



ASSET MANAGEMENT

ايسيت مينجمنت

AMC Rating : AM2- by JCR-VIS

FUND MANAGER'S REPORT (Islamic Funds)

July 2015

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Fund Manager's Commentary

31-Jul-15

For the month of July 2015, HBL Islamic Money Market Fund generated an annualized return of 4.52% against the benchmark return of 5.66%. The Fund continued to maintain its major exposure in Cash & equivalents.

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. 467.150 million (31-July-15)
NAV	PKR 100.7804*
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

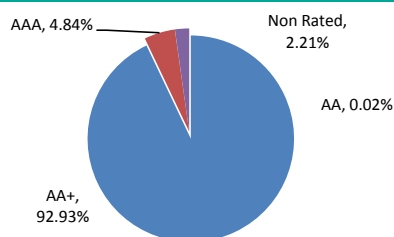
Naseer Ladhani, Fahad Aziz

Provision against WWF liability

* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 2.802 mn if the same were not made, the NAV per unit/return would be higher by Rs. 0.60/0.58%.

Weighted Average time to Maturity 1 Day

Asset Quality Portfolio (As at 31-July-15)

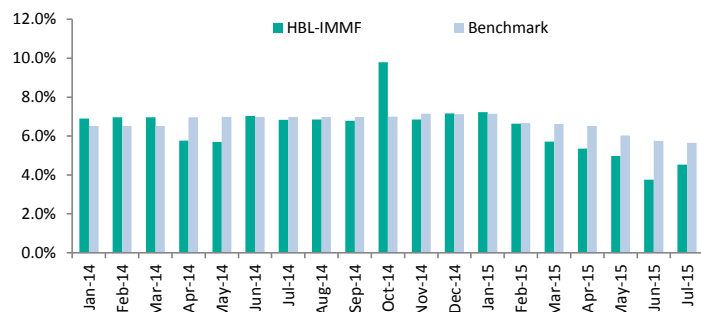


Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	9.21%	6.96%
Year to Date Annualized Return	4.52%	5.66%
Calendar Year to Date Annualized Return	5.52%	6.34%
1 Month Annualized Return	4.52%	5.66%
3 Month Annualized Return	4.44%	5.81%
6 Month Annualized Return	5.20%	6.11%
1 Year Annualized Return	6.49%	6.64%
Daily Average Return (Since Inception)	0.03%	0.02%
Standard Deviation (Since Inception)	0.03%	0.00%
Annualized Return FY-15	6.70%	6.75%
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

* Returns have been calculated as per MUFAP's formula

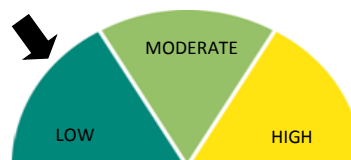
HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



Asset Allocation (% of Total Assets)

	Jul'15	Jun'15
Cash	97.79%	99.41%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	2.21%	0.59%
Term Deposit Receipts	0.00%	0.00%

Risk Level (Low)



MUFAP's Recommended Format

31-Jul-15

Fund Manager's Commentary

During the month of Jul'15, the fund posted a return 1.30% vs. KMI30 return of 2.24%. During the month, market volumes rose to a 5-year high of 447mn shares (+19% MoM) as 2nd and 3rd tier stocks remained in the limelight. Overall market activity was driven by positive developments on the macro front mainly CPI surprising at 3.16% and reserves hitting an all-time high of USD18.7bn. Major contribution to the index came from banks and fertilizer, while E&Ps dragged 343pts. KSE-100 currently trades at a CY15 forward P/E of 9.4x, a 34% discount to the region, hence potential for further upside. Market activity in the month of Jul'15 will mainly be driven by Jun-end corporate results where we expect positive earnings surprises in autos, OMCs and Engro family.

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. 822.181 million (31-July-15)
NAV	PKR 129.9139*
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 8.273 mn if the same were not made, the NAV per unit/return would be higher by Rs. 1.31/0.95%.

Sector Allocation (% of Total Assets)

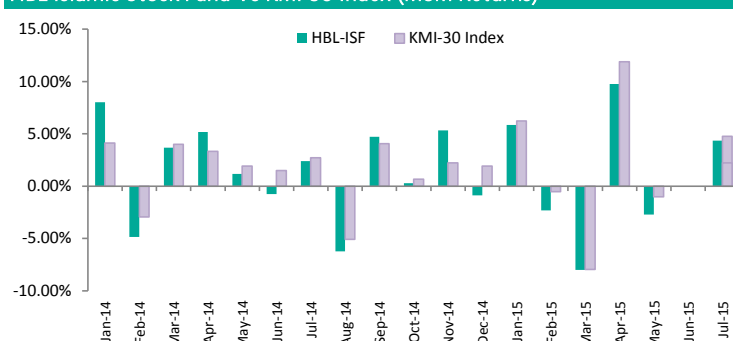
	Jul'15	Jun'15
Household Goods	5.45%	4.54%
Power Generation & Dist.	15.45%	13.26%
Others	18.13%	26.84%
Construction and materials	6.93%	0.00%
Food & Personal Care Products	5.02%	4.21%
Automobile Assembler	7.63%	9.26%
Fertilizers	19.44%	18.63%
Cement	12.97%	15.36%

Fund Returns (%)

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	123.96%	188.93%
Year to Date Return (Cumulative)	1.30%	2.24%
Calendar Year to Date Return (Cumulative)	7.19%	15.41%
1 Month Cumulative Return	1.30%	2.24%
3 Month Cumulative Return	2.68%	6.01%
6 Month Cumulative Return	1.26%	8.63%
1 Year Cumulative Return	10.24%	19.54%
Daily Average Return (Since Inception)	0.10%	0.10%
Standard Deviation (Since Inception)	0.88%	0.94%
Since Inception (CAGR)	21.01%	28.53%
Return FY-15	11.63%	20.10%
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

* Returns have been calculated as per MUFAP's formula

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



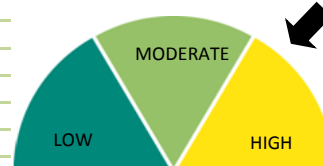
Asset Allocation (% of Total Assets)

	Jul'15	Jun'15
Cash	7.80%	7.16%
Stock/Equities	91.03%	92.10%
Others	1.17%	0.74%

Top Ten Holding (31-Jul-15)

Company Name	%
Engro Corporation Limited	7.57%
Lucky Cement Limited	6.70%
K-Electric	6.36%
Hub Power Company Limited	6.30%
Pak Elektron Ltd	5.45%
D G Khan Cement Company Ltd.	5.03%
Engro Foods	5.02%
Packages Limited	4.58%
Engro Fertilizers Ltd	4.39%
Indus Motor Company Ltd	4.21%

Risk Level (High)



MUFAP's Recommended Format

Fund Manager's Commentary

31-Jul-15

DF: The Fund maintained its exposure primarily in government securities at 79.69% of the fund size. The Fund's return for the month stood at 4.69% p.a.

MMF: In Islamic Money Market Fund we continued to maintain the Fund exposure largely in government securities (GIS) i.e. up to 92.00% of the fund size. Return of the fund for the month under review stood at 4.92% p.a.

SF: During the month of Jul'15, the fund posted a return 1.88%. KSE-100 currently trades at a CY15 forward P/E of 9.4x, a 34% discount to the region, hence potential for further upside. Market activity in the month of Jul'15 will mainly be driven by Jun-end corporate results where we expect positive earnings surprises in autos, OMCs and Engro family.

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

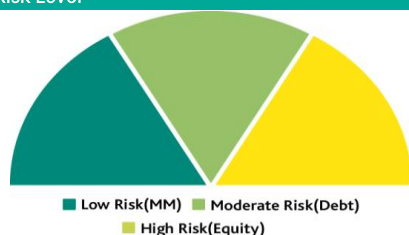
Fund Facts

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-July-2015

Money Market	Debt	Equity
59.05	78.36	151.66
NAV (PKR)		
126.3674	127.5843	333.9012
Leverage		
	Nil	

Risk Level



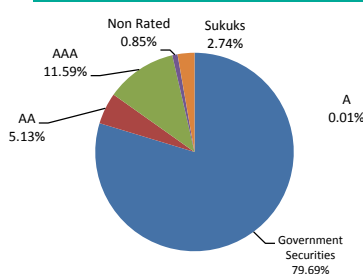
Fund Returns (%)

	Debt p.a	**Equity	MM p.a
Return Since Inception	7.51%	233.90%	7.18%
Year to Date Return	4.69%	1.88%	4.92%
Calendar Year to Date Return	6.47%	11.50%	7.20%
1 Month Return	4.69%	1.88%	4.92%
3 Month Return	4.30%	3.20%	4.99%
6 Month Return	5.73%	4.64%	6.31%
1 Year Return	5.36%	27.76%	5.60%
Daily Average Return (Since Inception)	0.03%	0.14%	0.03%
Standard Deviation (Since Inception)	0.11%	0.98%	0.07%
Return FY-15	4.97%	25.92%	5.28%
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

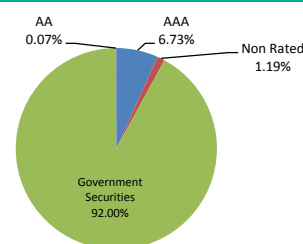
* Returns have been calculated as per MUFAP's formula

**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 1.397 mn, PKR 0.269 mn, and PKR 0.223 mn respectively. If the same were not made, the NAV per unit/return of ESF, DSF, and MSF would be higher by Rs. 3.08/0.91 %, Rs 0.44/0.34% and Rs 0.48/0.37% respectively.

Sector Allocation Equity	%	Top 10 Equities	%
Fertilizers	21.72%	Engro Fertilizer Company Ltd	9.95%
Food & Personal Care Products	11.65%	Engro Corporation	7.95%
Power Generation & Distribution	11.38%	National Foods	7.22%
Automobile Assembler	11.11%	D.G.K.Cement Company Limited	6.81%
Cement	10.16%	Thal Limited	6.21%
Jute	6.21%	Pak Suzuki Motor Co. Ltd.	5.87%
Other Equities	20.41%	ICI Pakistan Limited	5.36%
		Indus Motors Co. Ltd	5.25%
		Hub Power Company Limited	4.86%
		K-Electric	4.80%

Asset Allocation

HBL Money Market		HBL Debt		HBL-Equity	
31-Jul-15	30-Jun-15	31-Jul-15	30-Jun-15	31-Jul-15	30-Jun-15
Govt. Securities	92.00%	Govt. Securities	79.69%	Equities	92.65%
Others	1.19%	Others	0.85%	Others	0.28%
Cash	6.81%	Sukuks	2.74%	Cash	7.08%
		Cash	16.72%		
			13.51%		

Returns (%)*	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
HBL-IPF MMF*	4.12%	5.67%	0.31%	2.96%	12.01%	5.66%	9.06%	7.71%	6.66%	3.26%	4.92%
HBL-IPF Debt*	4.81%	5.88%	1.29%	3.46%	10.53%	5.94%	8.47%	6.72%	5.09%	3.03%	4.69%
HBL-IPF Equity**	4.65%	6.96%	6.81%	1.44%	6.56%	-0.96%	-7.94%	11.20%	-3.35%	4.81%	1.88%

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