

FUND MANAGER'S REPORT (Islamic Funds)

April 2015

HBL

ASSET MANAGEMENT

إيسيت مينجمنت

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HBL Asset    

***Income Tax Ordinance:** As per section 62 of Income Tax Ordinance, the investment amount eligible for tax credit, at an average rate of tax is 20% of annual income or actual investment or Rs.1,000,000/= whichever is lower, subject to a 2 year holding period. Contributions made in HBL Pension Funds during any one tax year (i.e. between July 1 to June 30) shall be entitled to a tax credit under Section 63 of the Income Tax Ordinance 2001.

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Fund Manager's Commentary

30-Apr-15

For the month of Apr 2015, HBL Islamic Money Market Fund generated an annualized return of 5.36% against the benchmark return of 6.53%. The Fund's YTD return stood at 7.11% against the benchmark return of 6.92%. 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. 532.434 million (30-Apr-15)

NAV PKR 106.1220*

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

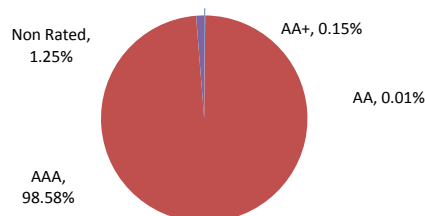
Naseer Ladhani, Fahad Aziz

Provision against WWF liability

* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 2.846 mn if the same were not made, the NAV per unit/return would be higher by Rs. 0.57/0.52%.

Weighted Average time to Maturity 1 Day

Asset Quality Portfolio (As at 30-Apr-15)

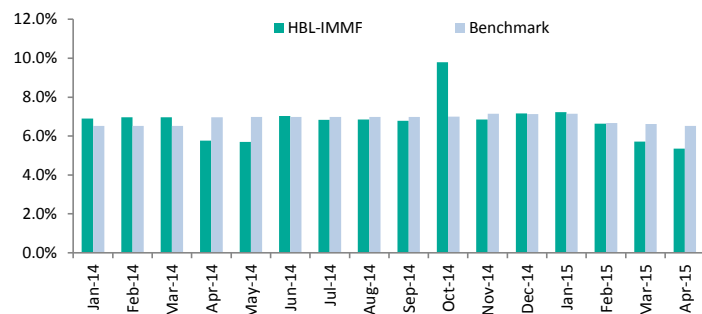


Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	9.41%	7.03%
Year to Date Annualized Return	7.11%	6.92%
Calendar Year to Date Annualized Return	6.28%	6.74%
1 Month Annualized Return	5.36%	6.53%
3 Month Annualized Return	5.91%	6.60%
6 Month Annualized Return	6.58%	6.87%
1 Year Annualized Return	7.05%	6.93%
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

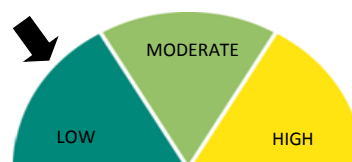
HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



Asset Allocation (% of Total Assets)

	Apr'15	Mar'15
Cash	98.75%	98.29%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	1.25%	1.71%
Term Deposit Receipts	0.00%	0.00%

Risk Level (Low)



MUFAP's Recommended Format

30-Apr-15

Fund Manager's Commentary

The Fund posted a monthly return of 9.75% during the month of Apr'15, underperforming the KMI-30 Index's gain of 11.89%. The underperformance in monthly return was driven by our underweight positions in HUBC and KAPCO, which rallied by 14% each driven by the government's announcement to cap circular debt at PKR 250 billion. We were overweight in KEL, which underperformed the market due to ongoing concerns regarding the partial liquidation of sponsors' holding in the company. Furthermore, the underweight position in PPL, which rose 16%, aggravated the underperformance. However, our active weight in the auto sector greatly supported Fund returns since INDU and PSMC stocks rose 20% and 24% respectively driven by outstanding earnings growth due to the weaker JPY. Additionally, our overweight positions in ENGR0 and EFOODS also contributed positively toward fund returns in Apr'15. Going forward, we expect the market to remain robust owing to receding inflationary pressure and MPS announcement expected in mid-May'15 with further monetary easing on the cards. However, towards the end of next month the market may behave volatile in tandem with news flow related to FY16 budget-related proposals.

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. 890.142 million (30-Apr-15)
NAV	PKR 145.0236*
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 7.97 mn if the same were not made, the NAV per unit/return would be higher by Rs. 1.29/0.87%.

Sector Allocation (% of Total Assets)

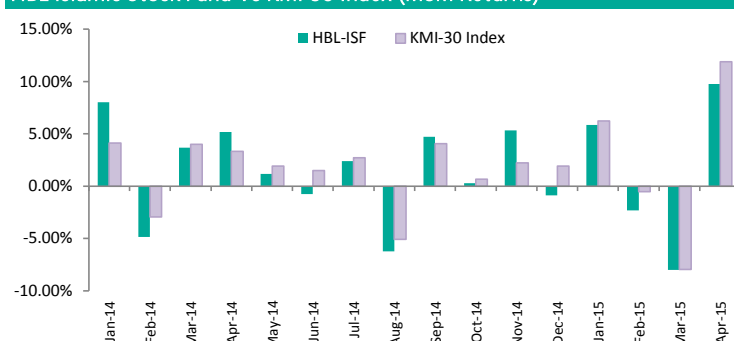
	Apr'15	Mar'15
Oil & Gas Marketing Companies	8.02%	11.73%
Power Generation & Dist.	15.22%	12.53%
Others	14.99%	14.25%
Oil & Gas Exploration Companies	8.69%	0.00%
Food & Personal Care Products	11.47%	7.53%
Automobile Assembler	10.70%	10.16%
Fertilizers	9.90%	16.48%
Cement	13.21%	15.64%

Fund Returns (%)

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	120.07%	172.55%
Year to Date Return (Cumulative)	9.94%	15.83%
Calendar Year to Date Return (Cumulative)	4.39%	8.87%
1 Month Cumulative Return	9.75%	11.89%
3 Month Cumulative Return	-1.39%	2.47%
6 Month Cumulative Return	9.01%	13.42%
1 Year Cumulative Return	8.14%	19.83%
Daily Average Return (Since Inception)	0.10%	0.10%
Standard Deviation (Since Inception)	0.88%	0.94%
Since Inception (CAGR)	21.95%	28.69%
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)



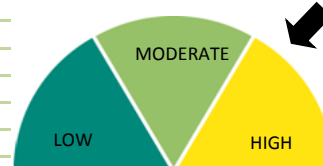
Asset Allocation (% of Total Assets)

	Apr'15	Mar'15
Cash	4.35%	4.30%
Stock/Equities	92.19%	88.32%
Others	3.46%	7.38%

Top Ten Holding (30-Apr-15)

Company	%
Hub Power Company Limited	7.44%
National Foods	5.93%
Engro Foods	5.54%
Indus Motor Company Ltd	5.39%
Pak Petroleum Limited	5.37%
Pak Suzuki Motor Co. Limited	5.31%
Maple Leaf Cement Factory	4.88%
Lucky Cement Limited	4.75%
Synthetic Products Enterprises Ltd.	4.71%
Engro Corporation	4.67%

Risk Level (High)



MUFAP's Recommended Format

Fund Manager's Commentary

DF: We maintained the fund exposure primarily in government securities at 84.64% of the fund size. The Fund's return for the month stood at 6.72% p.a.

MMF: In Islamic Money Market Fund we continued to maintain the Fund exposure largely in government securities i.e. up to 93.53% of the fund size. Return of the fund for the month under review stood at 7.71% p.a.

SF: During the month under review SF return stood at 11.20%. In the month of Apr'15 KMI30 Index gained by 11.89% mainly due to better than expected quarterly corporate results (ex-Oil & Gas). Going forward, we expect the market to remain robust owing to receding inflationary pressure and MPS announcement expected in mid-May'15 with further monetary easing on the cards. However, towards the end of next month the market may behave volatile in tandem with news flow related to FY16 budget-related proposals.

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

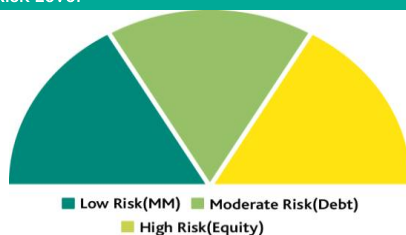
Fund Facts

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 30-Apr-2015

Money Market	Debt	Equity
57.83	73.47	148.98
NAV (PKR)		
124.7986	126.217	323.5546
Leverage	Nil	

Risk Level



Asset Allocation

	HBL Money Market		HBL Debt		HBL-Equity		
	30-Apr-15	31-Mar-15	30-Apr-15	31-Mar-15	30-Apr-15	31-Mar-15	
Govt. Securities	93.53%	85.33%	84.64%	87.66%	93.53%	91.78%	
Others	3.95%	2.94%	3.25%	2.80%	3.95%	0.98%	
Cash	2.52%	11.73%	2.97%	3.34%	7.21%	7.25%	
			Cash	9.13%	6.19%		

Returns (%)*	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
HBL-IPF MMF*	1.74%	1.34%	3.00%	4.12%	5.67%	0.31%	2.96%	12.01%	5.66%	9.06%	7.71%
HBL-IPF Debt*	4.08%	0.26%	2.84%	4.81%	5.88%	1.29%	3.46%	10.53%	5.94%	8.47%	6.72%
HBL-IPF Equity**	3.91%	0.41%	-5.52%	4.65%	6.96%	6.81%	1.44%	6.56%	-0.96%	-7.94%	11.20%

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.

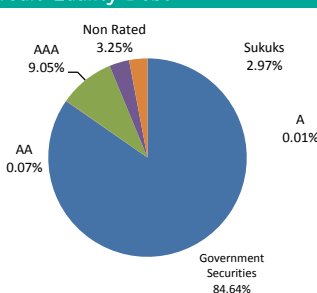
Fund Returns (%)

	Debt p.a	**Equity	MM p.a
Return Since Inception	7.67%	223.55%	7.25%
Year to Date Return	5.11%	24.30%	5.29%
Calendar Year to Date Return	8.05%	8.04%	8.78%
1 Month Return	6.72%	11.20%	7.71%
3 Month Return	7.12%	1.39%	7.58%
6 Month Return	6.17%	17.06%	6.40%
1 Year Return	5.63%	32.35%	5.36%
Daily Average Return (Since Inception)	0.03%	0.14%	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

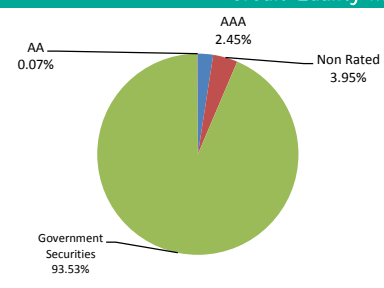
* Returns have been calculated as per MUFAP's formula

**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 1.343 mn, PKR 0.266 mn, and PKR 0.224 mn respectively. If the same were not made, the NAV per unit/return of ESF, DSF, and MSF would be higher by Rs. 2.92/0.88 %, Rs 0.46/0.36% and Rs 0.48/0.38% respectively.

Sector Allocation Equity	%	Top 10 Equities	%
Fertilizers	13.61%	Engro Corporation	8.93%
Power Generation & Distribution	13.33%	Hub Power Company Limited	8.73%
Food & Personal Care Products	12.07%	Pakistan State Oil	7.60%
Automobile Assembler	11.23%	National Foods	7.27%
Oil & Gas Marketing Companies	10.93%	D.G.K.Cement Company Limited	6.72%
Cement	6.72%	Thal Limited	6.39%
Jute	6.39%	Pak Suzuki Motor Co. Ltd.	6.05%
Other Equities	9.00%	Indus Motors Co. Ltd	5.18%
		Engro Foods	4.80%
		ICI Pakistan Limited	4.68%

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

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Fax: (92-42) 36281686

Islamabad Office Address

HBL Corporate Center, HBL
Building, Jinnah Avenue, Islamabad

Tel: (92-51) 2821183

Fax: (92-51) 2822206