



ASSET MANAGEMENT

ايسيت مينجمنت

AMC Rating : AM2- by JCR-VIS

FUND MANAGER'S REPORT (Islamic Funds)

June 2016

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Fund Manager's Commentary

30-Jun-16

For the Month of Jun'16, the fund posted a return of 4.11% whereas fund's YTD return at year end stood at 4.29%. The fund continued to maintain major exposure in Cash with AA+ rated banks.

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

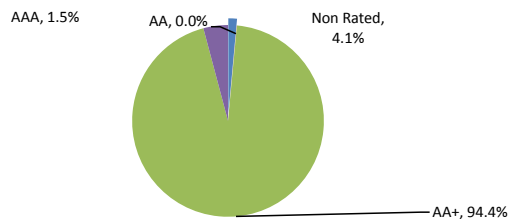
Net Assets	Rs. 505.769 million (30-Jun-16)
NAV	PKR 100.6132*
Launch Date	10-May-11
Management Fee	1% p.a
Expense Ratio with ST & FED	1.82%
Expense Ratio without ST & FED	1.50%
Listing	Pakistan Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	3-Month Deposit 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 & 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. 0.56/0.32%.

Weighted Average time to Maturity 1 Day

Asset Quality Portfolio (As at 30-Jun-16)

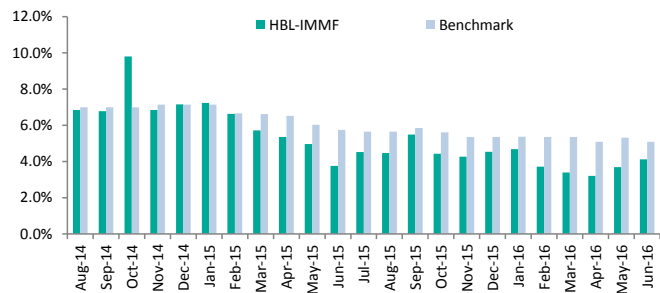


Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	8.62%	6.68%
Year to Date Annualized Return	4.29%	5.40%
Calendar Year to Date Annualized Return	3.83%	5.22%
1 Month Annualized Return	4.11%	5.09%
3 Month Annualized Return	3.68%	5.16%
6 Month Annualized Return	3.83%	5.22%
1 Year Annualized Return	4.29%	5.40%
Daily Average Return (Since Inception)	0.02%	0.02%
Standard Deviation (Since Inception)	0.11%	0.00%
Annualized Return FY-16	4.29%	5.40%
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%

* Returns have been calculated as per MUFAP's formula

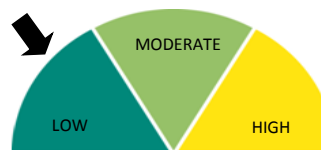
HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



Asset Allocation (% of Total Assets)

	Jun'16	May'16
Cash	95.86%	99.56%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	4.14%	0.44%
Term Deposit Receipts	0.00%	0.00%

Risk Level (Low)



MUFAP's Recommended Format

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Fund Manager's Commentary

30-Jun-16

In the month of Jun'16, the fund return was 2.57% vs. KMI30 return of 4.58%. During the month, notable events included: MSCI's announcement to upgrade PSX to Emerging Market status where PSX will have 0.2% weight in the index: the surprising result of EU referendum leading to volatility at the PSX as well where KSE100 lost 3.7% in intraday trade in the immediate aftermath but managed to close -2.2% and the announcement of FY17 Federal Budget which proved largely beneficial for the agricultural sector as well as some incentives were also announced to push exports and the overall manufacturing sector. Going forward, key factors to be vigilant of include: political situation post-Eid, upcoming monetary policy announcement in Jul'16 and government strategy post-IMF program conclusion.

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. 784.134 million (30-Jun-16)
NAV	PKR 128.0108*
Launch Date	10-May-11
Management Fee	2% p.a
Expense Ratio with ST & FED	3.25%
Expense Ratio without ST & FED	2.61%
Listing	Pakistan 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

Provision against WWF liability

* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 8.274 mn if the same were not made, the NAV per unit/return would be higher by Rs. 1.35/1.1%.

Sector Allocation (% of Total Assets)

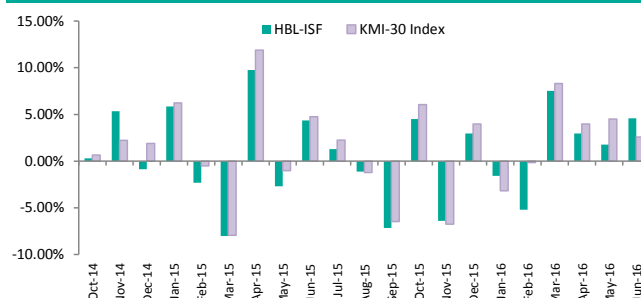
	Jun'16	May'16
Construction and materials	24.70%	27.82%
Power Generation & Dist.	14.53%	9.26%
Others	13.00%	12.66%
Engineering	11.01%	14.17%
OIL & GAS Exploration Co.	13.54%	11.33%
OIL & GAS Marketing Co.	2.00%	2.00%
Fertilizers	10.54%	11.22%
Automobile Assembler	1.91%	3.82%
Cable & Electrical Goods	2.16%	2.93%

Fund Returns (%)

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	123.56%	226.48%
Year to Date Return (Cumulative)	0.98%	15.53%
Calendar Year to Date Return (Cumulative)	7.82%	18.99%
1 Month Cumulative Return	2.57%	4.58%
3 Month Cumulative Return	7.47%	13.65%
6 Month Cumulative Return	7.82%	18.99%
1 Year Cumulative Return	0.98%	15.53%
Daily Average Return (Since Inception)	0.03%	0.10%
Standard Deviation (Since Inception)	1.22%	0.95%
Since Inception (CAGR)	16.92%	25.85%
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)



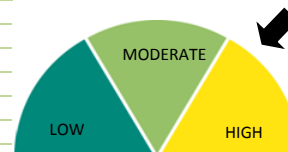
Asset Allocation (% of Total Assets)

	Jun'16	May'16
Cash	5.80%	4.37%
Stock/Equities	93.39%	95.21%
Others	0.81%	0.42%

Top Ten Holding (30-Jun-16)

Company	%
Hub Power Co. Ltd	9.30%
Lucky Cement Limited	8.88%
Engro Corporation Limited	8.70%
Pakistan Petroleum Ltd	6.99%
D.G. Khan Cement	6.12%
Crescent Steel & Allied Prod.	4.37%
Pakistan Oilfields Ltd.	4.22%
Packages Ltd.	3.84%
Mughal Iron & Steel	3.70%
Searle Pakistan Limited	3.57%

Risk Level (High)



MUFAP's Recommended Format

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Fund Manager's Commentary

30-Jun-16

HBL Islamic Asset Allocation Fund posted the return of 0.62% in the month of June'16 while the benchmark was up by 1.57%. Exposure in equities decreased by 9% to 18.68% in the month of June'16. Investment in Ijarah stood at 28.48%. KMI 30 increased by 4.58% on MoM basis, mainly on the back of re-classification of Pakistan market in the MSCI Emerging markets (effective May, 17). Foreigners were net buyers of USD 74 million in the month of June'16. Daily Average volume decreased by 97 million shares to 172 million shares.

Investment Objective

The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as equity, equity related instruments, fixed income HBL Islamic Asset Allocation Fund aims to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income / Money Market Instruments.

Investment Features

- Easy encashability
- Diversified Balanced Portfolio
- No minimum holding period

Fund Facts

Net Assets	Rs. 1349.888 million (30-Jun-16)
NAV	102.5411
Launch Date	11-Jan-16
Management Fee	1.5% p.a
Listing	Pakistan Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	30% KMI30 Index & 70% 6M Deposit Rate
Type	Open End
Category	Shariah Compliant Asset Allocation Scheme
Front end Load	upto 2%
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-4:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Fund Stability Rating	Not Rated

Leverage	Nil
Investment Committee	Rehan N. Shaikh, Amir Khan & Emmad Hashmi

Provision against WWF Liability

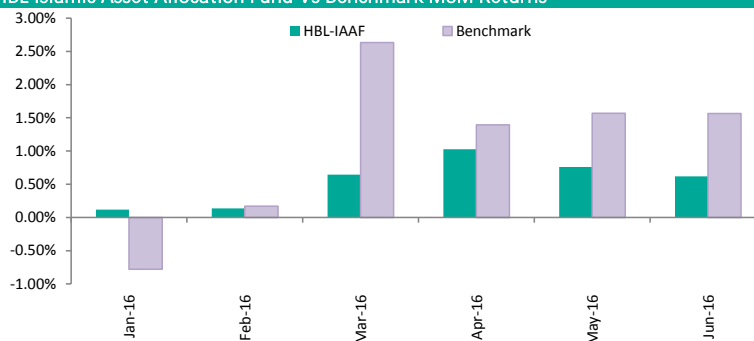
* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR NIL

Fund Returns (%)

	HBL-IAAF*	Benchmark
Year to Date Return (Cumulative)	3.35%	6.70%
Calendar Year to Date Return (Cumulative)	3.35%	6.70%
1 Month Cumulative Return	0.62%	1.57%
3 Month Cumulative Return	2.42%	4.60%
6 Month Cumulative Return	N/A	N/A
1 Year Cumulative Return	N/A	N/A
Daily Average Return (Since Inception)	0.02%	0.03%
Standard Deviation (Since Inception)	0.05%	0.29%
Return FY-16	3.35%	6.70%
Return FY-15	N/A	N/A
Return FY-14	N/A	N/A
Return FY-13	N/A	N/A
Return FY-12	N/A	N/A

* Returns have been calculated as per MUFAP's formula

HBL Islamic Asset Allocation Fund Vs Benchmark MoM Returns



Asset Allocation (% of Total Assets)

	Jun'16	May'16
Cash	44.51%	12.18%
GoP Ijarah Sukuk	28.47%	52.52%
Stock/Equities	18.68%	27.62%
Sukuk	5.78%	6.06%
Others	2.57%	1.62%

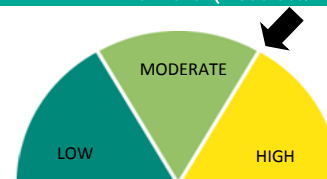
Sector Allocation (% of Total Assets)

	Jun'16	May'16
CEMENT	5.55%	7.24%
ENGINEERING	3.17%	4.46%
OIL & GAS EXPLORATION	2.81%	3.98%
POWER GENERATION & I	2.05%	1.91%
FERTILIZER	1.73%	4.21%
PHARMACEUTICALS	1.56%	2.19%
CABLE & ELECTRICAL GO	0.63%	1.04%
AUTOMOBILE ASSEMBLEF	0.51%	0.24%
FOOD & PERSONAL CARE	0.47%	0.00%

Top Ten Holding (30-Jun-16)

Lucky Cement	1.83%
Engro Corp.	1.78%
Mughal Steel	1.33%
Pakistan Petroleum	1.27%
Hub Power	1.06%
Crescent Steel	1.05%
K-Electric	1.04%
Mari Petroleum	0.98%
Amreli Steel	0.87%
Cherat Cement	0.84%

Risk Level (Moderate/High)



MUFAP's Recommended Format

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Fund Manager's Commentary

DF: The fund's exposure in government securities at the end of June'16 stood at 71.38%. The fund's return for the month stood at 6.26% p.a.

MMF: Exposure in government Securities at the end of June'16 stood at 29.78% of the fund size. Return of the fund for the month of June'16 stood at 8.53% p.a.

SF: In the month of June'16, the Fund return stood at 1.50%. Equity exposure at the end of month stood at 89.43% in terms of Total Assets of the fund. In the month of June'16, KMI 30 Index increased by 4.58%. Net inflow of USD 74 million was witnessed in FIPI in the month of June. Average daily volume decreased by 97 million shares to 172 million shares. Main events of the month includes inclusion of Pakistan market in MSCI Emerging market index (effective May'17) and an international front exit of UK from European Union.

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	Delloitte Pakistan
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	

Fund Size (million) as at 31-June-2016

Money Market	Debt	Equity
63.3423	88.2263	163.6354
NAV (PKR)		
129.4021	131.1889	345.9647
Leverage	Nil	

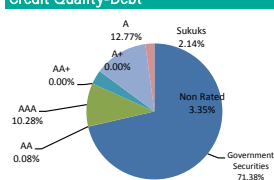
Fund Returns (%)

	Debt p.a	**Equity	MM p.a
Return Since Inception	6.80%	245.96%	6.41%
Year to Date Return	3.23%	5.56%	2.82%
Calendar Year to Date Return	3.48%	6.73%	2.84%
1 Month Return	6.26%	1.50%	8.53%
3 Month Return	5.17%	6.12%	4.88%
6 Month Return	3.48%	6.73%	2.84%
1 Year Return	3.23%	5.56%	2.82%
Daily Average Return (Since Inception)	0.02%	0.11%	0.02%
Standard Deviation (Since Inception)	0.10%	0.98%	0.06%
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

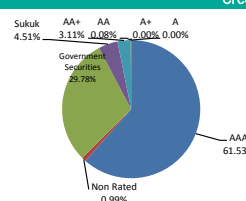
* Returns have been calculated as per MUFAP's formula

** 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. 2.94/0.85%, Rs 0.4/0.30% and Rs 0.46/0.36% respectively.

Risk Level



Sector Allocation Equity

Sector Allocation Equity	%	Top 10 Equities	%
Cements	18.3%	Hub Power	8.2%
Oil & Gas Exploration	10.5%	Lucky Cement	8.0%
Fertilizers	10.5%	Engro Corporation	6.5%
Engineering	9.6%	Pakistan Petroleum	5.4%
Power Generation	8.2%	DG Khan Cement	4.9%
Pharmaceuticals	7.2%	Packages Limited	4.3%
Paper & Board	4.3%	Crescent Steel	4.2%
Electricity	4.1%	K-Electric	4.1%
Transport	4.0%	Pakistan National Shipping	4.0%
Others	23.2%	Glaxosmithkelin	3.9%

Asset Allocation

	HBL Money Market		HBL Debt				HBL-Equity				
	30-Jun-16	31-May-16	30-Jun-16	31-May-16	30-Jun-16	31-May-16	30-Jun-16	31-May-16			
Govt. Securities	29.78%	29.06%	71.38%	70.56%	89.43%	88.86%					
Others	0.99%	0.11%	3.35%	2.58%	0.42%	0.44%					
Cash	64.72%	66.42%	2.14%	4.31%	10.15%	10.70%					
Sukuk	4.51%	4.41%	23.13%	22.55%							
Returns (%)*	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
HBL-IPF MMF**	3.83%	0.31%	2.87%	1.98%	2.51%	-2.06%	0.50%	3.92%	2.76%	3.34%	8.53%
HBL-IPF Debt*	3.42%	2.11%	2.76%	1.75%	2.69%	-4.25%	3.03%	6.60%	4.10%	5.10%	6.26%
HBL-IPF Equity**	-0.15%	-6.70%	4.55%	-5.19%	5.14%	-2.12%	-4.15%	7.21%	2.40%	2.10%	1.50%

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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