.93%
	393,076	1,012,769	-	1,297,030	108,815	4,237	5,886	1,649	7	7	
FERTILIZER											
Engro Corporation Ltd	23,700	86,013	-	104,813	4,900	1,375	1,760	385	2.16	2.01	2.16%
Engro Fertilizers Limited	135,333	179,349	-	288,233	26,449	3,008	3,881	872			4.76%
Fauji Fertilizer Bin Qasim Ltd	-	168,000	-	142,000	26,000	750	713	(36)			0.87%
Fauji Fertilizer Co Ltd	-	115,400	-	112,000	3,400	440	429	(10)	0.53	0.49	0.53%
	159,033	548,762	-	647,046	60,749	5,573	6,784	1,211	3	3	
CHEMICAL											
Descon Oxychem Ltd	-	113,000	-	113,000	-	-	-	-	-	-	-
	-	113,000	-	113,000	-	-	-	-	-	-	-
AUTOMOBILE PARTS & ACCESSORIES											
Baluchistan Wheels Ltd.	-	500	-	500	-	-	-	-	-	-	-
	-	500	-	500	-	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION											
Air Link Communication Ltd	-	192,051	-	192,051	-	-	-	-	-	-	-
Systems Limited	16,659	52,010	-	64,692	3,977	1,754	1,533	(222)	1.88	1.75	1.88%
TPL Trakker Limited	656,000	-	-	-	656,000	5,799	4,120	(1,679)	5.05	4.71	5.05%
	672,659	244,061	-	256,743	659,977	7,553	5,652	(1,901)	7	6	
FOOD & PERSONAL CARE PRODUCTS											
Unity Foods Limited	-	127,000	-	127,000	-	-	-	-	-	-	-
	-	127,000	-	127,000	-	-	-	-	-	-	-
Total as at March 31, 2024	2,851,318	6,162,169	-	7,481,265	1,532,722	75,546	81,541	5,996	92	86	
Total as at June 30, 2023					2,851,318	153,141	148,169	(4,972)			

5.1.1 Investments include shares having market value aggregating to Rs. 29.52 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular 11 dated October 23, 2007 issued by the SECP.

5.1.2 These includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.302 million at March 31, 2024 (June 30, 2023: Rs. 0.208 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
Note	----- (Rupees in '000) -----	

6. PAYABLE TO THE MANAGEMENT COMPANY

Management fee	149	256
Sindh Sales Tax on Management Company's remuneration	19	33.25
Sales load payable	154	119
Selling and marketing payable	-	417
Allocation of expenses related to registrar services, accounting, operation and valuation services	41	70
	<u>363</u>	<u>895</u>

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
Note	----- (Rupees in '000) -----	

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Charity payable		242	882
Federal excise duty payable on Management Company's remuneration	7.1	6,785	6,785
Withholding tax payable		193	33
Auditors' remuneration		16	316
Securities transaction costs payable		-	225
Zakat Payable		104	104
Others		2,636	53
		<u>9,976</u>	<u>8,398</u>

-
-
- 7.1** The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.2 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 6.785 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2024 would have been higher by Rs. 9.3277 per unit (June 30, 2023: 3.33 per unit).

- 7.2** 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. 9.51 million for the period from July 1, 2014 till August 12, 2021.

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

8. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2023 to its unit holders.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

For the nine months ended

March 31,

2024 2023

(Rupees in '000)

9.1 Transactions during the period

HBL Asset Management Limited - Management Company

Management fee including sales tax thereon	2,141	4,011
Allocation of expenses related to registrar services, accounting, operation and valuation services	484	976
Selling and marketing expenses	417	1,864
Receivable from HBL Asset Management Limited - Management Company	1,645	-

Habib Bank Limited - Sponsor

Bank charges paid	40	19
Bank profit	240	11
Redemption of Nil units (2023: 1,319,805 units)	-	119,943

Executives and their relatives

Issue of 39,063 units (2023: 14,603 units)	4,074	1,182
Redemption of 45,485 units (2023: 61,723 units)	4,918	5,141

Central Depository Company of Pakistan Limited - Trustee

Remuneration	190	401
Central Depository services charges	54	20

HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate

Redemption of 1,726 units (2023: 57 units)	177	5
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Pak Qatar Family Takaful Limited

Issue of Nil units (2023: 293,086 units)	-	50,000
Redemption of 621,176 units (2023: 216,541 units)	52,517	20,000

Pak Qatar General Takaful Limited

Issue of Nil units (2023: 588,160 units)	-	50,000
Redemption of Nil units (2023: 295,074 units)	-	26,352

IGI Life Insurance - TAF

Issue of 236,560 units	20,000	-
Redemption of 143,073 units	11,900	-

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
9.2 Balances outstanding as at period / year end		
HBL Asset Management Limited - Management Company		
Management fee	149	256
Sindh Sales Tax on Management Company's remuneration	19	33
Sales load payable	154	119
Selling and marketing payable	-	417
Allocation of expenses related to registrar services, accounting, operation and valuation services	41	70
Receivable from HBL Asset Management Limited - Management Company	1,645	2,469
Habib Bank Limited - Sponsor		
Bank balances	7,815	2,794
Profit receivable	21	19
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable including sales tax thereon	17	29
Security deposit	100	100
Executives and their relatives		
Investment held in the Fund: 4,242 units (June 30, 2023: 6,421 units)	495	501
Pak Qatar Family Takaful Limited		
Outstanding: Nil units (2023: 621,176 units)	-	48,432
IGI Life Insurance - TAF		
Connected Person due to 10% or morre	23,378	22,851
Outstanding: 105,550 units (2023: 12,063)	12,325	941
HBL Islamic Financial Planning Fund - Conservative Allocation Plan - Associate		
Outstanding: Nil units (2023: 1,726 units)	-	135

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Financial assets measured at fair value											
Investments											
- Listed equity securities	5	81,541	-	-	81,541	81,541	-	-	81,541		
Financial assets not measured at fair value											
10.1											
Bank balances		-	4,791	-	4,791	-	-	-	-		
Dividend and profit receivable		-	1,603	-	1,603	-	-	-	-		
Receivable against sale of investment		-	12,658	-	12,658	-	-	-	-		
Other receivables		-	3,010	-	3,010	-	-	-	-		
		-	22,062	-	22,062	-	-	-	-		
Financial liabilities not measured at fair value											
10.1											
Payable to the Management Company		-	-	-	363	363	-	-	-		
Payable to Securities and Exchange Commission of Pakistan		-	-	-	7	7	-	-	-		
Payable to the Trustee		-	-	-	17	17	-	-	-		
Accrued expenses and other liabilities		-	-	-	9,541	9,541	-	-	-		
		-	-	-	9,928	9,928	-	-	-		
June 30, 2021											
		Carrying amount				Fair Value					
		Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)											
Financial assets measured at fair value											
10.1											
Investments											
- Listed equity securities		148,169	-	-	-	148,169	1,389,046	-	-	-	1,389,046
		148,169	-	-	-	148,169	1,389,046	-	-	-	1,389,046
Financial assets not measured at fair value											
10.1											
Bank balances		-	-	15,902	-	15,902	-	-	-	-	-
Dividend and profit receivable		-	-	301	-	301	-	-	-	-	-
Receivable against sale of investment		-	-	4,854	-	4,854	-	-	-	-	-
Other receivables		-	-	3,000	-	3,000	-	-	-	-	-
		-	-	24,057	-	24,057	-	-	-	-	-
Financial liabilities not measured at fair value											
10.1											
Payable to the Management Company		-	-	-	895	895	-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	43	43	-	-	-	-	-
Payable to the Trustee		-	-	-	29	29	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	8,398	8,398	-	-	-	-	-
		-	-	-	9,365	9,365	-	-	-	-	-

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

10.2 Transfers during the period

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

11. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine months ended March 31, 2024 is 5.22% (March 31, 2023: 5.97%), which includes 0.65% (March 31, 2023: 0.47%) representing government levy, Workers' Welfare Fund and SECP fee.

12. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2024.

13. CONTIGENCIES AND COMMITMENTS

There is no contingencies and commitment at March 31, 2024 and June 30, 2023

14. GENERAL

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

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

14.3 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures presented in condensed interim income statement and statement of comprehensive income for the quarter ended March 31, 2024 have not been reviewed.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Income Fund

FUND INFORMATION

Name of Fund	HBL Islamic Income Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited Bank Al Baraka Limited Faysal Bank Limited Habib Bank Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al-Habib Limited Soneri Bank Limited Summit Bank Limited MCB Islamic Bank Limited National Bank of Pakistan Bank of Khyber U Micro Finance Bank Limited Bank Al Falah Limited United Bank Limited

HBL Islamic Income Fund
Condensed Interim Statement of Assets And Liabilities (Unaudited)
As at March 31, 2024

		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	3,346,013	2,045,477
Investments	5	11,190,573	5,575,761
Profit receivable		765,410	255,625
Deposits and prepayments		118	319
Total assets		15,302,114	7,877,182
Liabilities			
Payable to the Management Company	6	36,884	14,248
Payable to the Trustee		1,690	1,095
Payable to Securities and Exchange Commission of Pakistan		1,080	1,557
Dividend payable		-	5,137
Payable against redemption of units		-	-
Accrued expenses and other liabilities	7	53,418	119,444
Total liabilities		93,072	141,481
Net assets		15,209,042	7,735,701
Unit holders' fund (as per statement attached)		15,209,042	7,735,701
		----- (Number of units) -----	
Number of units in issue		126,700,800	74,943,266
		----- (Rupees) -----	
Net assets value per unit		120.0390	103.2208

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months March 31, 2024

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Note	----- (Rupees in '000) -----			
Income				
Capital gain / (loss) on sale of investments - net	109,042	(4,578)	5,839	(756)
Income from sukuku	959,377	359,819	381,460	167,678
Income from TDR	511,411	140,515	281,939	108,394
Profit on bank deposits	692,515	324,283	256,143	110,538
Unrealised (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	(56,232)	(6,911)	(60,900)	(3,735)
	2,216,113	813,128	864,481	382,119
Expenses				
Remuneration of the Management Company	99,705	27,028	42,644	14,278
Remuneration to the Trustee	8,760	4,275	3,780	1,926
Annual fee to the Securities and Exchange Commission of Pakistan	7,733	1,009	3,336	455
Allocation of expenses related to registrar services, accounting, operation and valuation services	35,793	10,241	15,729	4,544
Amortisation of preliminary expenses and floatation costs	-	-	-	-
Security transaction, settlement and bank charges	1,660	1,066	209	832
Auditors' remuneration	244	204	69	66
Fees and subscription	442	357	109	(381)
Printing charges	118	-	118	-
Selling and marketing expense	21,104	10,241	12,803	4,544
	175,559	54,422	78,797	26,264
Net income from operating activities	2,040,554	758,706	785,684	355,855
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	7.2	-	-	-
Net income for the period before taxation	2,040,554	758,706	785,684	355,855
Taxation	8	-	-	-
Net income for the period after taxation	2,040,554	758,706	785,684	355,855
Allocation of net income for the period	3.6			
Net income for the period after taxation	2,040,554	758,706	785,685	355,855
Income already paid on units redeemed	461,692	203,441	194,611	101,907
	1,578,862	555,265	591,074	253,948
Accounting income available for distribution				
- Relating to capital gains	28,384	-	-	-
- Excluding capital gains	1,550,478	555,265	591,074	253,948
	1,578,862	555,265	591,074	253,948
Earning per unit	10			

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
For the Nine months ended March 31, 2024

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	2,040,554	758,706	785,684	355,855
Other comprehensive income for the period				
Items that may be reclassified to income statement	-	-	-	-
Total comprehensive income for the period	2,040,554	758,706	785,684	355,855

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Statement Of Movement In Unit Holders' Fund
For the Nine months ended March 31, 2024

Note	For the nine months ended March 31,					
	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	7,635,924	99,778	7,735,701	4,605,667	65,169	4,670,836
Issuance of 223,399,417 units (2023: 182,205,728 units)						
Capital value (at net asset value per unit at the beginning of the period)	1,480,871	-	1,480,871	18,807	-	18,807
Element of income	13,640,726	-	13,640,726	7,503,647	-	7,503,647
Total proceeds on issuance of Units	15,121,597	-	15,121,597	7,522,454	-	7,522,454
Redemption of 171,840,382 units (2023: 148,964,838 units)						
Capital value (at net asset value per unit at the beginning of the period)	(1,567,032)	-	(1,567,032)	15,376	-	15,376
Income already paid on units redeemed	-	(461,692)	(461,692)	-	(203,441)	(203,441)
Element of loss	(7,660,085)	-	(7,660,085)	(3,725,457)	-	(3,725,457)
Total payments on redemption of units	(9,227,117)	(461,692)	(9,688,809)	(3,710,081)	(203,441)	(3,913,522)
Total comprehensive loss for the period	-	2,040,554	2,040,554	-	758,706	758,706
Refund of Capital	-	-	-	-	-	-
Distribution for the period	-	-	-	-	-	-
Net assets at end of the period	13,530,404	1,678,640	15,209,042	8,418,040	620,434	9,038,474
Undistributed income brought forward						
- Realised		96,511			55,463	
- Unrealised		3,267			9,706	
		99,778			65,169	
Accounting income available for distribution		2,040,554			758,706	
Income already paid on units redeemed		(461,692)			-	
Undistributed income carried forward		1,678,640			823,875	
Undistributed income carried forward						
- Realised		1,734,872			830,786	
- Unrealised		(56,232)			(6,911)	
		1,678,640			823,875	
				Rupees		Rupees
Net assets value per unit at beginning of the period				<u>103.2208</u>		<u>103.2208</u>
Net assets value per unit at end of the period				<u>120.0390</u>		<u>114.8999</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months ended March 31, 2024

	Nine months ended	
	March 31,	
	2024	2023
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net income for the period before taxation	2,040,554	758,706
Adjustments for:		
Capital gain on sale of investments - net	(109,042)	4,578
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net	56,232	6,911
Mark up / return on:		
- Bank profits	(692,515)	(324,283)
- Investments	(1,470,788)	(500,334)
Provision for Sindh Workers' Welfare Fund	-	-
	(175,559)	(54,422)
(Decrease) / Increase in assets		
Investments - net	(5,562,002)	(219,901)
Deposits and prepayments	201	(41,800)
	(5,561,801)	(261,701)
(Decrease) / Increase in liabilities		
Payable to the Management Company	22,636	(307)
Payable to the Trustee	595	(26)
Payable to Securities and Exchange Commission of Pakistan	(477)	(548)
Dividend payable	(5,137)	(4,904)
Payable against redemption of units	-	89,428
Accrued expenses and other liabilities	(66,026)	(114,899)
	(48,409)	(31,256)
Income received from sukuk	478,448	221,455
Income received from TDR	511,411	140,515
Profit received on bank deposits	663,659	278,904
	1,653,518	640,874
Net cash (used in) / generated from operating activities	(4,132,251)	293,495
Cash flow from financing activities		
Amount received on issue of units	15,121,597	7,522,454
Dividend paid	-	-
Payment against redemption of units	(9,688,809)	(3,913,522)
Net cash generated from / (used in) from financing activities	5,432,788	3,608,932
Net increase /(decrease) in cash and cash equivalents	1,300,537	3,902,427
Cash and cash equivalents at beginning of the year	2,045,477	2,045,477
Cash and cash equivalents at end of the year	3,346,013	5,947,904

4

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Income Fund

Notes To The Condensed Interim Financial Statements (Unaudited)

For the Nine months ended March 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

The Fund has been categorised as a Shariah Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

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

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

VIS Credit Rating Company has assigned a management quality rating of 'AM2++' (Positive Outlook) to the Management Company and reaffirmed the stability rating of A+(f) to the Fund as at March 31, 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the nine month ended March 31, 2024. "

2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended March 31, 2024 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2024.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

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

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

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 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. 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 financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

	Note	March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held-for-trading			
- Privately placed sukuk certificates	471528	499,474	4,164,005
- At Amortized cost		4,364,740	1,411,756
- GoP Ijara sukuk		6,326,358	-
		11,190,573	5,575,761

5.1 Privately placed sukuk certificates

Name of the Investee Company	Number of units				Market value as at March 31, 2024 (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2023	Purchases during the period	Sales during the period	As at March 31, 2024		Total Investments	Net Assets
Corporate sukuk bonds-Listed							
Agha Steel Industries Limited	-	4,964	-	4,964	49,640	0.44	0.33
Agha Steel Industries Limited	73	-	73	-	-	-	-
	73	4,964	73	4,964	49,640	0	0
Corporate sukuk bonds - Un-Listed							
OBS AGP Private Limited	1,100	-	-	1,100	69,231	0.62	0.46
OBS AGP Private Limited(28-02-24)	100	-	-	100	225,000	2.01	1.48
Ghani Gases Limited	1,330	-	1,330	-	-	-	-
Hub Power Company Limited 190320	350	-	350	-	-	-	-
Hub Power Company Limited 121120	1,050	-	-	1,050	105,352	0.94	0.69
TPL Corporation Limited	150	-	-	150	13,801	0.12	0.09
Lucky Electric Power Company	250	-	250	-	-	-	-
K-electric Sukuk	4,170	-	600	3,570	17,289	0.15	0.11
Lucky Electric Power Company Limited	-	1,050	1,050	-	-	-	-
TPL Trakker Limited 300321	44	-	-	44	19,160	0.17	0.13
	8,544	1,050	3,580	6,014	499,474	4	3
Cost of investments at March 31, 2023					2,183,907		

5.1.1 These Sukuk carry mark-up at the rate ranging from 17.51% - 24.99% per annum. (June 30, 2023: semi annual mark-up at the rate of 7.85% & 18.03% per annum) respectively.

		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
6 PAYABLE TO THE MANAGEMENT COMPANY			
Management fee		10,830	5,042
Sindh sales tax		1,408	655
Sales load payable		6,718	1,582
Allocation of expenses related to registrar services, accounting, operation and valuation services		5,126	1,483
Selling and marketing payable		<u>12,802</u>	<u>5,486</u>
		<u>36,884</u>	<u>14,248</u>
		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		50,595	117,492
Federal excise duty	7.1	1,344	1,344
Provision for Sindh Workers' Welfare Fund	7.2	-	-
Auditors' remuneration		147	195
Payable to brokers		845	-
Printing charges		-	-
Other payables		<u>487</u>	<u>314</u>
		<u>53,418</u>	<u>119,345</u>

7.1 Provision for Federal Excise Duty

The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities with Honorable Supreme Court of Pakistan is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.344 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2024 would have been higher by Rs. 0.0106 per unit (June 30, 2023: Rs. 0.0179 per unit).

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

9. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ending June 30, 2024 to its unit holders.

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

11.1	Transactions during the period	Nine months ended	
		March 31,	
		2024	2023
		----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Remuneration of Management Company	88,235	23,919
	Sindh Sales Tax on remuneration of Management Company	11,470	3,109
	Allocation of expenses related to registrar services, accounting, operation and valuation services	35,793	10,241
	Selling and marketing expense	21,104	10,241
	Habib Bank Limited - Sponsor		
	Bank charges paid	316	316
	Profit on bank deposits earned	1,857	1,857
	Executives of the Management Company		
	Issuance of units 2024: 890,285 (2023: 129,162 units)	98,354	14,371
	Redemption of units 2024: 912,579 (2023: 62,563 units)	103,112	17,838
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	8,760	4,275
	Central Depository Service charges	430	430
	MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan - Associate		
	Issuance of units 2024: 108,967 (2023: Nil units)	11,297	-
	Redemption of units 2024: 1,008,200 (2023: Nil units)	112,825	-
	MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan - Associate		
	Redemption of units 2024: 4,418 (2023: 907 units)	495	98
	Zahid Rashid Soorty Related party due to holding more than 10%		
	Redemption of units 2024: Nil (2023: 270,070 units)	-	30,000

		Nine months ended March 31,	
		2024	2023
		----- (Rupees in '000) -----	
	HBL Government Securities Fund under common management Purchase GOP Ijara Sukuk	175,000	-
	HBL Islamic Pension Debt Fund under common management Purchase GOP Ijara Sukuk	27,000	-
	ROHTAS ASSOCIATES (PVT) LTD Redemption of units 2024: 1,293,010 (2023: 62,563 units)	137,077	-
	ARCHROMA PAKISTAN LIMITED - EMPLOYEES GRATUITY FUND		
	Issuance of units 2024: 350 (2023: Nil) units	37	-
	Redemption of units 2024: 653,434 (2023: 270,070 units)	78,313	-
	HBL Asset Management Ltd Employess Gratuity Fund		
	Issuance of units 2024: 17,430 (2023: Nil) units	2,000	-
	HBL Asset Management Ltd Employess Provident Fund		
	Issuance of units 2024: 34,861 (2023: Nil) units	4,000	-
		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
11.2	Balances outstanding as at period / year end		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	10,830	5,042
	Sindh Sales Tax on remuneration of the Management Company	1,408	655
	Sales load payable	6,718	1,582
	Allocation of expenses related to registrar services, accounting, operation and valuation services	5,126	1,483
	Selling and Marketing expense payable	-	5,486
	Habib Bank Limited - Sponsor		
	Bank balances	10,978	364,622
	HBL Asset Management Ltd Employess Gratuity Fund		
	Units held: 24,392 (June 30, 2023: 6,962) units	2,805	719
	HBL Asset Management Ltd Employess Provident Fund		
	Units held: 22,286 (June 30, 2023: 37,426) units	72,287	3,863
	Executives of the Management Company		
	Units held: 165,988 units (June 30, 2023: 24,570 units)	19,620	2,536
	MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
	Units held: Nil (June 30, 2023: 899,234) units	-	92,820
	MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
	Units held: Nil (June 30, 2023: 4,419) units	-	456
	New Jubilee Life Insurance Limited		
	Units held: 4,534,613 (June 30, 2023: 4,534,613) units	521,533	468,066
	Archroma Pakistan Limited - Associate		
	Units held: Nil (June 30, 2023: 653,084)		67,412
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	1,690	969
	Security deposit	100	126
	Rohtas Associates (Pvt) Ltd		
	Related party due to holding more than 10% Units held: Nil units (June 30, 2023: 1,293,010) units	-	133,466
	Syed Fayeze Asar		
	Related party due to holding more than 10% Units held: 423,532 (June 30, 2023: 423,532)	-	43,717

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

12. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	March 30, 2024				Fair Value			
	Carrying amount			Total	Level 1	Level 2	Level 3	Total
Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities						
Note								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments	11190573			11,190,573		11,190,573		11,190,573
- Corporate sukuk certificates - GOP Ijarah Sukuks								
	11,190,573			11,190,573		11,190,573		11,190,573
Financial assets not measured at fair value								
Bank balances	3,346,013	3,346,013	-	6,692,026				
Investments	-	-	-	-				
Profit receivable	-	765,410	-	765,410				
	3,346,013	4,111,423	-	7,457,436				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	36,884	36,884				
Payable to the Trustee	-	-	1,690	1,690				
Accrued expenses and other liabilities	-	-	1,003	1,003				
Payable against redemption of units Unit holders' fund			15,209,042	15,209,042				
	-	-	15,248,619	15,248,619				

		June 30, 2023						
		Carrying amount			Fair Value			
		Fair value through profit or loss - held-for-trading	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
		330,254	-	330,254	-	330,254	-	330,254
	- Corporate sukuk certificates	-	-	-	-	-	-	-
	- Commercial paper	-	-	-	-	-	-	-
		330,254	-	330,254	-	330,254	-	330,254
Financial assets not measured at fair value								
	10.1							
	Bank balances		564,308	564,308				
	Commercial Paper	-	141,274	141,274				
	Profit receivable	-	22,389	22,389				
	Deposit		100	100				
		-	728,071	728,071				
Financial liabilities not measured at fair value								
	10.1							
	Payable to the Management Company	-	-	2,005	2,005	-	-	-
	Payable to the Trustee	-	-	70	70	-	-	-
	Payable against redemption of units	-	-	10,399	10,399	-	-	-
	Accrued expenses and other liabilities	-	-	233	233	-	-	-
	Dividend payable		701	701				
		-	-	13,408	13,408	-	-	-

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

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

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

12.3 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the Fund for the nine months ended March 31, 2023 is 1.70% (2023: 1.08%) which includes 0.19% (2023: 0.13%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2024.

15. GENERAL

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Equity Fund

FUND INFORMATION

Name of Fund	HBL Islamic Equity Fund
Name of Auditor	Yousuf Adil & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Bank Islami Pakistan Limited Bank Al Baraka Limited MCB Bank Limited Faisal Bank Limited Habib Bank Limited

HBL Islamic Equity Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2024

		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	690	11,548
Investments	5	85,971	92,808
Dividends and profit receivable		864	667
Deposits, prepayments and other receivables		4,245	4,992
Receivable against sale of investments		-	1,831
Total assets		91,768	111,846
Liabilities			
Payable to the Management Company	6	205	486
Payable to the Trustee		16	18
Payable to Securities and Exchange Commission of Pakistan		7	24
Payable against redemption of units		-	-
Accrued expenses and other liabilities	7	5,217	4,220
Total liabilities		5,445	4,748
Net assets		86,323	107,098
Unit holders' fund (as per statement attached)		86,323	107,098
		----- (Number of units) -----	
Number of units in issue		881,032	1,625,967
		----- (Rupees) -----	
Net assets value per unit		97.9791	65.8671

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Income Statement (Un-Audited)
For the Nine months and Quarter ended March 31, 2024

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2024	2023	2024	2023
(Rupees in '000)					
Income					
Capital gain / (loss) on sale of investments - net		27,940	(7,112)	9,190	(3,104)
Dividend income		3,533	6,449	1,203	1,831
Profit on bank deposits		1,682	1,341	627	341
		33,155	678	11,020	(932)
Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net		3,116	(3,674)	(3,451)	1,373
		36,271	(2,996)	7,569	441
Expenses					
Remuneration of the Management Company		1,625	2,190	501	589
Remuneration of the Trustee		148	219	51	59
Annual fee to Securities and Exchange Commission of Pakistan		62	19	21	5
Allocation of expenses related to registrar services, accounting, operation and valuation services		376	533	132	143
Selling and marketing expense		314	1,017	-	273
Securities transaction costs		1,743	1,978	311	723
Auditors' remuneration		232	205	68	67
Settlement and bank charges		365	285	113	78
Reversal against reimbursement from Management Company		(1,637)	-	-	-
Fees and subscription		282	200	58	60
		3,511	6,647	1,255	1,997
Net income / (loss) from operating activities		32,761	(9,643)	6,314	(1,556)
Reversal for Sindh Workers' Welfare Fund	7.2	-	-	-	-
Net income / (loss) for the period before taxation		32,761	(9,642)	6,314	(1,556)
Taxation	8	-	-	-	-
Net income / (loss) for the period after taxation		32,761	(9,642)	6,314	(1,556)
Allocation of net income for the period	3.6				
Net income for the period after taxation		32,761	(9,642)		
Income already paid on units redeemed		18,680	-		
		14,081	(9,642)		
Accounting income available for distribution					
- Relating to capital gains		12,748	-		
- Excluding capital gains		1,334	-		
		14,082	-		
Earnings per unit	10				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine months and Quarter ended March 31, 2024

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	32,761	(9,642)	6,314	(1,556)
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement	-	-	-	-
Total comprehensive income for the period	32,761	(9,642)	6,314	(1,556)

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

For HBL Asset Management Limited
(Management Company)

_____ Chief Financial Officer	_____ Chief Executive Officer	_____ Director
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HBL Islamic Equity Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months ended March 31, 2024

	Nine Months ended	
	2024	2023
Note	----- (Rupees in '000) -----	
Cash flows from operating activities		
Net gain / (loss) for the period before taxation	32,761	(9,642)
Adjustments		
Dividend income	(3,533)	(6,449)
Profit from bank deposits	(1,682)	(1,341)
Capital gain on sale of investments - net	(27,940)	7,112
Amortisation of preliminary and flotation costs	-	-
Unrealised (appreciation) / Diminution on remeasurement of investments at fair value through profit or loss - held-for-trading - net	(3,116)	3,674
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-
(Reversal) / provision for Sindh Workers' Welfare Fund	-	-
	(3,510)	(6,646)
(Increase) / Decrease in assets		
Investments - net	37,893	(12,924)
Deposits, prepayments and other receivables	747	1,928
Receivable against sale of investments	1,831	(189)
	40,471	(11,185)
(Decrease) / increase in liabilities		
Payable to the Management Company	(281)	556
Payable to the Trustee	(2)	2
Payable to Securities and Exchange Commission of Pakistan	(17)	(5)
Payable against redemption of units	-	5,673
Accrued expenses and other liabilities	997	(273)
	697	5,953
	37,658	(11,878)
Dividend received	3,505	5,455
Profit received on bank deposit	1,513	1,551
	42,676	(4,872)
Net cash generated from / (used in) operating activities		
Cash flows from financing activities		
Amount received on issue of units	180,951	99,952
Payment against redemption of units	(234,488)	(136,288)
Dividend paid	-	-
Net cash (used in) / generated from financing activities	(53,537)	(36,336)
Net (Decrease) / Increase in cash and cash equivalents	(10,861)	(41,208)
Cash and cash equivalents at beginning of the period	11,548	11,548
Cash and cash equivalents at end of the period	690	(29,663)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine months ended March 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Equity Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PISF/965/2014 dated April 23, 2014 as a notified entity and the Trust Deed was executed on February 20, 2014.

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

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

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

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

"VIS Credit Rating Company has assigned a long term 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 requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations'), provisions of and directives issued under the Companies Act, 2017 and the directives issued by the SECP.

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

2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended March 31, 2024.

2.1.4 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended March 31, 2024 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2024.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

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

	Note	March 31, 2024 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
4. BANK BALANCES			
Current accounts		1	1
Savings accounts	4.1	689	11,547
		690	11,548

4.1 Mark-up rates on these accounts range between 14.50% to 21.00% p.a (June 30, 2023: 14.50% - 19.75% p.a).

	Note	March 31, 2024 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss' held for trading			
- Listed equity securities	5.1	85,971	92,808
		85,971	92,808

5.1.1 These investments include shares with market value aggregating to Rs. 20.1 million (June 30, 2023: Rs. 58.3million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP. Details are as follows:

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 20.10 million at March 31, 2024 (June 30, 2023: Rs. 3.25 million) and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
6.	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration to the Management Company	146	160
	Sindh Sales Tax on Management Company's remuneration	19	21
	Sales load payable to Management Company	-	-
	Allocation of expenses related to registrar services, accounting, operation and valuation services	40	44
	Selling and marketing payable	-	261
		<u>205</u>	<u>486</u>
		March 31, 2024 (Un-Audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
7.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty on Management fee	7.1 3,268	3,268
	Provision for Sindh Workers' Welfare Fund	7.2 -	-
	Donation payable	7.3 137	607
	Payable to brokers	1,085	-
	Withholding tax payable	614	45
	Auditors' remuneration	50	110
	Printing charges	-	-
	Others	63	190
		<u>5,217</u>	<u>4,220</u>

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

In view of the above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 3.268 million. Had the provision not been retained, NAV per unit of the Fund as at March 31, 2024 would have been higher by Rs. 3.71 per unit (June 30, 2023: Rs. 2.01 per unit).

7.2 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. 5.543 million for the period from July 1, 2014 till August 12, 2021.

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

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

9. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year ended June 30, 2022 to its unit holders.

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

		Nine months ended March 31,	
		2024	2023
		----- (Rupees in '000) -----	
11.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	1,438	1,938
	Sindh Sales Tax on remuneration of the Management Company	187	252
	Allocation of expenses related to registrar services, accounting, operation and valuation services	376	533
	Selling and marketing expense	314	1,017
	Issue of 438,063,000 units (2023: Nil units)	40,000	-
	Executives of the Management Company		
	Issue of 39,416 units (2023: 57,000 units)	3,406	4,004
	Redemption 37,296 units (2023: 152,369) units	3,317	10,330
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	148	219
	Central Depository Service charges	38	38
	MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan -Associate		
	Issuance of units Nil units (2023: 292 units)	-	20
	Redemption of 292 units (2023: Nil units)	25	-
	MCBFSL Trustee HBL Islamic Financial Planning Fund * Active Allocation Plan Associate		
	Issuance of units Nil units (2023: Nil units)	-	-
	Redemption of 154,558 units (2023: Nil units)	10,847	-
11.2	Balances outstanding as at period / year end	March 31, 2024	June 30, 2023
	HBL Asset Management Company Limited	(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
	Units held: Nil (June 30, 2022: Nil) units	-	-
	Management fee payable	146	160
	Sales load payable	-	-
	Sindh Sales Tax	19	21
	Allocation of expenses related to registrar services, Selling and marketing expense	40	44
		-	261
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee Fee payable	16	118
	Executives of the Management Company		
	Units held: 9,847 (June 30, 2023: 7,727) units	950	847
	MCBFSL - Trustee HBL Islamic Financial Planning Fund Active Allocation Plan		
	Units held: Nil (June 30, 2023: 154,528) units	-	10,000
	MCBFSL - Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan		
	Units held: Nil (June 30, 2023: 292) units	-	20
	Munira Amir Wasi- Related party due to holding more than 10 percent		
	Units held: 531,947 (June 30, 2023: 531,947) units	34,785	35,038
	Muhammad Farhan Fancy - Related party due to holding more than 10 percent		
	Units held: Nil (June 30, 2023: Nil) units	-	-
	Muhammad Arshad - Related party due to holding more than 10 percent		
	Units held: 316,746 (June 30, 2023: 316,746) units	23,020	23,020

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		March 31, 2024							
		Carrying amount			Fair Value				
	Note	March 31, 2024	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value	12.1	85,971							
Investments									
- Listed equity securities		85,971	-	-	85,971	85,971	-	-	85,971
		85,971	-	-	85,971	85,971	-	-	85,971
Financial assets not measured at fair value	12.1								
Bank balances		-	690	-	690				
Dividends and profit receivable		-	864	-	864				
Receivable against sale of investments		-	-	-	-				
		-	1,554	-	1,554				
Financial liabilities not measured at fair value	12.1								
Payable to the Management Company		-	-	205	205				
Payable to the Trustee		-	-	16	16				
Payable against redemption in units		-	-	-	-				
Accrued expenses and other liabilities		-	-	426	426				
Unit holders' fund		-	-	86,323	86,323				
		-	-	86,970	86,970				

		June 30, 2023							
		Carrying amount			Fair Value				
		Fair value through profit or loss - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value 12.1									
Investments									
- Listed equity securities									
		92,808	-	-	92,808	92,808	-	-	92,808
		92,808	-	-	92,808	92,808	-	-	92,808
Financial assets not measured at fair value 12.1									
Bank balances									
		-	11,548	-	11,548				
Dividends and profit receivable									
		-	667	-	667				
Dividend									
			2,600		2,600				
Receivable against sale of investments									
		-	2,152		2,152				
		-	16,967	-	16,967				
Financial liabilities not measured at fair value 12.1									
Payable to the Management Company									
		-	-	2,227	2,227				
Payable to the Trustee									
		-	-	104	104				
Payable against redemption in units									
		-	-	-	-				
Accrued expenses and other liabilities									
		-	-	2,026	2,026				
		-	-	4,357	4,357				

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

12.2 Transfers during the period

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

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the fund for the nine months ended March 31, 2024 is 5.39% (March 2023: 6.87%) which includes 0.72% (June 2019: 0.43%) representing government levy and SECP fee.

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2024.

15. GENERAL

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

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

HBL LiveStock Fund

FUND INFORMATION

Name of Fund	HBL LiveStock Fund
Name of Auditor	BDO Ebrahim & Co., Chartered Accountants
Name of Trustee	Digital Custodian Company Limited
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited Al Baraka Bank

HBL LiveStock Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT MARCH 31, 2024

		March 31 2024 (Unaudited)	June 30 2023 (Audited)
	Note	----- (Rupees in '000) -----	-----
ASSETS			
Bank balances	4	15,353	12,832
Investments	5	-	50,000
Formation cost		-	1,101
Other receivable	6	277	28,203
Advances, deposits and prepayments	7	-	4,362
TOTAL ASSETS		15,630	96,498
LIABILITIES			
Payable to the Management Company	8	733	635
Payable to the Trustee	9	-	159
Payable to Securities and Exchange Commission of Pakistan	10	-	4
Other liabilities		415	2,082
TOTAL LIABILITIES		1,148	2,880
NET ASSETS		14,482	93,618
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		14,482	93,618
CONTINGENCIES AND COMMITMENTS			
	12	Number of units	
Number of units in issue	13	11,625	90,000
		(Rupees)	
Net assets value per unit		1,245.7747	1,040.1980

The annexed notes from 1 to 21 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL LiveStock Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE PERIOD AND QUATER ENDED MARCH 31, 2024

		For the period ended March 31, 2024	For the quarter ended March 31, 2024
	Note	----- (Rupees in '000) -----	
Income			
Capital (Loss)/ gain on sale of investments - net		66,067	69,707
Profit on bank deposits		2,234	305
		68,301	70,012
Unrealized gain on valuation of livestock investments classified as financial assets at 'fair value through profit or loss'	5.1	-	(55,395)
		68,301	14,617
Expenses			
Remuneration of the Management Company	8.1	1,658	206
Sindh Sales Tax on remuneration of the Management Company	8.2	216	27
Remuneration of the Trustee	9.1	466	103
Sindh Sales Tax on remuneration of the Trustee	9.2	61	14
Annual fee to Securities and Exchange Commission of Pakistan	10.1	12	2
Formation cost		1,087	216
Auditors' remuneration		182	(58)
Insurance fee		1,005	711
Shariah advisory services		54	(55)
Bank charges		-	(0)
Cost of feed		36,815	10,639
Testing and inspection cost		809	238
Livestock manager fee		1,896	546
Travelling expense		1,659	235
Printing expense		80	0
Livestock overheads		3,792	1,093
		49,792	13,919
Net income for the period		18,509	698
Taxation	14	-	-
Net income for the period		18,509	698
Allocation of net income for the period			
Income already paid on redemption of units		16,119	-
Accounting income available for distribution:			
Relating to capital gains		2,390	698
Excluding capital gains		-	-
		2,390	698
Earnings per unit	15		

The annexed notes from 1 to 21 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL LiveStock Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE PERIOD AND QUATER ENDED MARCH 31, 2024

	For the period ended March 31, 2024	For the quarter ended March 31, 2024
	---- (Rupees in '000) ----	
Net income for the period	18,509	698
Other comprehensive income	-	-
Total comprehensive income for the period	18,509	698

The annexed notes from 1 to 21 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director
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HBL LiveStock Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
FOR THE PERIOD ENDED MARCH 31, 2024

	March 31, 2024		
	Capital value	Undistributed income	Total
-----Rupees in '000-----			
Net assets at beginning of the period (Audited)	90,000	3,618	93,618
Issuance of Nil units			
Capital value (at net asset value per unit at the beginning of the period)	-	-	-
Element of income	-	-	-
Total proceeds on issuance of units	-	-	-
Redemption of 78,375 units			
Capital value (at net asset value per unit at the beginning of the period)	(81,526)	-	(81,526)
Income already paid on redemption of units	-	(16,119)	(16,119)
Element of income	-	-	-
Total payments on redemption of units	(81,526)	(16,119)	(97,645)
Total comprehensive income for the period	-	18,509	18,509
Net assets at end of the period (Unaudited)	8,474	6,008	14,482
Undistributed income brought forward			
Realised loss		(12,452)	
Unrealised income		16,070	
		3,618	
Accounting income available for distribution			
Relating to capital gain		2,390	
Excluding capital gain		-	
		2,390	
Distributions during the period:		-	
Undistributed income carried forward		6,008	
Undistributed income carried forward			
Realised gain		6,008	
Unrealised income		-	
		6,008	
			(Rupees)
Net assets value per unit at beginning of the period			1,040.1980
Net assets value per unit at end of the period			1,245.7747

The annexed notes from 1 to 21 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL LiveStock Fund
Condensed Interim Statement of Cash Flows (Unaudited)
FOR THE PERIOD ENDED MARCH 31, 2024

	March 31, 2024
	Note ---- (Rupees in '000) ----
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period	18,509
Adjustments for:	
Capital gain on sale of investments - net	(66,067)
Profit on bank deposits	(2,234)
Formation cost	1,087
Unrealized gain on valuation of livestock investments	-
	(48,705)
Decrease in assets	
Investments - net	116,139
Formation cost	14
Advances, deposits and prepayments	4,362
Other receivables	27,926
	148,441
(Decrease) / increase in liabilities	
Payable to the Management Company	98
Payable to the Trustee	(159)
Payable to Securities and Exchange Commission of Pakistan	(4)
Other liabilities	(1,667)
Cash generated from operations	(1,732)
Profit received on bank deposits	2,162
Net cash flows used in operating activities	100,166
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts from issue of units	-
Payments of Redemption of units	(97,645)
Net cash generated from financing activities	(97,645)
Net increase in cash and cash equivalents during the period	2,521
Cash and cash equivalents at beginning of the period (Audited)	12,832
Cash and cash equivalents at end of the period (Un-Audited)	15,353
	4

The annexed notes from 1 to 21 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL LiveStock Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

"The HBL Livestock Fund (the Fund) was established through a Trust Deed (the Deed) dated 29th November, 2022 under the Sindh Trust Act, 2020 (the Trust) between HBL Asset Management Limited, the Management Company, and Digital Custodian Company Limited (DCCL) the Trustee. The fund was approved by the Securities and Exchanges Commission of Pakistan (SECP) vide letter no. SCD/AMCW/HBLLSF/159/2022 dated December 20, 2022. "

The fund has commenced its operations from April 14, 2023. Hence the comparative figures for half year ended 31 December 2022 are not being presented in the condensed interim financial statement.

The Fund has been categorised as a Shariah Compliant Lifestock scheme being a specialized trust as defined under section 2(u-i) of the Sindh Trusts Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021. SECP has approved the fund for Sandbox testing under 3rd COHORT 2022 as a Livestock Collective Investment Scheme (CIS). It is not listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription at the start of the fund. The units are only transferable at the time of maturity.

The investment objective of HBL Livestock Fund is to provide shariah compliant returns to its investors by investing in cattle for fattening, overheads and expenses related to this activity within a closed-end period of Ten (10) months from the strike date of the Fund.

VIS Credit Rating company has assigned a management quality rating of 'AM1' (Positive outlook) to the HBL Asset Management Company Limited as at December 30, 2023 respectively.

Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements 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,
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), directives issued by the SECP and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, 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, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

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

2.4 Use of judgments and estimates

The preparation of these condensed interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities and Income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying accounting policies and the key sources of estimation uncertainty were the same as those applied to the Financial Statements as at and for the year ended June 30, 2023

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted 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, 2023.

March 31, 2024 June 30, 2023
(Un-audited) (Audited)
----- Rupees in '000 -----

4 BANK BALANCES

In savings accounts	4.1	15,353	12,832
		15,353	12,832

4.1. These bank accounts carries profit at the rate ranging between 8.61% to 21.00% (June 2023: 6.5% to 19%) . This includes an amount held in Habib Bank Limited (a related party) amounting to Rs. 15.32 million which carry profit at rate of 8.61% per annum.

5. INVESTMENTS

Financial assets at fair value through profit or loss

Livestock

5.1 - 50,000

5.1 Financial assets at 'fair value through profit or loss' - Livestock

Particulars	Kgs				Carrying value as at March 31, 2024	Market value as at March 31, 2024	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 01, 2023	Purchases during the period	Sales during the period	As at March 31, 2024					
Livestock	100,603	156,243	(256,846)	-	-	-	-	0%	0%
Total - as at March 31, 2024	100,603	156,243	(256,846)	-	-	-	-	0%	0%
Total - as at June 30, 2023	-	139,332	(50,838)	100,603	33,929	50,000	16,070	36%	100%

March 31 June 30
2024 2023
(Un-audited) (Audited)
Rupees in '000

5.1.2 Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'

Market value of investments		-	50,000
Less: Carrying value of investments		-	33,929
		-	16,070

6 OTHER RECEIVABLE

Profit receivable -Al Baraka Bank Limited	4	203
Profit receivable - Habib Bank Limited	273	1
Receivable from SK Farm	-	4
Receivable against sale of investments - net	-	27,816
Receivable against insurance claim	-	180
	<u>277</u>	<u>28,203</u>

7 ADVANCES, DEPOSITS & PREPAYMENTS

Livestock manager fee	-	195
LSM - overheads	-	390
Insurance	-	169
Stock of feed	-	3,608
	-	<u>4,362</u>

8 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to Management Company	8.1	-	562
Sindh Sales Tax payable on Management fee	8.2	-	73
Reimbursement of expenses to Management Company		733	-
		<u>733</u>	<u>635</u>

8.1 As per the amendment in Regulation 61 of the NBFC Regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the Offering Document (OD) is 3% per annum of average annual net assets. The company has charged management fee ranging between 1.5% to 3% per annum during the period.

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

	March 31 2024 (Un-audited)	June 30 2023 (Audited)
Note	Rupees in '000	

9 PAYABLE TO THE TRUSTEE

Trustee fee payable	9.1	-	141
Sindh Sales Tax payable on Trustee Fee	9.2	-	18
		-	<u>159</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified at the rate 0.75%, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

**10 PAYABLE TO SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

Annual fee payable 10.1 - 4

10.1 Under the regulation 62 of the NBFC Regulations, an Asset Management Company managing a collective investment scheme, shall pay SECP an annual fee of 0.02% of the average annual net assets. During the year, Management Company has charged the fee accordingly. The fee is payable monthly in arrears.

11 OTHER LIABILITIES

Audit fee payable	160	356
Shariah advisory fee payable	-	56
Other charges of trustee	-	111
Other payable	-	119
Payable to SGS - testing and inspection	87	87
Formation cost payable to HBL Asset management company	-	1,353
Capital gain tax payable	168	-
	<u>415</u>	<u>2,082</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2024 and June 30, 2023.

13 NUMBER OF UNITS IN ISSUE

Number of units

Units at the beginning of the period	90,000	-
Units issued during the period	-	90,000
Units redeemed during the period	78,375	-
Total units in issue at the end of the period	<u>11,625</u>	<u>90,000</u>

14 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 unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The fund has not recorded a tax liability in the current period, as the management company intends to distribute more than 90 % of the fund's accounting income as reduced by capital gains (whether realized or unrealized) for the year ending June 30, 2024 to its unit holders.

15 EARNINGS PER UNIT

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

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties / connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Digital Custodian Company 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 Rules, Regulations and the Trust Deed, respectively.

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

Details of the transactions with connected persons and balances with them are as follows:

		31-Mar-24 (Un-audited) (Rupees in '000)	
16.1	Transactions during the period		
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company		1,658
	Sindh Sales Tax on remuneration of the Management Company		216
	DCCL - Trustee		
	Remuneration of the Trustee		466
	Sindh Sales Tax on remuneration of the Trustee		61
	Habib Bank Limited - Sponsor		
	Profit on Bank Deposits		287
	Ivan N Johns - Directors & Executive		
	Redemption of 1,000 units		1,246
	Balance outstanding as at the period end	Mar-31 2024 (Un-audited)	Jun-23 2023 (Audited)
		Rupees in '000	
16.2	HBL Asset Management Limited - Management Company		
	Remuneration payable to the Management Company	-	562
	Sindh Sales Tax payable on Management Company's remuneration	-	73
	Formation cost Payable	-	1,353
	Reimbursement to Management Company	733	-
	DCCL		
	Trustee fee payable	-	141
	Sindh Sales Tax on remuneration of the Trustee	-	18
	Other charges payable to trustee	-	111
	Habib Bank Limited - Sponsor		
	Bank balances	15,318	128
	Profit receivable	272	1
	Ivan N Johns - Directors & Executive		
	Units Held of Nil (June 2023: 1,000) units		1,000

17 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total fund size at the end of each period.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price)

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- 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.

Particulars	March 31, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments							
Financial assets measured at fair value - Livestock	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Particulars	June 30, 2023						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments							
Financial assets measured at fair value - Livestock	50,000	-	50,000	-	50,000	-	50,000
	50,000	-	50,000	-	50,000	-	50,000

19 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended March 31, 2024 is 37.02% which includes 0.62% representing government levy and SECP fee.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 26, 2024 by the Board of Directors of the Management Company.

21 GENERAL

21.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

HBL Islamic Fixed Term Fund

FUND INFORMATION

Name of Fund	HBL Islamic Fixed Term Fund
Name of Auditor	BDO Ebrahim & Co. Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	United Bank Limited

HBL Islamic Fixed Term Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT MARCH 31, 2024

	Note	(Un-Audited) March 31, 2024 (Rupees in '000)
Assets		
Bank balances	5	19,097
Investments	6	1,583,525
Accrued mark-up		917
Advances, deposits, prepayments and other receivables	7	100
Total assets		1,603,639
Liabilities		
Payable to the Management Company	8	221
Payable to the Trustee	9	11
Payable to Securities and Exchange Commission of Pakistan	10	13
Accrued expenses and other liabilities	11	30
Total liabilities		275
Net assets		1,603,364
Unit holders' fund (as per statement attached)		1,603,364
Contingencies and commitments	12	
		- (Number of units) -
Number of units in issue		16,000,000
		----- (Rupees) -----
Net assets value per unit		100.2103

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Fixed Term Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE PERIOD MARCH 28, 2024 TO MARCH 31 2024

	For the Period March 28, 2024 to March 31, 2024 (Rupees in '000)
Income	
Mark-up / return on investments	2,623
Mark-up on Bank Deposit	916
	3,539
Expenses	
Remuneration of the Management Company	119
Remuneration of the Trustee	11
Fee to Securities and Exchange Commission of Pakistan	13
Auditors' remuneration	18
Bank charges	1
Other expense	13
	175
Net loss from operating activities	3,364
Net loss for the period before taxation	3,364
Taxation	13 -
Net loss for the period after taxation	3,364
Allocation of net (loss) / income for the period:	
Income already paid on redemption of units	-
Accounting (loss) / income available for distribution:	
- Relating to capital gains	-
- Excluding capital gains	-
	3,364
Earnings per unit	14

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Fixed Term Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE PERIOD MARCH 28, 2024 TO MARCH 31 2024

	For the Period March 28, 2024 to March 31, 2024 (Rupees in '000)
Net loss for the period after taxation	3,364
Other comprehensive income for the period	-
Total comprehensive loss for the period	3,364

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Fixed Term Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
FOR THE PERIOD MARCH 28, 2024 TO MARCH 31 2024

For the Period March 28, 2024 to
March 31, 2024

	Capital value	Undistributed income / (Accumulated loss)	Unrealised income / (loss) on investment	Total
	----- (Rupees in '000) -----			
Net assets at beginning of the period	-	-	-	-
Issue of 16,000,000 units				
- Capital value (at net asset value per unit at the beginning of the period)	1,600,000	-	-	1,600,000
- Element of income	-	-	-	-
Total proceeds on issue of units	1,600,000	-	-	1,600,000
Redemption of NIL units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
- Income already paid on redemption	-	-	-	-
Total payments on redemption of units	-	-	-	-
Total comprehensive income for the period	-	3,364	-	3,364
Distribution during the period	-	-	-	-
Refund of capital	-	-	-	-
	-	3,364	-	3,364
Net assets at end of the period	1,600,000	3,364	-	1,603,364
Undistributed income brought forward				
- Realised		-		
- Unrealised		-		
Accounting income available for distribution				
Relating to capital gains		-		
Excluding capital gains		-		
Net loss for the period after taxation		3,364		
Undistributed income carried forward		3,364		
Undistributed income carried forward				
Realised income		3,364		
Unrealised income		-		
		3,364		
Net assets value per unit at end of the period				100.2103

Rupees

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Fixed Term Fund
Condensed Interim Statement of Cash Flows (Unaudited)
FOR THE PERIOD MARCH 28, 2024 TO MARCH 31 2024

	For the Period March 28, 2024 to March 31, 2024 (Rupees in '000)
Cash flows from operating activities	
Net income for the period before taxation	3,364
Adjustments	
Mark-up / return on investments	(2,623)
Mark-up on Bank Deposit	(916)
	<u>(175)</u>
Decrease / (Increase) in assets	
Investments - net	(1,580,902)
Advances, deposits, prepayments and other receivables	(100)
	<u>(1,581,002)</u>
Increase in liabilities	
Payable to the Management Company	221
Payable to the Trustee	11
Payable to the Securities and Exchange Commission of Pakistan	13
Accrued expenses and other liabilities	30
	<u>275</u>
Net cash used in operating activities	<u>(1,580,903)</u>
Profit received	-
	<u>-</u>
Net cash generated from / (used in) operating activities	<u>(1,580,903)</u>
Cash flows from financing activities	
Amount received on issue of units	1,600,000
Payment against redemption of units	-
Dividend paid	-
Net cash generated from financing activities	<u>1,600,000</u>
Net increase in cash and cash equivalents	19,097
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	<u>19,097</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Fixed Term Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE PERIOD MARCH 28, 2024 TO MARCH 31 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Fixed Term Fund Plan 1 (the Fund) was established under a Trust Deed, dated July 19, 2023, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 04, 2023.
- 1.2** 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, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3** The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4** The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5** VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands of Rupees, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (i) Classification and valuation of financial instruments (notes 4.2)
- (ii) Provision (notes 4.8)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	Effective from accounting year beginning on or June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

3.2.1 The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting years beginning
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and Lorem ipsum
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

"All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI)."

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments at amortised cost

Subsequent to initial recognition, financial assets classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

4.4 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as financial assets at fair value through profit or loss and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

4.5 Securities under margin trading system

"Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the income statement. Transaction costs are expensed in the income statement."

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.
- Unrealised gain / (loss) arising on remeasurement of investments classified as 'financial assets at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognized when the right to receive the dividend is established.
- Mar-up / return on bank deposits, investment in debt and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.8 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee to the SECP and selling and marketing expense) are recognised in the 'income statement' on an accrual basis.

4.9 Taxation

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders (excluding distribution made by issuance of bonus shares).

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.10 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.11 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is premeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.12 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.13 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

	Note	(Un-Audited) March 31, 2024 (Rupees in '000)
5. BANK BALANCES		
Balances with banks in:		
Savings accounts	5.1	<u>19,097</u>
5.1	This represents bank accounts held with different banks. 'The balance in savings accounts carry expected profit which ranges from 19% to 19.5% per annum.	
		(Un-Audited) March 31, 2024 (Rupees in '000)
6 INVESTMENTS		
Financial assets		
At amortized cost	6.1	<u>1,583,525</u>
6.1 Financial assets at amortized cost		<u>1,583,525</u>
GOP Ijara Sukuk	6.1.1	<u>1,583,525</u>
		<u>1,583,525</u>

6.1.1 Financial assets at amortized cost - GOP Ijara Sukuk Certificates

Name of Instrument	Issue Date	Tenure	Face value					Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total investments
			As at July 1, 2023	Purchases made during the year	Income Accrued	Sales/Matured during the period	As at March 31, 2024					
-----Rupees in '000-----												
GOPI5 29-03-2024	March 29, 2024	12 Months	-	1,580,903	2,623	1,583,525	1,583,525	1,583,525	-	99%	100%	
Total as at March 31, 2024			-	1,580,903	2,623	1,583,525	1,583,525	1,583,525	-	99%	100%	

		Note	(Un-Audited) March 31, 2024 (Rupees in '000)
7	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Security deposit with Central Depository Company of Pakistan Limited		100
			<u>100</u>
8.	PAYABLE TO THE MANAGEMENT COMPANY		
	Management fee	8.1	105
	Sindh Sales Tax on Management Company's remuneration		14
	Formation Cost Payable		102
			<u>221</u>
8.1	As per the offering document of the Fund the maximum limit of management fee is 0.6% per annum of average annual net assets.		
8.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.		
9	PAYABLE TO THE TRUSTEE		
	Remuneration of the Trustee		10
	Sindh Sales Tax on remuneration of the Trustee		1
			<u>11</u>
9.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified 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 fixed return schemes shall consists of actual custodial expense plus 0.055% per annum of Net Assets. Therefore trustee fee have been charged as 0.055% per annum of net assets calculated on daily basis.		
	The remuneration is paid to the trustee monthly in arrears.		
9.2	The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.		
10	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Fee payable		13
			<u>13</u>

10.1 As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate of 0.075% of the net assets of the fund has been charged during the year by Securities and Exchange Commission of Pakistan.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	18
Other payables	12
	<hr/>
	30
	<hr/>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024.

13. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2023 to its unit holders.

14. EARNINGS PER UNIT

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

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of significant transactions with connected persons during the period and balances with them at period end are as follows:

		For the Period March 28, 2024 to March 31, 2024 (Rupees in '000)
15.1	Transactions during the period	
	HBL Asset Management Limited - Management Company	
	Remuneration of the Management Company	119
	Central Depository Company of Pakistan Limited - Trustee	
	Remuneration of the Trustee	11

		For the Period March 28, 2024 to March 31, 2024 (Rupees in '000)
Connected party due to holding 10% or more		
PAKISTAN MORTGAGE REFINANCE COMPANY LTD CREDIT GUARANTEE TRUST SCHEME FOR LOW INCOME HOUSING MPMG		
	Issue of units 16,000,000 units	1,600,000
		March 31, 2024 (Un-audited)
15.2	Balances outstanding as at period / year end	(Rupees in '000)
HBL Asset Management Limited - Management Company		
	Management fee payable	105
	Sales tax payable	14
	Formation Cost Payable	102
Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	10
	Sindh Sales Tax	1
Connected party due to holding 10% or more		
PAKISTAN MORTGAGE REFINANCE COMPANY LTD CREDIT GUARANTEE TRUST SCHEME FOR LOW INCOME HOUSING MPMG		
	Investment held in the Fund: 16,000,000 units	1,603,364

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.

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

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

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

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

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

		March 31, 2024 (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 amortized cost								
	GOP Ijara Sukuk	1,583,525	-	1,583,525	1,583,525.32	-	-	1,583,525
		1,583,525	-	1,583,525	1,583,525	-	-	1,583,525
Financial assets measured at amortized cost								
15	Bank balances	-	19,097	19,097				
	Accrued mark-up	-	917					
	Deposits and other receivables	-	100	100				
		-	20,114	19,197				
Financial assets measured at amortized cost								
	Payable to the Management Company	-	221	221				
	Payable to the Trustee	-	11	11				
	Accrued expenses and other liabilities	-	30	30				
		-	262	262				

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

16.1.2 The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

17. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the Period ended March 31, 2024 is 1.00%, which includes 0.16% representing government levy, Workers' Welfare Fund and SECP fee.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2024.

19. GENERAL

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

For HBL Asset Management Limited (Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL

HBL Islamic Savings Fund

FUND INFORMATION

Name of Fund	HBL Islamic Savings Fund
Name of Auditor	Yousuf Adil Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Habib Bank Limited United Bank Limited Faysal Bank

HBL Islamic Savings Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT MARCH 31, 2024

	Note	(Un-Audited) March 31, 2024 (Rupees in '000)
Assets		
Bank balances	5	1,755,793
Investments	6	516,000
Accrued mark-up		14,338
Advances, deposits, prepayments and other receivables	7	100
Total assets		2,286,231
Liabilities		
Payable to the Management Company	8	602
Payable to the Trustee	9	43
Payable to Securities and Exchange Commission of Pakistan	10	51
Accrued expenses and other liabilities	11	209
Total liabilities		905
Net assets		2,285,326
Unit holders' fund (as per statement attached)		2,285,326
Contingencies and commitments	12	
		- (Number of units) -
Number of units in issue		22,637,214
		----- (Rupees) -----
Net assets value per unit		100.9544

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Savings Fund
Condensed Interim Income Statement (Un-Audited)
FOR THE PERIOD AND QUATER ENDED MARCH 31, 2024

	For the Period March 14, 2024 to March 31, 2024 (Rupees in '000)
Income	
Mark-up / return on investments	1,358
Mark-up on Bank Deposit	12,980
	14,338
Expenses	
Remuneration of the Management Company	374
Remuneration of the Trustee	43
Annual fee to Securities and Exchange Commission of Pakistan	51
Selling and marketing expenses	59
Allocation of expenses related to registrar services, accounting, operation and valuation services	59
Securities transaction costs	-
Auditors' remuneration	103
Bank charges	16
Amortization of Formation Cost	10
Shariah advisory fee	14
Other expense	30
	759
Net loss from operating activities	13,579
Net loss for the period before taxation	13,579
Taxation	13 -
Net loss for the period after taxation	13,579
Allocation of net (loss) / income for the period:	
Income already paid on redemption of units	548
Accounting (loss) / income available for distribution:	
- Relating to capital gains	-
- Excluding capital gains	13,031
	13,031
	13,579
Earnings per unit	14

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Savings Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE PERIOD AND QUATER ENDED MARCH 31, 2024

	For the Period March 14, 2024 to March 31, 2024 (Rupees in '000)
Net loss for the period after taxation	13,579
Other comprehensive income for the period	-
Total comprehensive loss for the period	13,579

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Savings Fund
Condensed Interim Statement of Cash Flows (Unaudited)
FOR THE PERIOD ENDED MARCH 31, 2024

	For the Period March 14, 2024 to March 31, 2024 (Rupees in '000)
Cash flows from operating activities	
Net income for the period before taxation	13,579
Adjustments	
Mark-up / return on investments	(1,358)
Mark-up on Bank Deposit	(12,980)
	(759)
Decrease / (Increase) in assets	
Investments - net	(516,000)
Receivable against margin trading system	-
Advances, deposits, prepayments and other receivables	(100)
	(516,100)
Increase in liabilities	
Payable to the Management Company	602
Payable to the Trustee	43
Payable to the Securities and Exchange Commission of Pakistan	51
Accrued expenses and other liabilities	209
	905
Net cash used in operating activities	(515,954)
Profit received	-
	-
Net cash generated from / (used in) operating activities	(515,954)
Cash flows from financing activities	
Amount received on issue of units	2,415,922
Payment against redemption of units	(144,175)
Dividend paid	-
Net cash generated from financing activities	2,271,747
Net increase in cash and cash equivalents	1,755,793
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	1,755,793

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Savings Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL Islamic Savings Fund Plan 1 (the Fund) was established under a Trust Deed, dated March 14, 2024, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 15, 2023.
- 1.2 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, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.5 JCR-VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousands of Rupees, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (i) Classification and valuation of financial instruments (notes 4.2)
- (ii) Provision (notes 4.8)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting year beginning on or June 01, 2020
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

3.2.1

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting years beginning on or
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash comprises savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVTOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

"All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI)."

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

Business model assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

-
-
- 1) Hold to collect business model
 - 2) Hold to collect and sell business model
 - 3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

4.2.2.2 Financial liabilities

The Fund classifies its financial liabilities in the following categories:

- Measured at amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. The Fund is required to measure loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments at amortised cost

Subsequent to initial recognition, financial assets classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

4.4 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as financial assets at fair value through profit or loss and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

4.5 Securities under margin trading system

"Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the income statement. Transaction costs are expensed in the income statement."

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.
- Unrealised gain / (loss) arising on remeasurement of investments classified as 'financial assets at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognized when the right to receive the dividend is established.
- Mar-up / return on bank deposits, investment in debt and government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.5 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee to the SECP and selling and marketing expense) are recognised in the 'income statement' on an accrual basis.

4.6 Taxation

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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders (excluding distribution made by issuance of bonus shares).

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.10 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.11 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is premeasured to its fair value and the resultant gain or loss is recognised in the income statement.

4.12 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.13 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

	Note	(Un-Audited) March 31, 2024 (Rupees in '000)
5. BANK BALANCES		
Balances with banks in:		
Savings accounts	5.1	<u>1,755,793</u>
5.1	This represents bank accounts held with different banks. The balance in savings accounts carry expected profit which ranges from 20.6% to 21.27% per annum.	
		(Un-Audited) March 31, 2024 (Rupees in '000)
6 INVESTMENTS		
Financial assets		
At amortized cost Sukuks	6.1	245,000
At amortized cost Musharka	6.2	<u>271,000</u>
		<u>516,000</u>

6.1.1 Financial assets at Amortised Cost - Corporate Sukuk Bonds

Name of investee company	Tenure	Face value				Carrying value as at March 31, 2024	Market value as at March 31, 2022	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total
		As at July 1, 2023	Purchases made during the year	Matured during the year	As at March 31, 2024					
Lucky Electric Power Company Ltd	6 Months	-	245,000	-	245,000	245,000	245,000	-	11%	47%
Total - as at March 31, 2024		-	245,000	-	245,000	245,000	245,000	-	11%	47%

6.2 Financial assets at amortized cost- Musharka Agreements

Particulars	Issue Date	Face value				Percentage of total value of investments	Carrying value as a % of total investment
		As at July 01, 2023	Purchases during the year	Sales / Matured during the year	As at March 31, 2023		
Pak Kuwait Investment Company	28-Mar-24	-	271,000	-	271,000	52.52%	52.52%
Total as at March 31, 2024					271,000		

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with Central Depository Company of Pakistan Limited	100
	100

8. PAYABLE TO THE MANAGEMENT COMPANY

Management fee	331
Sindh Sales Tax on Management Company's remuneration	43
Formation Cost Payable	110
Selling and marketing payable	59
Allocation of expenses related to registrar services, accounting, operation and valuation services	59
	602

8.1 As per the offering document of the Fund the maximum limit of management fee is 1.5% per annum of average annual net assets. During the year, management remuneration is charged by the Asset Management Company at the rate of 0.4% to 0.5% of average annual net assets of the Fund.

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

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company may charged expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). The expense charged by the Asset Management Company at the rate of 0.07% to 0.09% of average annual net assets of the fund.

8.4 SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed cap of 0.4 percent (of average net assets, calculated on daily basis), on charging of selling and marketing expenses which are charged by Asset Management Companies to all categories of open-end mutual funds (except fund of funds).The selling and marketing expenses charged by the Asset Management Company at the rate of 0.07% to 0.09% of average annual net assets of the fund.

9 PAYABLE TO THE TRUSTEE

Remuneration of the Trustee	38
Sindh Sales Tax on remuneration of the Trustee	5
	<u>43</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified 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 Shariah money market schemes shall consists of actual custodial expense plus 0.055% per annum of Net Assets. Therefore trustee fee have been charged as 0.055% per annum of net assets calculated on daily basis.

The remuneration is paid to the trustee monthly in arrears.

- 9.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	51
	<u>51</u>

- 10.1** As per SRO 685(I)/2019 dated June 28, 2019, annual fee at the rate of 0.075% of the net assets of the fund has been charged during the year by Securities and Exchange Commission of Pakistan.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding Tax payable	52
Auditors' remuneration	103
Printing Payable	30
Other payables	24
	<u>209</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024.

13. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) for the year June 30, 2023 to its unit holders.

14. EARNINGS PER UNIT

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

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

Details of significant transactions with connected persons during the period and balances with them at period end are as follows:

	For the Period March 14, 2024 to March 31, 2024 (Rupees in '000)
15.1 Transactions during the period	
HBL Asset Management Limited - Management Company	
Remuneration of the Management Company	374
Allocation of expenses related to registrar services, accounting, operation and valuation services	59
Selling and marketing cost	59
Formation Cost Payable	10
Central Depository Company of Pakistan Limited - Trustee	
Remuneration	43
Executives and their relatives	
Issuance of 185,856 units	18,643
	March 31, 2024 (Un-audited) (Rupees in '000)
15.2 Amounts outstanding as at period / year end	
HBL Asset Management Limited - Management Company	
Management fee payable	331
Sales tax payable	43
Allocation of expenses related to registrar services, accounting, operation and valuation services	59
Selling and marketing cost	59
Formation Cost Payable	110
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable	38
Sindh Sales Tax	5
Executives and their relatives	
Investment held in the Fund: 185,856 units	18,689

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.

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

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

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

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

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

		March 31, 2024 (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								
	Corporate Sukuk Bonds	245,000	-	245,000	245,000.00	-	-	245,000
	Market treasury bills	-	-	-	-	-	-	-
	Commercial paper	271,000	-	271,000	-	-	271,000	271,000
		516,000	-	516,000	245,000	-	271,000	516,000
Financial assets not measured at fair value								
15	Bank balances	-	1,755,793	1,755,793				
	Receivable against margin trading system	-	-	-				
	Accrued mark-up	-	14,338					
	Deposits and other receivables	-	100	100				
		-	1,770,231	1,755,893				
Financial liabilities not measured at fair value								
15	Payable to the Management Company	-	602	602				
	Payable to the Trustee	-	43	43				
	Accrued expenses and other liabilities	-	133	133				
		-	778	778				

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

16.1.2 The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

17. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the Period ended March 31, 2024 is 1.10%, which includes 0.024% representing government levy, Workers' Welfare Fund and SECP fee.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 26, 2024.

19. GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director



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