



ASSET MANAGEMENT

إيسيهيٲ مينجمنٲ

AMC Rating - AM2- by JCR-VIS



# FUND MANAGER'S REPORT (Islamic Funds)

March 2015

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### Fund Manager's Commentary

31-Mar-15

For the month of Mar 2015, HBL Islamic Money Market Fund generated an annualized return of 5.72% against the benchmark return of 6.61%. The Fund's YoY return 7.27% against the benchmark return of 6.96%. The Fund continued to maintain its major exposure in Cash equivalents. The monthly yield of the fund declined as compared to previous months due to the downward revision of Discount Rate by 50 bps.

### Investment Objective

The objective of HBL Islamic Money Market Fund is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investment in low risk Shariah Compliant securities

### Investment Features

Easy encashability  
Optimum returns  
No front end and back end load

### Fund Facts

Net Assets	Rs. 471.607 million (31-Mar-15)
NAV	PKR 105.6565*
Launch Date	10-May-11
Management Fee	1% p.a
Listing	Lahore Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	3-Month Deposit Rate
Type	Open End
Category	Islamic Money Market Scheme
Front end Load	Nil
Back end Load	Nil
AMC Rating	AM2- ( by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Fund Stability Rating	N/A
Leverage	Nil
Investment Committee	

Rehan N. Shaikh, Amir Khan

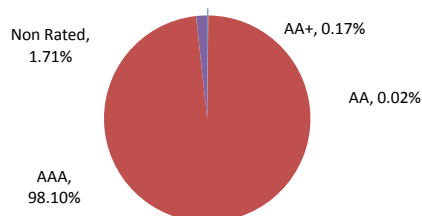
Naseer Ladhani, Fahad Aziz

### Provision against WWF liability

\* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 2.733 mn if the same were not made, the NAV per unit/return would be higher by Rs. 0.61/0.57%.

Weighted Average time to Maturity 1 Day

### Asset Quality Portfolio (As at 31-Mar-15)

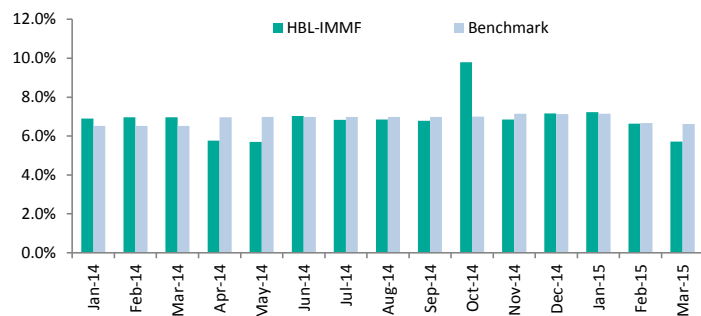


### Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	9.45%	7.04%
Year to Date Annualized Return	7.27%	6.96%
Calendar Year to Date Annualized Return	6.56%	6.81%
1 Month Annualized Return	5.72%	6.61%
3 Month Annualized Return	6.56%	6.81%
6 Month Annualized Return	7.35%	6.95%
1 Year Annualized Return	7.09%	6.97%
Daily Average Return (Since Inception)	0.03%	0.02%
Standard Deviation (Since Inception)	0.03%	0.00%
Annualized Return FY-14	6.86%	6.62%
Annualized Return FY-13	8.45%	6.89%
Annualized Return FY-12	10.34%	7.41%
Annualized Return FY-11	n/a	n/a
Annualized Return FY-10	n/a	n/a

\* Returns have been calculated as per MUFAP's formula

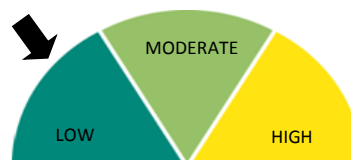
### HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



### Asset Allocation (% of Total Assets)

	Mar'15	Feb'15
Cash	98.29%	99.35%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	1.71%	0.65%
Term Deposit Receipts	0.00%	0.00%

### Risk Level (Low)



MUFAP's Recommended Format

31-Mar-15

### Fund Manager's Commentary

During the month under review, the Fund posted a return of -8.0% against the benchmark KMI-30 Index which yielded -7.95%. The overall stock market performance was tainted by massive foreign selling (USD 71.42mn in Mar'15) on account of liquidation of an international fund and panic selling by individuals as concerns mounted over futures rollover position. This was further exacerbated by outflows from CPPI-based mutual funds owing to their market-directional, momentum-based strategies. Despite a significant number of positive developments (to mention a few, such as, reduction in policy rate to 13-year low, approval of 7th tranche by the IMF, upgrade in outlook from stable to positive by Moody's, LNG shipment) the market remained trapped in a continuous downward spiral only to be salvaged by buying from local companies and banks. Owing to a clear disconnect between market fundamentals and (irrational) investor behavior, prudence necessitated to dispel market noise and remain invested in fundamentally attractive scrips hence the Fund maintained its market exposure and retained its solid position in Cements, Electricity and Chemicals.

### Investment Objective

The objective of HBL Islamic Stock fund is to achieve long-term capital growth by investing mainly in Shariah Compliant Equity securities

### Investment Features

Easy encashability  
Diversified Islamic Equity Portfolio  
No exit load

### Fund Facts

Net Assets	Rs. 795.703 million (31-Mar-15)
NAV	PKR 132.1370*
Launch Date	10-May-11
Management Fee	2% p.a
Listing	Lahore Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	KMI 30 Index
Type	Open End
Category	Equity Scheme
Front end Load	2.0%
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Leverage	Nil
Investment Committee	
	Rehan N. Shaikh, Amir Khan, Samia Aslam, CFA
	Naseer Ladhani

### Provision against WWF liability

\* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 7.305 mn if the same were not made, the NAV per unit/return would be higher by Rs. 1.21/0.90%.

### Sector Allocation (% of Total Assets)

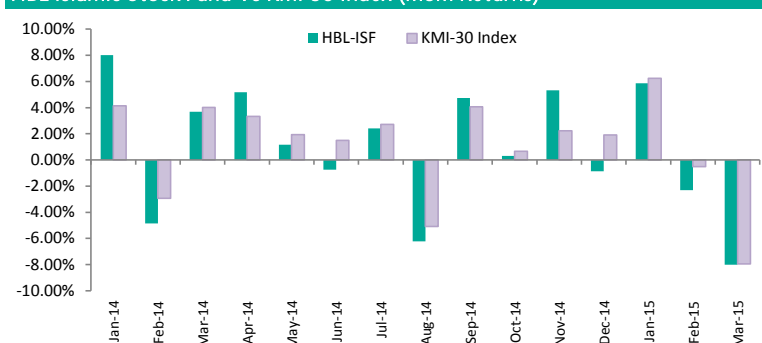
	Mar'15	Feb'15
Oil & Gas	11.73%	11.26%
General Industrials	14.25%	11.94%
Electricity	12.53%	9.59%
Others	10.16%	9.18%
Construction and materials	15.64%	18.37%
Food Producers	7.53%	6.56%
Chemicals	16.48%	19.78%

### Fund Returns (%)

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	107.19%	143.58%
Year to Date Return (Cumulative)	0.17%	3.52%
Calendar Year to Date Return (Cumulative)	-4.88%	-2.70%
1 Month Cumulative Return	-8.02%	-7.95%
3 Month Cumulative Return	-4.88%	-2.70%
6 Month Cumulative Return	-0.38%	2.03%
1 Year Cumulative Return	5.74%	10.66%
Daily Average Return (Since Inception)	0.10%	0.10%
Standard Deviation (Since Inception)	0.88%	0.94%
Since Inception (CAGR)	20.58%	25.69%
Return FY-14	30.17%	29.89%
Return FY-13	44.87%	54.41%
Return FY-12	16.52%	13.57%
Return FY-11	n/a	n/a
Return FY-10	n/a	n/a

\* Returns have been calculated as per MUFAP's formula

### HBL Islamic Stock Fund Vs KMI 30 Index (MoM Returns)

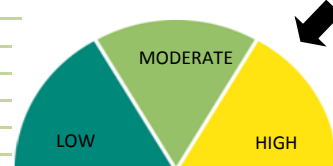


### Asset Allocation (% of Total Assets)

	Mar'15	Feb'15
Cash	4.30%	10.20%
Stock/Equities	88.32%	86.66%
Others	7.38%	3.14%

### Top Ten Holding (31-Mar-15)

Company Name	%	Risk Level (High)
Hub Power Company Limited	9.66%	
Pakistan State Oil	7.97%	
National Foods	7.53%	
Lucky Cement Limited	6.81%	
ICI Pakistan Limited	6.64%	
D G Khan Cement Company Ltd.	5.89%	
Synthetic Products Enterprises Ltd.	5.56%	
Engro Corporation	5.35%	
Pak Suzuki Motor Co. Limited	5.12%	
Indus Motor Company Ltd	5.04%	



MUFAP's Recommended Format

### Fund Manager's Commentary

31-Mar-15

**DF:** We maintained the fund exposure in government securities 87.66%. The Fund's return for the month stood at 8.47%.

**MMF:** In Islamic Money market Fund we maintained the Fund exposure in government securities up to 85.33%. Return of the fund for the month under review stood at 9.06%.

**SF:** During the month under review SF return stood at -7.94%. In the month of March KSE 100 Index declined by 10.10% mainly due to selling pressure from International Investors. We are expecting rebound in market in the month of April.

### Investment Objective

To provide a secure and Shariah compliant source of savings and regular income after retirement to the Participants

### Investment Features

Hassle-free investment  
Competitive returns  
Flexible allocation schemes

### Fund Facts

Launch Date	16-Dec-11
Management Fee	1.5% p.a
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Type	Open End
Category	Shariah Compliant scheme
Front end Load	Max 3%
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Investment Committee	
Rehan N. Shaikh, Amir Khan, Samia Aslam, CFA	
Naseer Ladhani	

### Fund Size (million) as at 31-Mar-2015

Money Market	Debt	Equity
57.66	71.02	128.87
NAV (PKR)		
124.0127	125.5235	290.96
Leverage	Nil	

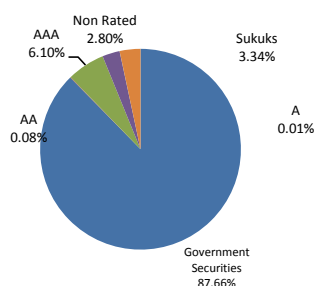
### Fund Returns (%)

	Debt p.a	**Equity	MM p.a
Return Since Inception	7.65%	190.96%	7.20%
Year to Date Return	4.91%	11.78%	4.99%
Calendar Year to Date Return	8.45%	-2.84%	9.08%
1 Month Return	8.47%	-7.94%	9.06%
3 Month Return	8.45%	-2.84%	9.08%
6 Month Return	6.02%	12.59%	6.05%
1 Year Return	5.29%	24.30%	5.08%
Daily Average Return (Since Inception)	0.03%	0.13%	0.03%
Standard Deviation (Since Inception)	0.12%	0.98%	0.07%
Return FY-14	7.04%	44.41%	6.08%
Return FY-13	8.67%	50.30%	7.70%
Return FY-12	n/a	n/a	n/a
Return FY-11	n/a	n/a	n/a
Return FY-10	n/a	n/a	n/a

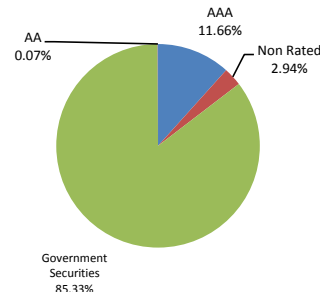
\* Returns have been calculated as per MUFAP's formula

\*\*Equity fund returns are cumulative

### Credit Quality-Debt



### Credit Quality-MMF



### Provision against WWF liability

\* The ESF, DSF and MSF of scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 1.237 mn, PKR 0.258 mn, and PKR 0.216 mn respectively. If the same were not made, the NAV per unit/return of ESF, DSF, and MSF would be higher by Rs. 2.80/0.94 %, Rs 0.46/0.36% and Rs 0.47/0.37% respectively.

### Risk Level



### Sector Allocation Equity

Sector Allocation Equity	%	Top 10 Equities	%
Construction and materials	19.70%	National Foods	9.53%
Chemicals	18.44%	Hub Power Company Limited	8.85%
Oil and Gas	12.64%	Lucky Cement Limited	8.79%
General Industrials	11.98%	Engro Corporation	8.38%
Automobile and Parts	10.65%	Pakistan State Oil	7.94%
Food Producers	9.53%	Thal Limited	6.39%
Other	8.85%	D.G.K.Cement Company Limited	6.32%
		Pak Suzuki Motor Co. Ltd.	5.65%
		Synthetic Products Enterprises Ltd.	5.59%
		Fauji Fertilizer Company Limited	5.05%

### Asset Allocation

	HBL Money Market		HBL Debt				HBL-Equity	
	31-Mar-15	28-Feb-15	31-Mar-15	28-Feb-15	31-Mar-15	28-Feb-15		
Govt. Securities	85.33%	85.95%	Govt. Securities	87.66%	88.48%	Equities	91.78%	91.05%
Others	2.94%	2.20%	Others	2.80%	2.05%	Others	0.98%	3.14%
Cash	11.73%	11.86%	Sukuks	3.34%	3.46%	Cash	7.25%	5.82%
			Cash	6.19%	6.02%			

Returns (%)*	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
HBL-IPF MMF*	9.06%	1.74%	1.34%	3.00%	4.12%	5.67%	0.31%	2.96%	12.01%	5.66%	9.06%
HBL-IPF Debt*	11.59%	4.08%	0.26%	2.84%	4.81%	5.88%	1.29%	3.46%	10.53%	5.94%	8.47%
HBL-IPF Equity**	2.47%	3.91%	0.41%	-5.52%	4.65%	6.96%	6.81%	1.44%	6.56%	-0.96%	-7.94%

MUFAP's Recommended Format

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

# HOW TO INVEST?

Invest as low as Rs. 1,000/= in our Islamic funds  
Rs. 500/= in our Islamic Pension funds

## Three Simple Steps to Invest:

1. Make payment through cheque / demand draft in favor of "CDC-Trustee HBL (Name of fund)"  
E.g: CDC-Trustee HBL Islamic Money Market Fund
2. Attach the documents as specified in the Account Opening Form
3. Submit the required documents along with payment at our Karachi office, Lahore Office or Islamabad Office

### Karachi Head Office Address

24-C, Khayaban-e-Hafiz, Phase VI,  
D.H.A, Karachi

Tel: (92-21) 111-425-262

Fax: (92-21) 35240634

### Lahore Office Address

102-103, Upper Mall,  
Lahore

Tel: (92-42) 36281610

Fax: (92-42) 36281686

### Islamabad Office Address

HBL Corporate Center, HBL  
Building, Jinnah Avenue, Islamabad

Tel: (92-51) 2821183

Fax: (92-51) 2822206